

**Notice of a public meeting of
Executive**

To: Councillors Aspden (Chair), Ayre, Craghill, Cuthbertson, D'Agorne, Orrell, Runciman, Smalley, Waller and Widdowson

Date: Thursday, 11 February 2021

Time: 5.30 pm

Venue: Remote Meeting

A G E N D A

Notice to Members – Post Decision Calling In:

Members are reminded that, should they wish to call in any item* on this agenda, notice must be given to Democracy Support Group by **4:00 pm on Monday, 15 February 2021.**

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

1. Declarations of Interest

At this point, Members are asked to declare:

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

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

2. Minutes

(Pages 1 - 6)

To approve and sign the minutes of the last Executive meeting, held on 14 January 2021.

3. **Public Participation**

At this point in the meeting members of the public who have registered to speak can do so. Members of the public may speak on agenda items or on matters within the remit of the committee.

Please note that our registration deadlines have changed to 2 working days before the meeting, in order to facilitate the management of public participation at remote meetings. The deadline for registering at this meeting is 5:00pm on Tuesday, 9 February 2021.

To register to speak please contact Democratic Services, on the details at the foot of the agenda. You will then be advised on the procedures for dialling into the remote meeting.

Webcasting of Remote Public Meetings

Please note that, subject to available resources, this remote public meeting will be webcast including any registered public speakers who have given their permission. The remote public meeting can be viewed live and on demand at www.york.gov.uk/webcasts.

During coronavirus, we've made some changes to how we're running council meetings. See our coronavirus updates (www.york.gov.uk/COVIDDemocracy) for more information on meetings and decisions.

4. **Forward Plan** (Pages 7 - 8)

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

5. **City of York Council Recovery and Renewal Strategy - February Update** (Pages 9 - 18)

The Chief Operating Officer to present an update report for February 2021 on the council's activities both directly in response to Covid-19 and to support recovery and renewal.

6. **City of York Trading Limited - Proposed Amendments to Shareholders Agreement** (Pages 19 - 62)

The Director of Governance to present a report which asks Executive to review the Shareholders Agreement in respect of City of York Trading Limited and approve proposed amendments to the Agreement.

7. Renewal of the Council's Contract with Make it York (Pages 63 - 90)

The Corporate Director of People and the Corporate Director of Housing, Economy & Place to present a report which proposes the main terms on which the Council will let a new contract to Make it York (MIY) for the period 2021-24.

8. Request to Extend Home to School Transport Contracts (Pages 91 - 102)

The Corporate Director of People to present a report which seeks approval to extend the existing contracts for home to school transport to 31 August 2022.

9. 2020/21 Finance and Performance Monitor 3 (Pages 103 - 160)

The Chief Operating Officer to present a report which provides details of the council's overall finance and performance position for the period 1 April 2020 to 31 December 2020, together with an overview of any emerging issues.

10. Capital Programme - Monitor 3 2020/21 (Pages 161 - 184)

The Chief Finance Officer to present a report which sets out the projected out-turn position on the capital programme for 2020/21 and asks Executive to recommend to Council the adjustments detailed in the report and in Annex A.

11. Financial Strategy 2021/22 to 2025/26 (Pages 185 - 326)

The Chief Finance Officer to present a report which asks Executive to recommend to Council the financial strategy for 2021/22 to 2025/26, including detailed revenue budget proposals for 2021/22.

12. Capital Budget 2021/22 to 2025/26 (Pages 327 - 362)

The Chief Finance Officer to present a report which sets out the Capital Strategy for 2021/22 to 2025/26; in particular, proposals to prioritise investment in the economy, housing and transport and to invest to save, and asks Executive to recommend the revised capital programme to Council.

13. Capital Financing & Investment Strategy (Pages 363 - 372)

The Chief Finance Officer to present a report which asks Executive to recommend the capital and investment strategy to Council for approval, in accordance with the Prudential Code 2017.

14. Treasury Management Strategy Statement and Prudential Indicators for 2021/22 to 2025/26 (Pages 373 - 404)

The Chief Finance Officer to present a report which asks Executive to recommend to Council the treasury management strategy and prudential indicators for the 2021/22 financial year.

15. Urgent Business

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

Democratic Services officer:

Name: Fiona Young

Contact details:

- Telephone – (01904) 552030
- E-mail – fiona.young@york.gov.uk

For more information about any of the following please contact the Democratic Services officer responsible for servicing this meeting:

- Registering to speak
- Business of the meeting
- Any special arrangements
- Copies of reports and
- For receiving reports in other formats

Contact details are set out above.

This information can be provided in your own language.

我們也用您們的語言提供這個信息 (Cantonese)

এই তথ্য আপনার নিজের ভাষায় দেয়া যেতে পারে। (Bengali)

Ta informacja może być dostarczona w twoim własnym języku. (Polish)

Bu bilgiyi kendi dilinizde almanız mümkündür. (Turkish)

یہ معلومات آپ کی اپنی زبان (بولی) میں بھی مہیا کی جاسکتی ہیں۔ (Urdu)

 **(01904) 551550**

City of York Council

Committee Minutes

Meeting	Executive
Date	14 January 2021
Present	Councillors Aspden (Chair), Ayre, Craghill, Cuthbertson, D'Agorne, Orrell, Runciman, Smalley, Waller and Widdowson
In Attendance	Councillor Myers

81. Declarations of Interest

Members were asked to declare at this point in the meeting any personal interests not included on the Register of Interests, or any prejudicial or disclosable pecuniary interests, that they might have in the business on the agenda. No additional interests were declared.

82. Minutes

Resolved: That the minutes of the Executive meeting held on 15 December 2020 be approved as a correct record, to be signed by the Chair at a later date.

83. Public Participation

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

84. Forward Plan

Members received and noted details of the items that were on the Forward Plan for the next two Executive meetings at the time the agenda was published.

85. City of York Council Recovery and Renewal Strategy - January Update

The Chief Operating Officer presented a report which provided an update on the council's activities in response to Covid-19, both directly and to support recovery and renewal.

The report outlined activities across the three recovery themes - Economy, Communities and Corporate – in the context of the

rapid rise of cases in York since December and the national lockdown announced on 4 January. Full details of activities undertaken and planned to support the city's economy were attached at Annex 1.

The Director of Public Health gave a further update at the meeting, noting that cases in York had now reached 670.9 per 100,000. The national and regional rates stood at 654.9 and 338.8 respectively. The focus continued to be on prevention, with testing recently extended to those who were non-symptomatic but could not work from home. It was hoped that the impact of lockdown on case numbers would start to be seen in the next few weeks.

Representatives of Nimbuscare, the at-scale provider of health services formed of GP practices across York, provided an update on the progress of vaccination in the city and responded to Members' questions. To date, 12,000 people had been vaccinated and the vaccination of residents and staff in care homes was on track for completion early next week. From Monday, the Askham Bar site would operate as a national NHS vaccination centre.

Resolved: (i) That the contents of the report, the additional information provided at the meeting, and the steps taken to date to respond to the pandemic as set out in Annex 1, be noted.

(ii) That the following recommendations made by the Executive Member for Finance and Performance in November 2020 (as outlined in Annex 1), be endorsed:

To:

- i. implement a discretionary grants scheme providing support to the businesses outlined and at the levels indicated in the paper, to run until March 2022;*
- ii. instruct the Head of Economic Growth to develop more detailed proposals for a business support voucher scheme for consideration at a subsequent Executive Member Decision Session;*
- iii. allocate a preliminary budget of £200k from the Additional Relief Grant (ARG) funding to fund future activity aiming to accelerate*

- economic activity during the next reopening;
and*
- iv. *ask officers to bring back a further report to the relevant Executive Member Decision Session to consider amendments to the ARG eligibility criteria.*

Reason: To keep the council's response to the pandemic under review, and to provide support to York businesses that are affected by the Covid-19 restrictions but not eligible for Local Restrictions Grant funding.

86. The York Business Improvement District Renewal Ballot

The Interim Director of Place presented a report which set out proposals for a second term for the York Business Improvement District (BID), outlined the renewal prospectus and voting process, and sought Executive support for a renewal ballot for the York BID.

The first York BID had been voted in by City Centre levy payers in November 2015. It began operating in April 2016 across the geographical area shown in Annex 1 to the report, and was coming to the end of its 5-year term. The BID had proved popular with most levy payers and its role in supporting York businesses and promoting the city centre had been particularly valuable during the pandemic. The council was a major levy payer, provided essential baseline services (as set out in Annex 2), collected the levy on behalf of the BID and had a vote in the ballot renewal process. The ballot had been delayed by the recent lockdown and was now due to take place between 18 February and 18 March 2021.

Andrew Lawson, Executive Director of York BID, spoke in support of the proposals, noting that the partnership work in response to Covid-19 had strengthened relationships and left businesses better able to respond to key challenges. A second term would enable the BID to take a more strategic approach. The draft Business Plan (published as Annex 3 in the Agenda Supplement) was in the process of completion and the final version would be made available online.

On behalf of the Executive, the Chair thanked the staff and volunteers of the BID for their work since 2016 and especially over the past ten months, and it was

Resolved: (i) That the BID be supported in their campaign to secure a second term in York through a ballot of all businesses in the BID area set out in Annex 1.

(ii) That the Leader of the Council be requested to cast the Council's ballot votes in support of a further term.

Reason: To allow the work of the BID and its partners to continue to boost the city centre economy, and to ease difficult trading conditions for retailers, particularly in a post-pandemic recovery environment.

(iii) That the content of the BID Business Plan and the council's Baseline Service Level Agreements be noted.

(iv) That the role of the York BID, Make it York and other key city partners in supporting the city centre economy be noted.

Reason: To be clear on the role of all partners, as well as the commitments of the council, in maintaining statutory services.

87. Street Works – Changing from Noticing to a Permitting Scheme

The Assistant Director of Transport, Highways & Environment presented a report which sought approval to introduce a permit scheme to govern all utility and highway works activities within the council's highways network, in order to achieve improvements to these activities and comply with the Department of Transport's request that all highways authorities move to a permit scheme.

The report followed feasibility work undertaken in 2019 and statutory consultation on a proposed permit scheme between August and October 2020. Three options were available, as set out in paragraphs 9-12 of the report and summarised below:

Option A – approve the proposed scheme, fee levels and team structure set out in Annexes A, B and F. This was the recommended option.

Option B – ask officers to develop a different scheme for consultation. Not recommended, as it would cause delay and potentially increase costs / provide a reduced service;

Option C – remain a noticing authority. Not recommended as it could result in a scheme being imposed and would provide no additional income to fund street works.

Resolved: (i) That Option A be approved and the proposed permit scheme, fee levels and implementation set out in Annexes A, B and F to the report be adopted.

(ii) That authority be delegated to the Corporate Director of Housing, Economy & Place, in consultation with the S151 Officer and the Director of Governance or her delegated officers, to implement future changes to the scheme and associated fees.

Reasons:

- To improve City of York Council's ability to manage applications to work on its road network, including the ability to refuse applications, enabling the council to better meet its Network Management Duty;
- to reduce disruption on the road network and delays for all road users; and
- to encourage a greater emphasis on safety on street and road works sites through an enhanced site inspection regime.

Cllr K Aspden, Chair

[The meeting started at 5.30 pm and finished at 6.43 pm].

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Forward Plan: Executive Meeting: 11 February 2021

Table 1: Items scheduled on the Forward Plan for the Executive Meeting on 18 March 2021

Title and Description	Author	Portfolio Holder
<p>CYC Renewal and Recovery Strategy Update</p> <p>Purpose of Report To provide an update on activities in response to the Covid-19 and the work to support recovery and renewal. This follows previous Executive decisions to approve the Recovery and Renewal Plan, which frames the Council's recovery activities for the year.</p> <p>Executive will be asked to: note the report.</p>	Will Boardman	Executive Leader
<p>Community Asset Update</p> <p>Purpose of Report To set out a list of proposals to grant new leases to a number of community based groups.</p> <p>Executive will be asked to: agree to the grant of the new leases as set out in the report, to local community organisations and groups and procure an operator for one facility.</p>	Nick Collins, Andrew Laslett, Dave Meigh, Shirley Simpson	Executive Member for Finance and Performance
<p>Considering the case for Additional Houses in Multiple Occupation Licensing</p> <p>Purpose of Report To determine whether to undertake public consultation on a proposal to introduce additional HMO licensing.</p> <p>Executive will be asked to: consider the existing evidence base and determine whether they wish to approve a 10 week consultation on the introduction of additional licensing for Houses in Multiple Occupation in order to improve standards.</p>	Ruth Abbott	Executive Member for Housing & Safer Neighbourhoods

Title and Description	Author	Portfolio Holder
<p>Joint Waste Management Agreement</p> <p>Purpose of Report To set out the progress to date in developing the Joint Waste Management Service between the City Council and North Yorkshire County Council. The new joint service will be responsible for waste disposal after it has been collected by the City Council and the management of the Allerton Park Energy from Waste site. The service will also have responsibility for the Household Waste sites but the City Council will retain control over the service levels.</p> <p>Executive will be asked to: approve the Joint Waste Management Agreement between CYC and NYCC to create the service as outlined in the report.</p>	Shaun Morley	Executive Member for Environment and Climate Change
<p>York Outer Ring Road –Phase 1 Dualling – Resolution for preparation of a Compulsory Purchase Order (CPO)</p> <p>Purpose of Report To provide an update on the progress of the YORR upgrade project and next steps in the process of securing land for the York Outer Ring Road project including preparation of a Compulsory Purchase Order.</p> <p>Executive will be asked to: approve the preparation of a CPO for the land required for the YORR Phase 1 Dualling. A separate report will be brought to Executive concerning the outcome of the consultation process once complete</p>	Gary Frost	Executive Member for Transport

Table 2: Items scheduled on the Forward Plan for the Executive Meeting on 22 April 2021

None currently listed.

Table 3: Items Slipped on the Forward Plan

None



Executive**11 February 2021**

Report of the Chief Operating Officer
Portfolio of the Leader of the Council

City of York Council Recovery and Renewal Strategy – February Update**Summary**

1. This report provides an update on activities both directly in response to Covid-19 and the work to support recovery and renewal. This follows previous Executive decisions to approve the Recovery and Renewal Plan, which frames the Council's recovery activity for this year.
2. In this month's report, there is an update on response work related not only to Covid-19 but simultaneous concerns around flooding, pressures upon discharge from hospital and cold weather. The impacts of Brexit are considered, alongside the need for the safe reopening of the city when restrictions allow.
3. It is highly likely given the fast-changing nature of the pandemic that some of the information within this report will have changed between publication and the Executive meeting. Updates will, therefore, be given at the meeting.

Recommendations

4. Executive is asked to:
 - a. Note the contents of the report

Background

5. On 25th June, Executive received a report to outline the council's 1-year Recovery and Renewal Strategy. This highlighted the need for a revised set of strategies to address the very significant and immediate impacts of coronavirus across all aspects of life in our city.
6. The strategy set the following principles upon which we will build our response:

- a. Prioritise the health and wellbeing of our residents, against the immediate threat of coronavirus and the consequences of changes to the way we live. Public Health guidance will be paramount in all the decisions we make.
- b. Support the economic recovery of the City, helping to create a strong, sustainable and inclusive economy for the future. Learning lessons from the challenges of coronavirus, promote a system that utilises the strengths of our city and region to the benefit of all York’s residents and businesses.
- c. Protect and prioritise the City’s environment and reinforce our work to mitigate and adapt to climate change.
- d. Pursue improvements in service delivery where they have been identified as part of the Response phase, creating a more efficient and resilient system.
- e. Reinforce and restore public confidence in the resilience of public agencies and resilience to future challenges and emergencies.

7. Included in June’s report was a One Year Transport and Place Strategy, as the first part of the economic recovery approach. A report in July supplemented this with a Business Support Plan, a Skills and Employment Plan and a Tourism Marketing Plan.

CYC Recovery and Renewal Plan (1 year)				
Economic Recovery Plan			Communities	Corporate
Business Support Plan	One Year Transport and Place Plan	Skills and Employment Plan	Recovery from coronavirus: A community-based approach	Organisational Development Plan
Tourism Marketing Plan				

Latest Outbreak Update

8. Given the rapidly changing context and increase in cases in York, an update on the latest situation will be given verbally to the Executive at the meeting.
9. The latest official 7 day rate of positive cases of Covid in York is, at 29 January, 269.2 per 100,000 population. This is higher than the average rate of cases for the Yorkshire and Humber region but below the national average. In recent weeks, the case rates in the city have fallen substantially following a sharp rise. However they are still too high, and the council is reminding everyone of the importance of staying at home where possible, to protect the NHS and save lives.

10. During the third week of January, a combination of factors began to put additional strain on the council's response efforts. Snow melt and heavy rain across the catchments of the Ouse and Foss led to rising river levels. Whilst normal flood protocols were enacted, additional challenges were created by the need to ensure Covid-safety for officers, partner agencies and residents during these operations. The council and partners went out early with mitigation measures which helped to allow residents to plan and enact their own flood plans. The response worked well, despite the challenges, and with river levels peaking at just below 4.8m, the defences protected as many homes and businesses as possible.
11. At the same time, additional pressure was being felt by social care teams working closely with health colleagues, as the number of people who needed hospital care increased significantly. This required all parts of the system to work together to identify places where people could be safely cared for and supported, including those with highly complex needs. Partnership working, incredible commitment and flexibility by all staff and good communication between agencies ensured safe arrangements for patients and residents but the challenge was and remains significant.
12. Towards the end of the week, the weather also turned colder again and gritting teams were deployed across the city. Given the multiple competing demands upon council front line teams and back-office support, the fact that response protocols coped with the challenges was pleasing, acknowledging the round-the-clock efforts of staff required to respond.
13. The council continues to support the Vale of York CCG and Primary Care will the rollout of the Covid-19 vaccination programme. The vaccination programme continues to progress well and is expected to meet the target of offering the vaccine to the first four Joint Committee for Vaccination and Immunisation (JCVI) priority groups by 15th February 2021. There has been good feedback about the mass vaccination centres in York. Initial logistical teething problems with parking and flow of people have been resolved and the sites are operating at a high-level of throughput.
14. The council is progressing well with the implementation of the Covid-19 testing and contact tracing strategy for the City. Testing for people with symptoms of Covid-19 continues to be available at the drive-through site at Poppleton Bar and the walk-in site at Wentworth Way. Rapid asymptomatic or symptom-free testing continues to be available at the York public health team run sites at York St John University and University of York, with a further site opening at the York Stadium Leisure Complex on 8 February 2021. There are also mobile testing sites at York Acorn Rugby Club and in Haxby to improve access to testing in those communities that have recently seen a high rate of infection.

15. This approach to providing testing in areas of higher rates of infection is proving effective at identifying cases and represents a flexible model to continue to address community transmission. The council is also lobbying for more granular data from Government and health agencies to support this more targeted approach to testing and support local track and trace systems.
16. The council contact tracing service provided by the Public Health Team continues to be effective in reaching the majority of positive cases referred by the NHS Test and Trace Service

Recovery Updates

Economic

17. Given the current lockdown restrictions, the council has continued to ensure businesses can access available grants and financial support as quickly as possible. Looking ahead, when lockdown restrictions are lifted, there is evidence from recent reports (including Centre for Cities) that York is well placed to recover quickly in comparison to come other places.
18. In particular, the return of visitors to support York's visitor and tourism economy will be welcome for the many of our businesses. However, it is likely that York will be a very attractive destination as soon restrictions allow visits from further away and it is important that the city can cope safely with the volume of people, given the need for ongoing social distancing.
19. Officers are working with businesses and transport operators to ensure plans are robust to deal with a return to high levels of visitors, supporting local businesses whilst prioritising public health.
20. Since 31st December, the UK has been subject to post-Brexit rules and regulations. As previously reported to Executive, Covid-19 has been a far higher immediate priority for businesses and there was uncertainty both in terms of the intelligence the council received and businesses themselves as to whether all necessary preparations had been made.
21. At this point, the evidence base of impacts is still emerging. The York and North Yorkshire LEP has been continuing to liaise with business at a regional level and has reported some emerging issues with trade arrangements. Over half of the region's import and export activity is to/from the EU. There are emerging concerns about:
 - a. shipments not complying with Rules of Origin or not adhering to Sanitary and Phytosanitary (SPS) requirements;

- b. some items not meeting EU rules on export. One example is raw sausages and other minced meats (unless frozen);
- c. a drop in available migrant workers;
- d. the additional administration costs needed to trade with the EU, especially given the predominance of small businesses;
- e. the ending of EU funding programmes for sectors such as BioTech.

22. The council itself has seen some isolated challenges in terms of supply chain. This has affected spare parts for mechanical equipment from European suppliers, impacting on the availability of particular machines. Work is ongoing with suppliers to try to rectify the supply issues.

23. So far, the council has helped more than 6,000 businesses, paid out £56m in business grants, awarded over £140million in grants and relief, with City of York Council one of the fastest paying councils in the UK. In January, senior councillors approved proposals to extend grant payments to businesses severely impacted by current national restrictions. These additional categories eligible for the Additional Restrictions Grant were:

- a. Offering grants to businesses which trade almost exclusively in York, but are not residents of the area, including many York-licensed taxi drivers and market traders who missed out on previous grants
- b. Giving the small number of B&Bs and hotels who legitimately pay council tax, rather than business rates, the same level of grant as other accommodation businesses
- c. Adding the childcare sector to the list of eligible businesses, and allowing nurseries to qualify for the highest level of grant
- d. Supporting supply-chain businesses who are dealing with the closures of their customers.

24. For those businesses who apply successfully for the first time, a grant for November's lockdown period will automatically be paid. Any business which has already successfully applied for the schemes does not need to reapply. Grants will automatically be distributed and this is being managed by the council's payments team, who are aiming to process the grants quickly.

Communities

25. 31 January marked a year since the first cases in the UK were reported in York. Over the last 12 months, as it has throughout the city's history, York's community spirit and resilience has been displayed time and time again.

26. For example:

- a. Over 4,000 people stepped forward to volunteer.
- b. Thousands of residents have been supported from our 9 community hubs.
- c. We have home-schooled, supported local businesses and adapted to the many challenges
- d. Schools and early year's settings have worked hard to keep schools open. 100 per cent of schools are open for vulnerable children and children of key workers
- e. City of York Council continue to provide 2,100 children free school meals and 6,400 vouchers have been provided with a value of £95,000

27. The efforts of residents, communities and institutions across York have been remarkable. However, it is clear that much of the impact of Covid-19 remains to be felt, with the likelihood of increased poverty and debt, mental health and other health issues, rising inequality and the need to rebuild and strengthen community connections which have been impacted by enforced isolation. The refresh of the Council Plan and development of a 10 year City Plan (see paragraph 33 below) is driven directly by the recognition that the human costs of Covid will continue to be felt for years to come.

Corporate

28. 31 January marks a year since the first cases in the UK were reported in York. At the time, nobody would have predicted the enormity of impact of the pandemic to come. However, there is evidence that the initial response by all agencies in York was effective. Research published in the *Epidemiology and Infection Journal*¹ shows that following those first two cases, there was no onward transmission and for a short time the actions taken helped keep the city and the country safe.

29. The anniversary has attracted considerable media scrutiny, reflecting the media interest at the time. As a result, the council has worked with local, regional and national media to make sure the way York's response is reported reflects the considerable effort of officers and members, public health, partners and residents and businesses to continue to keep the city safe.

30. Following local and national insight showing that people are suffering from "Covid fatigue", with the risk they are less likely to adhere to the restrictions or follow public health guidance, the council has launched a campaign designed to highlight the impact of Covid on York residents and businesses. Known as "mycovidStory", the campaign retells sometimes

¹ <https://www.cambridge.org/core/journals/epidemiology-and-infection/article/covid19-public-health-management-of-the-first-two-confirmed-cases-identified-in-the-uk/86BFB6BE58CA5260915C3E4B45D31D59>

harrowing stories from residents, medical professionals and those adversely affected by Covid. The campaign has been supported by a wide range of partners including York Hospital, CVS, St Leonards Hospice, Universities and sports clubs.

31. As outlined in the Capital Budget Report, also on this agenda, there continues to be significant investment in York to support a strong and sustained recovery. The council remains committed to the key capital investments in support of our major regeneration projects.
32. 2020 was a really significant year for the York Central Project. Following the granting of the Outline Planning consent in 2019, the Reserved Matters application for the first phase of enabling infrastructure was submitted in April and approved in November. In August the Ministry of Housing, Communities and Local Government (MHCLG) awarded a £77.1m funding package to the landowner partners Homes England / Network Rail for delivery. Detailed Design work for the infrastructure was completed, benefitting from the outcomes of Early Contractor Involvement, and pricing is being confirmed by the contractor. In July, delivery of an early phase of enabling works was approved by Executive with CYC / York North Yorkshire Local Enterprise Partnerships (YNYLEP) funding, ahead of the MHCLG announcement. This has now been contracted and starting on site this month to clear areas of the site ahead of the main works.
33. The information necessary to discharge the West Yorkshire Transport Fund Final Business Cases conditionality was submitted in December and formal approval and release of the £23.5 WYCA Transport Fund is anticipated by March 2021. We should therefore see delivery of the infrastructure commence later in the year to open up the site for development.
34. To ensure that the full potential of the York Central development to deliver wider social and environmental benefits is realised; Executive released £150k in November to undertake a Housing Feasibility study for the initial phase of development, working with the landowner partners. A YNYLEP funded review has also examined the potential to deliver the standards of Environmental Performance necessary in commercial developments to accord with the Council's net zero carbon ambitions
35. There has been significant progress too on the Castle Gateway project. Planning permission has been secured for both Castle Mills and the new St George's Field multi-storey car park which are the first key sites in the delivery of the masterplan. Procurement is under way to appoint a contractor to undertake the detailed design of Castle Mills and provide a tender price for construction. At that point a report will be brought to the Executive in the autumn of 2021 to approve the project and allocate the total construction budget, and to decide whether to proceed with the

procurement of a contractor for St George's Field. This would provide the replacement car parking which would allow Castle Car Park to close to be replaced with new public realm. The design work for that public realm is underway, with a planning application due to be submitted in the summer, to create a shovel-ready project to give the council the best opportunity of securing external or government funding

36. Recognising the changed context within which the council will be operating for the coming years, the Council Plan is being refreshed to identify any areas of new or additional focus. Alongside this, work is underway with city partners to structure a 10-year plan to help shape recovery and build on York's strengths. The plan will unite the strategic direction provided by existing city-wide strategies and policies, creating an overall direction of travel at a city level over the coming decade. By doing so, the increased alignment of the objectives of city partners will support greater clarity of messaging out to communities, businesses and investors, supporting York's recovery. York is already being identified as a place with significant potential to recover quickly and build back better. Creating a compelling strategy at a city level will support and add to this potential. This will be reported on to Executive in due course.

Council Plan

37. The Recovery and Renewal Strategy outlines activities for the next year to allow the continued achievement of Council Plan outcomes.

Implications

- **Financial** – No specific impacts identified in this report.
- **Human Resources** – No specific impacts identified.
- **One Planet Council / Equalities** – A principle of recovery is to ensure climate change is considered in decisions taken. The economic recovery plans recognise and respond to the unequal impact of coronavirus and the risk of increasing levels of inequality as a result.
- **Legal** – No specific impacts identified.
- **Crime and Disorder** – No specific impacts identified.
- **Information Technology** – No specific impacts identified.

Risk Management

38. There remain significant areas of risk in responding to this crisis across all areas of recovery. The highest priority continues to be the health and wellbeing of residents and all planning and decisions will be taken with this in mind.

Contact Details

Authors:

Will Boardman

Head of Corporate Policy and
City Partnerships

Chief Officer Responsible for the report:

Ian Floyd

Chief Operating Officer

Report

Approved

Date

03/02/21

Wards Affected: List wards or tick box to indicate all

All

For further information please contact the author of the report

Background Reports

Update on Coronavirus Response – 7 May 2020

<https://democracy.york.gov.uk/documents/s139955/Coronavirus%20Executive%20Report.pdf>

City of York Council Recovery and Renewal Strategy - June

<https://democracy.york.gov.uk/ielssueDetails.aspx?IId=59688&PlanId=0&Opt=3#AI55501>

CYC Recovery and Renewal Strategy Update – July

<https://democracy.york.gov.uk/mglssueHistoryHome.aspx?IId=59899>

CYC Recovery and Renewal Strategy update - August

<https://democracy.york.gov.uk/ielssueDetails.aspx?IId=60167&PlanId=0&Opt=3#AI55914>

CYC Recovery and Renewal Strategy update – September

<https://democracy.york.gov.uk/documents/s142400/Recovery%20and%20Renewal%20Update%20Report.pdf>

CYC Recovery and Renewal Strategy update – October

<https://democracy.york.gov.uk/ielssueDetails.aspx?IId=60724&PlanId=0&Opt=3#AI56530>

City of York Council Recovery and Renewal Strategy - November Update

<https://democracy.york.gov.uk/documents/s144127/Recovery%20and%20Renewal%20Update%20-%20November%202020%20v0.3.pdf>

City of York Council Recovery and Renewal Strategy – December update

<https://democracy.york.gov.uk/ielssueDetails.aspx?IId=61412&PlanId=0&Opt=3#AI57153>

City of York Council Recovery and Renewal Strategy –January Update

<https://democracy.york.gov.uk/ielssueDetails.aspx?IId=61755&PlanId=0&Opt=3#AI57489>



Executive**11 February 2021**

Report of the Director of Governance & Monitoring Officer

Portfolio of the Leader of the Council & Executive Member for Policy, Strategy and Partnerships

City of York Trading Limited - proposed amendments to Shareholders Agreement**Summary**

1. The Council is the sole owner of two companies (City of York Trading Ltd. and Make it York Ltd) and the joint owner of five others (Yorwaste Ltd., YPO Procurement Holdings Ltd., Veritau Ltd., York Science Park Ltd and Science City York Ltd). The different governance arrangements in relation to each company was becoming increasingly complex and so, in June 2016, Executive approved the establishment of a Shareholder Committee to ensure the effective governance of trading company activities.
2. The establishment of the Shareholder Committee meant the Council was more easily able to demonstrate clear management of its differing responsibilities, as both an owner (shareholder) of those companies and a client of the businesses. Greater consistency of the governance of the bodies has provided reassurance that:-
 - the Council is acting in an open and transparent manner in respect of its trading activities;
 - the objectives of the companies are being delivered;
 - performance and risk are being managed;
 - the extent of any delegation of responsibilities to Shareholders and Directors is clear;
 - there is transparency around key Council decisions;

- commercial confidentiality can be effectively maintained where appropriate.
3. Some of the Council owned companies have a shareholders agreement in place. Such an agreement sets out which decisions in relation to a company must be reserved to Executive or the Shareholder Committee.
 4. The Executive last reviewed the Shareholders Agreement in relation to City of York Trading (“**CYT**” or the “**Company**”) in 2015. The CYT Board felt it was time to review the Shareholders Agreement again to ensure that its provisions accurately reflect the current day-to-day running of CYT and that it is able to operate properly going forward.
 5. This report provides the relevant background information for the Executive to review and determine whether to approve the proposed amendments to the Shareholders Agreement for CYT.

Recommendations

1. The Executive are asked to:

Option 1:- approve the amendments to the Shareholders Agreement and agree to affix the Council’s seal to the document

Reason:- to ensure the provisions of the Shareholders Agreement accurately represent the most current and up-to-date practices of CYT

2. **Option 2:-** note that the s151 Officer and the Monitoring Officer, in consultation with the Chair of the Shareholder Committee, have commenced a review of the Shareholder Committee and its associated governance arrangements and updated arrangements will be reported to Full Council for approval to update the Council’s Constitution

Reason:- to ensure governance arrangements for the Shareholder Committee remain effective and fit for purpose

Background

3. CYT was established in 2011, and the Council is the sole shareholder. The main business of CYT is the supply of temporary

teaching, care and administrative staff, although other services can be and are traded through the Company.

4. CYT currently has three brands trading:
 - a. **Work with York**, which provides recruitment services for temporary, permanent and seasonal jobs on an ad hoc, part and full time basis for clients based in and around York filling a wide range of vacancies including admin, customer service, ICT, technical and finance to social work, events and manual work;
 - b. **Work with Schools**, which provides similar services for education establishments including nurseries, schools, academies and colleges in and around the York area;
 - c. **Work with Yorkshire**, a new brand planned to enable CYT to develop regional recruitment services in both the public and private sectors.
5. CYT is governed by:
 - a. the rules set out within its Articles of Association which are filed at Companies House; and
 - b. the provisions set out within a Shareholders Agreement between the Council and CYT, which the parties have been working to since 2012 (the “**Shareholders Agreement**”).

The provisions of the Shareholders Agreement take precedence over the Articles.

6. The Shareholders Agreement sets out those decisions that the Directors can only make with the approval of the Council. In particular, the Council is able to control the strategic direction of CYT through having the right to approve substantial changes in its Business Plan. The Executive previously reviewed this agreement at its meeting in September 2015.
7. The Council is responsible for appointing CYT’s Board and selecting the Chair. From its inception, a Councillor has chaired the Board. The current management structure is attached to this Report at **Annex A**.
8. A cross party Shareholders Committee (now known as the CYT Shareholder Group) has had oversight of the Company since its inception and receives a quarterly report. The Shareholders

Committee has no decision-making powers but, in accordance with the 2015 Shareholders Agreement, may advise the Executive on the exercise of its powers as shareholder and may make recommendations to the Board in respect of the appointment of Directors.

9. Following 2018/19, changes in Board personnel and a series of resignations from the CYT Board that directly affected the Company's ability to carry out its business due to the Board becoming at times inquorate, the Board felt it was time to review the Shareholders Agreement again. This was to ensure that the provisions of the Shareholders Agreement accurately reflect the current day-to-day running of CYT and that it is able to operate properly going forward.
10. Since May 2020, CYT's Board of Directors and the Council's Legal Services Department have had a number of discussions to agree the proposed amendments in principle.
11. In summary these amendments:
 - Alter the balance between the numbers of Executive and Non-executive Directors, allowing now:
 - a minimum of six Directors on the board (formerly five), comprised of:
 - at least three Council appointed Non-executive Directors, (formerly a minimum two);
 - a minimum of two Independent Non-executive Directors appointed by the board acting together; and
 - at least one Executive Director to act as the Managing Director of the Company; and
 - A maximum of ten Directors on the board (formerly nine), consisting not more than:
 - four Executive Directors, including the Managing Director (formerly five); and
 - six Non-executive Directors (formerly four), of which now only three can be Council appointed Non-executive Directors.

- The quorum for Board meetings shall remain at three Directors, including at least one Non-executive Director (which can now be either a Council Non-executive Director or an Independent Non-executive Director).
12. A mark-up of the 2015 Shareholders Agreement illustrating the proposed amendments is attached to this Report at **Annex B**.
 13. Before the Council can execute and seal the amended Shareholders Agreement, it requires the approval of the Executive in accordance with paragraph 3.2(a) of Section 3BA (Responsibility of Functions – Shareholders Committee) of the Constitution. This states that any decision to amend the governance arrangements of a company, including the Shareholders Agreement, is reserved to the Executive.
 14. In addition, Schedule 1, paragraph 1.2.23 of the Shareholders Agreement states that CYT will not enter into, or vary any contract with any of its Directors or any Shareholder, without the prior written consent of the Council and/or approval of the Shareholder Committee.

Consultation

15. The Board of Directors of CYT have discussed and agreed the changes recommended in this report.

Options

16. **Option 1:** Approve the amendments to the Shareholders Agreement and agree to affix the Council's seal to the document
17. **Option 2:** Reject the amendments to Shareholders Agreement

Analysis

18. **Option 1:** Approve the amendments to the Shareholders Agreement - this would ensure the provisions of the Shareholders Agreement accurately represent the most current and up-to-date practices of CYT
19. **Option 2:** Reject the amendments to Shareholders Agreement - this would mean the provisions of the Shareholders Agreement do not accurately represent the most current and up-to-date practices of CYT, and effective governance arrangements for CYT would not be in place.

Council Plan

20. The proposals in this report further the priorities in the Council Plan with regard to well-paid jobs and an inclusive economy and an open and effective Council.

Implications

Financial

21. None directly arising from this report.

Human Resources (HR)

22. The HR implications are detailed within this report, insofar as they relate to the Company.

Equalities

23. None directly arising in this report.

Legal

24. Legal Services have been in discussion with CYT since May 2020 and have been fully involved in drafting the proposed changes to the Shareholders Agreement to ensure they do not negatively affect the Council in any way.
25. If the Executive approves the amendments to the Shareholders Agreement, the Council will need to provide a formal written shareholder's resolution to the Company prior to the Shareholders Agreement being completed. This will need to be signed by a member of the Shareholder Committee on behalf of the Council, and by the Managing Director on behalf of CYT. As the Agreement is a private document between CYT and the Council, this can take the form of an ordinary resolution and does not need to be filed at Companies House.
26. If approved by the Executive, Legal Services will work with CYT to finalise the relevant documentation.

Crime and Disorder

27. None directly arising in this report.

Information Technology (IT)

28. None directly arising in this report.

Property

29. None directly arising in this report.

Other

30. None directly arising in this report.

Risk Management

31. The approval of this Shareholder Agreement for CYT will serve to mitigate any risks, which may arise from a governance perspective.

Contact Details

Author:

Dan Moynihan
Senior Solicitor, Contracts
& Commercial
Legal Services

Tel No.

01904 554143

Chief Officer Responsible for the report:

Janie Berry
Director of Governance & Monitoring
Officer

**Report
Approved**



Date 1/2/21

Specialist Implications Officer(s)

Financial Implications – Patrick Looker
Legal Implications – Dan Moynihan

Tel No. 01904 554143

Wards Affected:

All



For further information please contact the author of the report

Background Papers:

Section 3BA (Responsibility of Functions – Shareholders Committee) of the Constitution.

Annexes:

- Annex A – City of York Trading Limited – Current Company Structure
- Annex B – City of York Trading Limited – Amended 2012 Shareholders Agreement

CYT BOARD OF DIRECTORS

Cllr Ian Cuthbertson
Non Executive
Director & Chair

Karen Bull
Managing Director

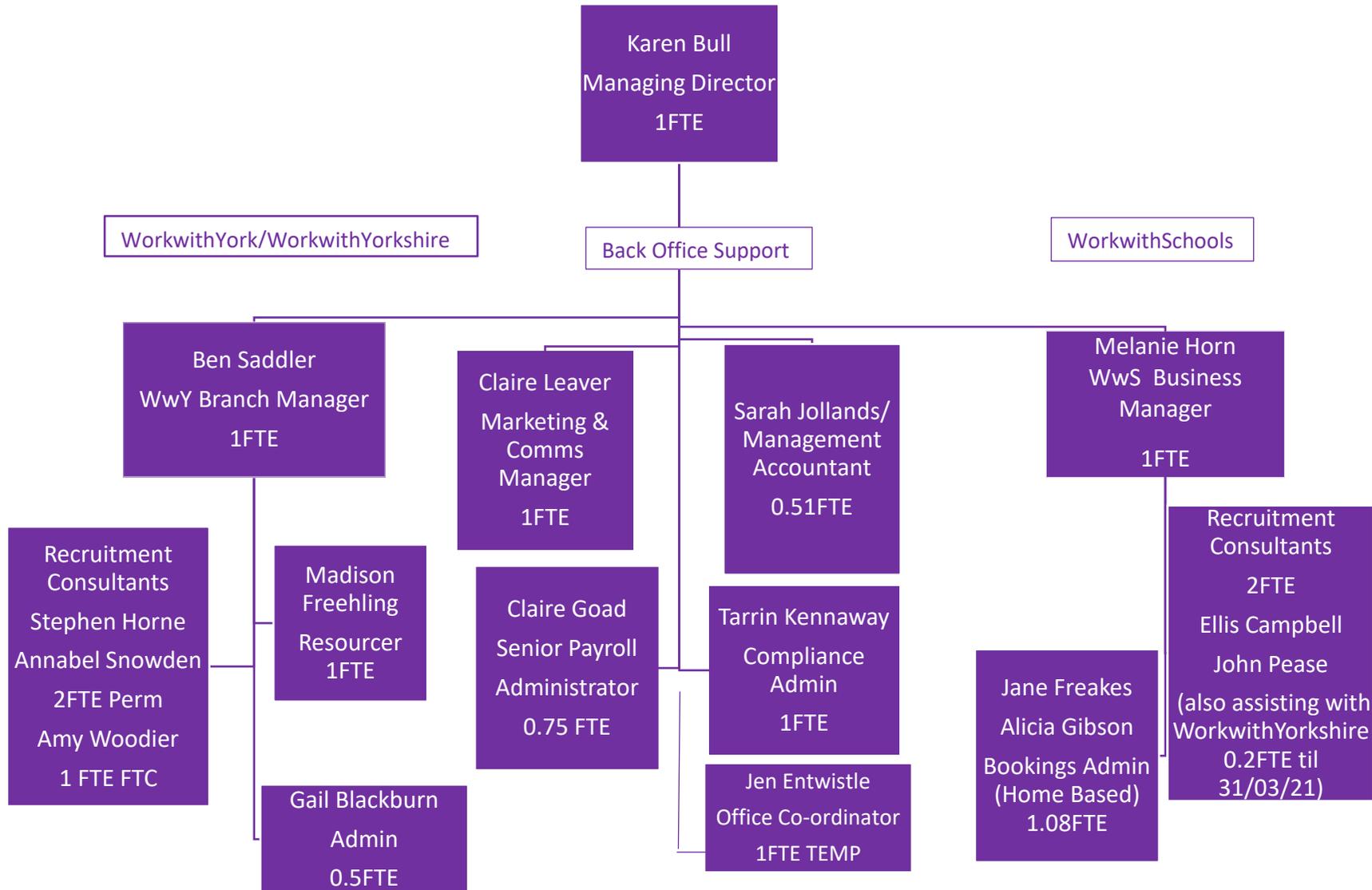
John Dobson
Non Executive
Director

Oliver Wright
Non Executive
Director

Cllr Kallum Taylor
Non Executive
Director

Cllr Simon Daubeney
Non Executive
Director

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DATED _____ **2020**

(1) CITY OF YORK COUNCIL

- and -

(2) CITY OF YORK TRADING LIMITED

SHAREHOLDERS AGREEMENT

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THIS AGREEMENT is made on

2020

BETWEEN

- (1) **CITY OF YORK COUNCIL** of West Offices, Station Rise, York YO1 6GA~~The Guildhall, York YO1 9QN (update to West Offices?)~~ (the "**Council**");
- (2) **CITY OF YORK TRADING LIMITED** a company registered in England, (Company No. 07852072) whose registered office is at West Offices, Station Rise, York, YO1 6GA (the "**Company**");

RECITALS

- (A) The Council is a local authority within the meaning of the Local Government Act 2000.
- (B) The Company is a private company established in 2012 and is limited by ordinary shares of £1.00 each. The sole member of the Company is the Council, holding 1 ordinary share.
- (C) The Company is established under the provisions of the Local Government Act 2003 and the 2009 Trading Order with powers to provide and manage the Services to other third parties and the Council.
- (D) The parties entered a Shareholders agreement in 2012 to regulate the manner in which the Company is to be managed, and this Agreement replaces that original agreement.

1 DEFINITIONS AND INTERPRETATION

1.1 The following words and phrases shall, where the context so requires bear the following meanings:

- "2009 Trading Order"** Statutory Instruments 2009 No. 2393 Local Government, England The Local Government (Best Value Authorities) (Power to Trade) (England) Order 2009;
- "Act"** means the Companies Act 2006 including any duly enacted modification, re-enactment or amendment thereto, and any statutory instrument derived from it;
- "agreed terms"** means in a form agreed between the parties and initialled by them or their legal representatives

accordingly;

- "Annual Business Plan"** means the annual business plan to be approved by the Board
and adopted by the Company each year;
- "Articles"** the Articles of Association of the Company as amended from time to time;
- "Associate"** means in relation to any company:
- (a) any company of which such company is a subsidiary;
 - (b) any subsidiary of such company; or
 - (c) any other subsidiary of such company's holding company;
- "Board"** means the board of directors of the Company as constituted in accordance with this Agreement and the Articles from time to time;
- "Business Day"** means a day other than a Saturday, Sunday or a bank holiday in England;
- "Business Plan"** means the business plan dated 4 October 2011 prepared by the Council for the purpose of setting out the objectives of the Business, how they are able to be achieved and how related standards are to be met;
- "Business"** means the trading business carried out or to be carried out by the Company as set out in the Business Plan or any Annual Business Plan;
- "Chairman"** means such Council Non-Executive Director as may from time to time be recommended to be appointed as chairman of the Board by the Shareholder Committee

and appointed by the Directors;

"Completion"	means completion of this Agreement in accordance with its terms;
"Connected Party"	means in relation to any Shareholder any Associate, employee, director or authorised representative of that Shareholder;
"contribution"	means any contribution made to a surplus of the Company;
"contributor"	means any Shareholder who has contributed to a surplus of the Company;
"Corporate Covenants"	means the covenants set out in Part 1 of Schedule 2;
"Council Covenant"	means the covenant set out in Part 2 of Schedule 2;
"Council Mission Statement"	means the Council's Corporate Strategy Document <u>Plan 2011/12 – 2019-23</u> , as updated, supplemented or replaced from time to time;
"Council Non-Executive Director"	has the meaning given in Clause 7.1.1 of this Agreement;
"CPA"	means the Audit Commission's local authority comprehensive performance assessment regime;
"Directors"	means the directors of the Company appointed in accordance with the terms of this Agreement and the Articles from time to time (each a " Director ");
"Encumbrance"	means any interest or equity of any person (including any right to acquire, option or right of pre-emption) or any mortgage, charge, pledge, lien, assignment, hypothecation, security interest (including any created by law), title retention or other security agreement or arrangement or a rental, hire purchase credit sale or other agreement for payment on deferred terms;

"Executive Director"

means a Director who is engaged in the day to day running and administration of the trading business carried out or to be carried out by the Company;

"Indebtedness"

means any obligation for the payment or repayment of money, whether joint or several, actual or contingent, in respect of:-

- (a) moneys borrowed or raised (including the capitalised value of obligations under financial leases and hire purchase agreements and deposits), debit balances at bank accounts and interest and other charges thereon or in respect thereof;
- (b) any liability under any debenture, bond, note, loan stock, commercial paper or other security or under acceptance or documentary credit, bill discounting or note purchase facilities;
- (c) any liability in respect of the deferred acquisition cost of property, assets or services to the extent payable after the time of acquisition or possession thereof by the party liable;
- (d) any guarantee or other assurance against financial loss in respect of any of the indebtedness specified in this definition;
- (e) any cost or liability under any interest rate or currency hedging agreement; and
- (f) any other transaction having the commercial effect of the borrowing or raising of money;

"Independent Non-Executive Director"

has the meaning given in Clause 7.1.2 of this Agreement;

"Law"

means:

- (a) any applicable statute or proclamation or any delegated or subordinate legislation;
- (b) any enforceable community right within the meaning of section 2 (1) European Communities Act 1972 (as saved and modified by the European Union (Withdrawal) Act 2018);
- (c) any applicable guidance, direction or determination with which the Parties or some of them are bound to comply to the extent that the same are published and publicly available or the existence or the contents of them have been notified to the Company by the Shareholders; and
- (d) any applicable judgement of a relevant court of law which changes binding precedent in England and Wales,

in each case in force in England and Wales;

"Memorandum"	means the memorandum of association of the Company;
"Non-Executive Director"	means a Director who is not engaged full time in the day to day running and administration of the Business;
"Ordinary Shares"	means the ordinary shares of one Pound Sterling (£1) each in the capital of the Company
"parties"	means the parties to this Agreement;
"Project"	means any project undertaken by the Company in accordance with the Business Plan or Annual Business Plan as otherwise agreed to be undertaken by the Council;
"Remuneration and Staffing"	means the committee made up exclusively of the Non-Executive Directors, to whom the Board has delegated

Committee”	the responsibility of forming and implementing policy for the remuneration of the Executive Directors, determining targets for performance-related pay or share schemes and determining the total individual remuneration package of each Executive Director including, where appropriate, salary, bonuses, pensions, incentive payments and share schemes;
"s151 Officer"	means the officer appointed by the Council from time to time with responsibility for the proper administration of the Council's financial affairs pursuant to s151 of the Local Government Act 1972;
"Services Agreement"	means the services agreement entered into between the (1) the Council and (2) the Company in respect of the making available and/or provision of the various business support services and other function related activities by the Council to the Company for the purposes of the Business, as amended by the parties from time to time in accordance with its terms and conditions;
"Services"	means the various business support services and other function related activities to be provided and managed by the Company to other third parties and the Council;
"Shares"	means issued shares in the capital of Company of any class;
"Shareholder"	means any person holding Shares from time to time;
"Shareholder Committee"	means the Shareholder Committee to be appointed in accordance with Clause <u>Error! Reference source not found.</u> of this Agreement; and
"Shareholder Policy"	means the policy developed by the Council detailing the role and responsibilities of the Shareholder Scrutiny Committee as amended from time to time.

- 1.2 This Agreement shall be interpreted according to the following provisions, unless the context requires a different meaning:
- 1.2.1 The headings and marginal notes and references to them in this Agreement shall be deemed not to be part of this Agreement and shall not be taken into consideration in the interpretation of this Agreement.
 - 1.2.2 Except where the context expressly requires otherwise, references to clauses, sub-clauses, paragraphs, sub-paragraphs, parts and Schedules are references to clauses, sub-clauses, paragraphs, sub-paragraphs and parts of and Schedules to this Agreement and references to Sections, Appendices and Attachments (if any) are references to Sections, Appendices and Attachments to or contained in this Agreement.
 - 1.2.3 The Schedules to this Agreement are an integral part of this Agreement and a reference to this Agreement includes a reference to the Schedules.
 - 1.2.4 Words importing persons shall, where the context so requires or admits, include individuals, firms, partnerships, trusts, corporations, governments, governmental bodies, authorities, agencies, unincorporated bodies of persons or associations and any organisations having legal capacity.
 - 1.2.5 Where the context so requires words importing the singular only also include the plural and vice versa and words importing the masculine shall be construed as including the feminine or the neuter or vice versa.
 - 1.2.6 The language of this Agreement is English. All correspondence, notices, and information shall be in English.
 - 1.2.7 References to any Law are to be construed as references to that Law as from time to time amended or to any Law from time to time replacing, extending, consolidating or amending the same.
 - 1.2.8 References to a public organisation shall be deemed to include a reference to any successor to such public organisation or any organisation or entity which has taken over either or both the functions and responsibilities of such public organisation.
 - 1.2.9 The words in this Agreement shall bear their natural meaning. The parties have had the opportunity to take legal advice on this Agreement and no term shall, therefore, be construed *contra proferentem*.

- 1.2.10 In construing this Agreement, the rule known as the *ejusdem generis* rule shall not apply nor shall any similar rule or approach to the construction of this Agreement and accordingly general words introduced or followed by the word "other" or "including" or "in particular" shall not be given a restrictive meaning because they are followed or preceded (as the case may be) by particular examples intended to fall within the meaning of the general words.
- 1.2.11 Reference to a document being in Agreed Form is a reference to the form of the relevant document agreed between the parties and for the purpose of identification initialled by each of them or on their behalf.
- 1.2.12 Where this Agreement states that an obligation shall be performed "**no later than**" or "**within**" or "**by**" a stipulated date or event which is a prescribed number of Business Days after a stipulated date or event the latest time for performance shall be noon on the last Business Day for performance of the obligations concerned.
- 1.2.13 A reference to a "**subsidiary**" or "**holding Company**" in this Agreement shall have the meaning given to them respectively in the Act.
- 1.2.14 In the event of conflict between the terms of this Agreement and the Articles, the terms of this Agreement shall prevail and, in the event of such conflict, the Shareholders shall procure at the request of any of the Shareholders such modification to the Articles as shall be necessary to remedy such conflict.
- 1.2.15 A person, being a company, shall be "controlled" by another person if that other person owns a majority of the voting equity of that person or controls the majority of the votes at meeting of the board of directors of that person.

2 COMPLETION

- 2.1 Completion shall take place immediately upon the execution of this Agreement by each of the parties.
- 2.2 At Completion:
- 2.2.1 the Company shall procure that the necessary board and/or Shareholder resolutions are passed to adopt the Articles with immediate effect and enter into this Agreement; and

2.2.2 the Council shall procure that the necessary steps are taken to approve the entry into this Agreement.

3 COVENANTS

3.1 The Company covenants with the Council in the terms of the Corporate Covenants set out in Part 1 of Schedule 2.

3.2 The Council covenants with the Company in the terms of the Council Covenant set out in Part 2 of Schedule 2.

4 FURTHER CAPITAL

4.1 The Council shall not be required to subscribe for any further Shares or to provide any additional funding for the Company.

4.2 If, in the opinion of the Board the Company requires further funding, the Board shall, having consulted the Council, determine how the Company should obtain such additional funding, whether by way of the allotment of further Shares, by obtaining additional debt finance, or such other means as the Board may determine, provided always that the Board shall obtain prior written consent from the Council in accordance with the Corporate Covenants.

5 WARRANTY

5.1 The Company warrants and represents to the Council that it is duly incorporated under the law of England and Wales and has the corporate power to enter into and to exercise its rights and perform its obligations under this Agreement, the Services Agreement and the Articles to which it is a party.

6 PURPOSE AND MANAGEMENT

6.1 The primary purpose of the Company will be to develop the Business in accordance with the Business Plan and each subsequent Annual Business Plan thereafter. At all times during the term of this Agreement:

6.1.1 the Company shall operate policies which are consistent with the Council Mission Statement;

6.1.2 the business of the Company will consist exclusively of the Business;

- 6.1.3 with the exception of those matters reserved to the Council pursuant to the Corporate Covenants, all the business of the Company, other than routine day to day business, shall be undertaken and transacted by the Directors;
- 6.1.4 no payment will be made by the Company and no cheque or payment instruction of the Company shall be signed other than in accordance with the mandates (general or specific) authorised by the Board from time to time; and
- 6.1.5 the Company will conduct the Business and its affairs in a proper and efficient manner and for its own benefit and in accordance with the Business Plan and Annual Business Plan.

7 BOARD AND MEETINGS

- 7.1 The minimum number of Directors shall be ~~five (5)~~six (6), consisting of at least:
 - 7.1.1 ~~two (2)~~three (3) elected Members of the Council, appointed by the Council as Non-Executive Directors (the “**Council Non-Executive Directors**”);
 - 7.1.2 two (2) Non-Executive Directors who are neither employees of the Company, nor Members or Officers of the Council (the “**Independent Non-Executive Directors**”); and
 - 7.1.3 the Managing Director of the Company.
- 7.2 The maximum number of Directors shall be ~~nine (9)~~ten (10), consisting of not more than ~~five (5)~~four (4) Executive Directors (including the Managing Director) and ~~four (4)~~six (6) Non-Executive Directors, no more than three (3) of whom shall be elected Members of the Council (in line with Clauses 7.1.1 and 7.1.2 above).
- 7.3 Any Director who is not an employee of the Company shall be appointed upon the terms and conditions set out in Schedule 3, or such other terms as the Board may agree from time to time.
- 7.4 The quorum for Board meetings shall be three (3), including at least one Non Executive Director. At Board meetings each Director shall have one vote.
- 7.5 The Company will advertise for the recruitment and appointment of Independent Non-Executive Directors and Executive Directors unless appointed by way of a restructure.

Where appropriate, the Board will then create a shortlist of and interview candidates. The Board will submit its final recommendations to Shareholder Committee for approval before the formal appointment of any such Directors by way of a formal Board resolution.

- 7.6 The Company shall procure that the Directors shall appoint the Council Non-Executive Directors recommended by the Shareholder Committee, and the Shareholder Committee shall recommend for appointment a replacement Council Non-Executive Director should the number of Council Non-Executive Directors fall below the number specified in Clause 7.1.
- 7.7 The Company shall procure that the Directors shall appoint the Council Non-Executive Director recommended by the Shareholder Committee as Chairman of the Board. If at any Board meetings the numbers of votes for and against a proposal are equal, the Chairman (or [any](#) other Director chairing the meeting) shall have a casting vote.
- 7.8 The Company shall not remove or purport to remove any Director as a Director of the Company or any of its subsidiaries without the prior written consent of the Shareholder Committee.
- 7.9 Resolutions of the Board shall be determined by a simple majority of votes cast for or against each resolution.
- 7.10 Unless otherwise agreed by all of the Directors, the Directors shall be given not less than ten (10) Business Days' notice (or such other period of notice as may be agreed from time to time by all of the Directors) of each meeting of the Board, specifying the date, time and place of the meeting. All meetings of the Board shall take place at such location as the Board shall agree.
- 7.11 Unless otherwise agreed by the Board:
- 7.11.1 meetings of the Directors shall be held at least monthly on such dates as they may agree (and failing such agreement on such day as the Chairman shall decide);
- 7.11.2 a telephone conference call or video conference or a combination of the same, at which all participants are able to speak to and hear each of the other participants and at which for all times at that meeting a quorum of the Directors is able to so participate, shall be valid as a meeting of the Directors;
- 7.11.3 a resolution in writing signed by all the Directors entitled to receive notice of a meeting and vote at the meeting shall be as valid and effectual as if it had been passed at a meeting of Directors duly convened and held; and

7.11.4 any Director shall by notice to the Company and each other Director be entitled to convene a meeting of the Directors on not less than ten (10) Business Days notice.

7.12 Unless otherwise agreed by all of the Directors, an agenda (and copies of any relevant supporting documents) for each meeting of the Board shall be sent to all Directors not less than five (5) Business Days prior to the relevant meeting and, unless otherwise agreed by all of the Directors, draft minutes of meetings of the Board will be sent to each Director as soon as practicable after the holding of the relevant meeting.

7.13 The Company expressly acknowledges that, where Directors are employees of the Council, those Directors will act in accordance with their legal and general responsibilities as Directors and not (for the avoidance of doubt) in their capacity as employees of the Council.

8 SHAREHOLDER COMMITTEE

8.1 In support of the Company's business objectives, the Council has established a Shareholder Committee. The Shareholder Committee consists of a minimum of two (2) executive members of the Council. The Council may appoint additional non-voting members of the Committee.

8.2 The Shareholder Committee shall appoint one of its members as Chair.

8.3 The role of the Shareholder Committee shall not be operational. The Shareholder Committee shall:

8.3.1 receive and review each Annual Business Plan;

8.3.2 review the financial performance of the Company;

8.3.3 consider the performance by all parties of their respective obligations under this Agreement, the Services Agreement and the Articles;

8.3.4 consider the Directors' response to any queries previously raised by the Shareholder Committee; and

8.3.5 exercise the functions of the Council in relation to the giving of Shareholder consent for the matters set out in paragraph 1.2 of Schedule 2 below, other than consent required by the following paragraphs under Schedule 2 for which the approval of the Council's Executive is required:

8.3.5.1 paragraph 1.2.3 (allotment of further share capital);

- 8.3.5.2 paragraph 1.2.7 (formation of a subsidiary);
- 8.3.5.3 paragraph 1.2.8 (joint ventures);
- 8.3.5.4 paragraph 1.2.10 (amendments to the Articles);
- 8.3.5.5 paragraph 1.2.26 (winding up etc.);
- 8.3.5.6 paragraph 1.2.32 (listing of share capital); and
- 8.3.5.7 paragraph 1.2.34 (negotiations re sale etc.).

- 8.4 The Shareholder Committee will meet with the ~~the~~ Executive Directors and Chairman of the Board (or nominated substitute) at least twice in each year to consider and review the matters set out in Clause 8.3 above.
- 8.5 The Board will send a report at least twice per year to each of the Shareholder Committee. The Directors shall provide all information reasonably required for the Shareholder Committee to conduct an effective review.
- 8.6 The Shareholder Committee will not have any executive authority over the Company, but shall allow the Parties to make representations to one another in relation to (inter alia) the Company's performance under this Agreement, and the Council and the Company's satisfaction of their respective obligations under the Services Agreement.

9 DISTRIBUTIONS

- 9.1 For each accounting reference period of the Company in respect of which its annual audited accounts show that the Company has surplus contributions available, the Company shall, unless the Council otherwise determines, procure that such surplus shall be applied in the following manner:
 - (a) the provision of capital to finance the continuing operations and internal growth of the business of the Company in accordance with an Annual Business Plan;
 - (b) retention of profits consistent with the normal commercial requirements of a business similar to that carried on by the Company;
 - (c) the distribution of any surplus to contributors on the basis of their respective contributions to such surplus.
- 9.2 Any surpluses which remain undistributed may be distributed to the Shareholders as deemed appropriate by the Directors.

10 DATA PROTECTION, FREEDOM OF INFORMATION AND ANTI-BRIBERY

10.1 The Company shall:

10.1.1 comply with its obligations under the Data Protection Act 2018 (including where appropriate giving notification to the Information Commissioner thereunder), the Computer Misuse Act 1990, Human Rights Act 1998, Freedom of Information Act 2000 and the Bribery Act 2010;

10.1.2 provide the Council with such information as the Council may require to satisfy itself that the Company is complying with the obligations referred to in Clause 10.1.1;

10.1.3 provide the Council with all such assistance as the Council may require to enable it to comply with its obligations under the Freedom of Information Act 2000;

10.1.4 notify changes to the registrable particulars of the Company and take such other steps as may be necessary to afford the Council access to information which is required by the Council in connection with any of its statutory duties and responsibilities and for any purpose connected with this Agreement.

10.2 Neither party shall knowingly do anything which places the other in breach of its respective obligations under the Computer Misuse Act 1990, Data Protection Act 2018, Human Rights Act 1998, the Freedom of Information Act 2000 or the Bribery Act 2010.

11 CONFIDENTIALITY

11.1 For the purposes of this Clause 11, "**Confidential Information**" means all information (whether marked as confidential or not) of a confidential nature disclosed (whether in writing, verbally or by any other means and whether directly or indirectly) by one party (the "**Disclosing Party**") to another party (the "**Receiving Party**") whether before or after the date of this Agreement including, without limitation, any information relating to the Disclosing Party's, operations, processes, plans or intentions, know-how, design rights, trade secrets, market opportunities and business affairs.

11.2 During the term of this Agreement and after termination or expiry of the Agreement for any reason whatsoever, the Receiving Party shall:

11.2.1 keep Confidential Information confidential;

11.2.2 not disclose Confidential Information to any other person other than with the written consent of the Disclosing Party or in accordance with this Agreement; and

11.2.3 not use Confidential Information for any purpose other than the performance of its obligations under this Agreement and the other Project Documents

11.3 During the term of this Agreement, the Receiving Party may disclose Confidential Information to its employees, contractors, sub-contractors, agents and advisers under conditions of confidentiality in each case to the extent that it is reasonably necessary for the purposes of this Agreement, or any other Project Document and may disclose Confidential Information to its funders, prospective funders, prospective Shareholders of the Company or prospective purchasers of its assets under conditions of confidentiality. In each case the permitted recipient of such Confidential Information shall be known as a "**Recipient**".

11.4 The Receiving Party shall so far as practicable procure that each Recipient is made aware of and complies with all the Receiving Party's obligations of confidentiality under this Agreement as if the Recipient were a party to this Agreement.

11.5 The obligations contained in Clauses 11.2 and 11.4 shall not apply to any Confidential Information which:

11.5.1 is at the date of this Agreement in, or at any time after the date of this Agreement comes into, the public domain other than through a breach of this Agreement by the Receiving Party or any Recipient;

11.5.2 can be shown by the Receiving Party to the reasonable satisfaction of the Disclosing Party to have been known by the Receiving Party before disclosure by the Disclosing Party to the Receiving Party;

11.5.3 subsequently comes lawfully into the possession of the Receiving Party from a third party who is not bound by duties of confidentiality; or

11.5.4 is required by Law or a regulatory authority or body or any Government department or by the Project Documents to be disclosed.

12 COMPLIANCE WITH LAWS

- 12.1 The parties agree that they shall not use the trading powers pursuant to the Local Government Act 2003 to authorise trading in anything or service which the Council is statutorily obliged to do or provide in relation to any person.
- 12.2 Nothing in this Agreement shall be deemed to, or shall require the Council to fetter its discretion in relation to any matter whatsoever.
- 12.3 The Company will keep proper books of account and make true and complete entries of all its dealings and transactions of and in relation to its Business.
- 12.4 The Company shall not carry out any activity which would or could render the holding of Shares by the Council unlawful provided that where a proposed change of Law would render such shareholding unlawful the Council will use its reasonable endeavours to take such steps as are necessary to allow it to continue lawfully to hold its Shares; and
- 12.5 The Company will if it requires any approval, consent or licence for the carrying on of its business in the places, and in the manner in which it is from time to time carried on or proposed to be carried on, use all reasonable endeavours to maintain the same in full force and effect.

13 GOVERNING LAW AND JURISDICTION

- 13.1 This Agreement shall be subject to the laws of England and Wales.
- 13.2 The parties agree that the courts of England and Wales shall have exclusive jurisdiction to hear and settle any action, suit, proceeding or dispute in connection with this Agreement and irrevocably submit to the jurisdiction of those courts.

14 FURTHER ASSURANCE

Each party will execute any document and do any thing and use all reasonable endeavours to procure that any third party (where necessary) executes any deed or document and does any thing reasonably necessary to implement the terms of this Agreement.

15 COSTS

- 15.1 Each party shall bear its own costs in relation to the drafting, negotiating and implementation of this Agreement, the Services Agreement and the Articles.

16 DURATION

- 16.1 Forthwith upon it ceasing to hold any Shares the Council shall cease to have any rights or obligations under this Agreement save that its obligations under Clause 11(**Confidentiality**) shall not be affected.
- 16.2 Save as provided in Clauses 16.1, 16.4 and 16.5 this Agreement shall continue in full force and effect until the earliest of the following dates:
- 16.2.1 the date on which an effective resolution is passed or a binding order is made for the winding-up of the Company; or
- 16.2.2 the date on which the parties agree in writing to terminate this Agreement.
- 16.3 In the event of a termination occurring other than in accordance with Clause 16.2.2, the Company shall (if not already in liquidation) be placed into voluntary liquidation and after payment of liabilities, its assets shall be distributed to in the same proportions as the members holdings of Shares at the time of the determination.
- 16.4 The provisions of this Agreement shall nevertheless continue to bind the parties after termination of this Agreement to such extent and for so long as may be necessary to give effect to the rights and obligations embodied herein.
- 16.5 Nothing in this Agreement shall operate so as to prejudice any rights which one party may have against another and which may have accrued before its termination.

17 ASSIGNMENT

- 17.1 This Agreement, shall be binding on, and shall ensure to the benefit of, each of the parties and their respective successors.
- 17.2 No party shall assign, transfer, sub-contract or otherwise dispose of any interest in this Agreement.

18 ENTIRE AGREEMENT

Except where expressly provided otherwise in this Agreement, this Agreement constitutes the entire agreement between the parties in connection with its subject matter and supersedes all prior representations, communications, negotiations and understandings concerning the subject of this Agreement.

19 NOTICES

- 19.1 All notices under this Agreement shall be in writing and all certificates, notices or written instructions to be given under the terms of this Agreement shall be served by sending the same by first class post, facsimile or by hand, leaving the same at the addresses set out for each party at the beginning of this Agreement.
- 19.2 Any party to this Agreement may change its nominated address or facsimile number by prior notice to the other parties.
- 19.3 Notices given by post shall be effective upon the earlier of (i) actual receipt, and (ii) five (5) Business Days after mailing. Notices delivered by hand shall be effective upon delivery. Notices given by facsimile shall be deemed to have been received where there is confirmation of uninterrupted transmission by a transmission report and where there has been no telephonic communication by the recipient to the senders (to be confirmed in writing) that the facsimile has not been received in legible form:
- 19.3.1 within two (2) hours after sending, if sent on a Business Day between the hours of 9:00am and 4:00pm; or
- 19.3.2 by 11:00am on the next following Business Day, if sent after 4:00pm, on a Business Day but before 9:00am on that next following Business Day.

20 CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

It is agreed for the purposes of the Contracts (Rights of Third Parties) Act 1999 that this Agreement is not intended to, and does not, give to any person who is not a party to this Agreement any rights to enforce any provisions contained in this Agreement.

21 WAIVER

- 21.1 No exercise or failure to exercise or delay by either party in exercising any right, power or remedy under this Agreement shall constitute a waiver by that party of any such other right, power or remedy.
- 21.2 If there is any conflict between the provisions of this Agreement and the Articles, the terms of this Agreement shall prevail.

22 SEVERABILITY

22.1 If any provision of this Agreement shall be declared invalid, unenforceable or illegal by the courts of any jurisdiction to which it is subject, such provision may be severed and such invalidity, unenforceability or illegality shall not prejudice or affect the validity, enforceability or legality of the remaining provisions of this Agreement.

23 NO AGENCY

23.1 Nothing in this Agreement shall be construed as creating a partnership.

23.2 No party shall be deemed to be, an agent of any other party and no party shall hold itself out as having authority or power to bind any other party in any way.

24 AMENDMENTS

This Agreement may not be varied except by an agreement in writing signed by duly authorised representatives of the parties.

25 TERMINATION OF PREVIOUS AGREEMENT

The Shareholders Agreement of 2012, which this Agreement replaces is hereby revoked subject to the savings in Clause 16.4 of that Agreement.

IN WITNESS WHEREOF the parties have executed this Agreement the day and year first above written

SIGNED (but not delivered until the date hereof) as a
DEED by **CITY OF YORK TRADING LIMITED** acting by

a director, in the presence of:

WITNESS:

Signature:

Address:

.....

.....

Occupation:

SIGNED (but not delivered until the date hereof) as a
DEED by **CITY OF YORK COUNCIL** by affixing the
common seal

in the presence of a duly authorised officer:

Signature:

Print Name:

Occupation:

SCHEDULE 1**Details of the Company**

Name	City of York Trading Limited
Date of incorporation	18 November 2011
Place of incorporation	England and Wales
Company number	07852072
Accounting reference date	30 March

SCHEDULE 2

Part 1 - Corporate Covenants

1 SHAREHOLDER CONSENTS

- 1.1 The Company undertakes to the Council that it shall not, (save as set out in or as required by this Agreement) without the prior written consent of the Council and/or approval of the Shareholder Committee carry out any of the matters referred to in paragraph 1.2 of this Schedule 2.
- 1.2 The matters referred to in paragraph 1.2 of this Schedule 2 are:
- 1.2.1 making any substantial changes to any Annual Business Plan, such changes being to the structure of the Company and/or the Business, and/or the transfer of council employees to or from the Company (whether or not any such transfer is subject to the Transfer of Undertakings (Protection of Employment) Regulations 2006 or otherwise);
 - 1.2.2 the approval of any Annual Business Plan;
 - 1.2.3 the allotment of any further share capital of the Company;
 - 1.2.4 a variation of any rights, including class rights, attaching to any shares of the Company;
 - 1.2.5 the re-purchase or cancellation by the Company of any Shares, or the reduction of the amount (if any) standing to the credit of its share premium account or capital redemption reserve (if any) or any other reserve of the Company;
 - 1.2.6 the re-purchase, repayment, redemption or cancellation of any loan stock issued by any company controlled by the Company other than in accordance with their terms;
 - 1.2.7 the formation of any subsidiary undertaking;
 - 1.2.8 the entering into of any joint venture agreement with any third party;
 - 1.2.9 acquire any interest in the share capital or instruments convertible into share capital of any other company or body corporate;
 - 1.2.10 amendments to the Articles;

- 1.2.11 borrowing any money or obtain any advance or credit in any form other than normal trade credit or other than on normal banking terms for unsecured overdraft facilities or vary the terms and conditions of any borrowings or bank mandates;
- 1.2.12 entering into any material contract or arrangement outside the ordinary course of its business;
- 1.2.13 selling, transfer, lease, licence or in any other way dispose of any of its assets otherwise than in the ordinary course of its business;
- 1.2.14 factor or assign any of its book debts;
- 1.2.15 the making of any political donations or commencing any legal or arbitration proceedings (other than in the ordinary course of business);
- 1.2.16 pay any remuneration or expenses to any person other than as proper remuneration for work done or services provided as proper reimbursement for expenses incurred in connection with its business;
- 1.2.17 making any claim, disclaimer, surrender, election or consent of a material nature for tax purposes;
- 1.2.18 acquiring or making any investment in another company or business or incorporate any subsidiary;
- 1.2.19 creating or allowing to subsist any Encumbrance over any of its assets;
- 1.2.20 giving any guarantee, indemnity or security in respect of the obligations of any other person;
- 1.2.21 changing the accounting policies of the Company;
- 1.2.22 changing the accounting reference date of the Company;
- 1.2.23 entering into or varying any contract or arrangement (whether legally binding or not) with any of its Directors or any Shareholder or with any Associate of a Director or Shareholder;
- 1.2.24 the devolution or transfer of management control to persons outside the Board save as set out in the Business Plan or an Annual Business Plan;

- 1.2.25 the appointment or dismissal of any Executive Director, or the Council Non-Executive Director who acts as Chairman of the Board, or the amendment of any rights to appoint certain numbers of Directors;
- 1.2.26 the commencement of any winding-up or dissolution or of the appointment of any liquidator, administrator or administrative receiver of the Company or any of its assets unless it shall have become insolvent, and no party shall present or cause to be presented or allow any act which would result in the winding up or the presentation of any petition for the winding up of the Company;
- 1.2.27 vary the emoluments of any of its Directors or of any Associate of a Director, subject to both the prior written approval of the Shareholder Committee and the recommendations of the Company's Remuneration and Staffing Committee;
- 1.2.28 any change in the status of the Company as a limited liability company;
- 1.2.29 acquiring the assets and/or understakings of any other business entity;
- 1.2.30 lending of any money to any person (otherwise than by way of deposit with a bank or other institution the normal business of which includes the acceptance of deposits) or grant any credit to any person (except to its customers in the normal course of business);
- 1.2.31 the capitalisation of profits or reserves of the Company;
- 1.2.32 a listing of the Company's entire share capital;
- 1.2.33 the Company participating in any activity which is detrimental to and/or incompatible with the Council Mission Statement;
- 1.2.34 enter into any negotiations concerning:
- 1.2.34.1 the sale or issue of any shares of the Company or any of its subsidiaries;
 - 1.2.34.2 the sale of any material part of the business, undertaking or assets of the Company, or any of its subsidiaries; and/or
 - 1.2.34.3 the refinancing of the Company or any of its subsidiaries.

2 POSITIVE OBLIGATIONS

2.1 The Company undertakes to the Council that:-

2.1.1 any expansion development or evolution of the Business will only be effected through the Company or a wholly owned subsidiary of the Company;

2.1.2 the Company shall, and shall procure that its subsidiaries shall, insure with a reputable insurance office and keep so insured at all times:-

2.1.2.1 all their respective insurable assets and undertakings which a prudent company would insure against loss (including loss of profits or business interruption), damage and such other risks as a prudent company would insure against; and

2.1.2.2 all their respective insurable potential liabilities in respect of which a prudent company would insure; and

2.1.2.3 all their respective directors and officers in respect of any potential liability arising in respect of them in their personal capacity;

all in such manner and to such extent as shall be in accordance with good commercial practice with regard to assets and liabilities of a like character and in comparable circumstances;

2.1.3 the Company shall observe, perform and comply with the terms of this Agreement, the Services Agreement and the Articles,

2.1.4 the Company shall adopt and maintain environmentally friendly working practices.

3 **MANAGEMENT**

3.1 The Company shall procure that all decisions made by or on behalf of the Company or any of its subsidiaries which are material to the Company and its subsidiaries as a whole are approved either at a properly convened meeting of the Board or by a resolution in writing signed by or otherwise approved in writing by all of the Directors of the Company.

4 **INFORMATION OBLIGATIONS**

4.1 The Company shall:-

4.1.1 keep the Council informed of material matters relating to the progress of its Business and that of every subsidiary of the Company to such extent and in such form and detail as the Council may from time to time reasonably require and shall

supply to the Council such written particulars of any matters concerned with and arising out of the activities of the Company and any of its subsidiaries as the Council may from time to time reasonably require; and

4.1.2 without limiting the generality of paragraph 4.1.1 of this Schedule above, deliver forthwith upon the same becoming available and not in any event later than 120 days after the end of each relevant financial year to the Council copies of the audited profit and loss accounts and audited balance sheets of the Company and any of its subsidiaries and the audited consolidated profit and loss account and the audited consolidated balance sheet of the Company and its subsidiaries all in respect of each financial year of the Company and any of its subsidiaries.

5 **PROPERTY OBLIGATIONS**

The Company shall advise the Council forthwith upon the Company or any of its subsidiaries becoming aware of the same of any discovery on any premises owned, leased, occupied or controlled by the Company or any of its subsidiaries of any substance capable of causing pollution of the environment in circumstances where such pollution is likely to materially adversely affect the value of such premises or the businesses of any of the Company and its subsidiaries.

SCHEDULE 2

Part 2 – Council Covenant

- 1 The Council undertakes to the Company other than that it will generally act in a manner that will promote the Business and the best interests of the Company and act at all times in good faith towards the Company, subject at all times to its statutory and common law duties.

SCHEDULE 3

Letters of Appointment of Nominated Directors

Dear

CITY OF YORK TRADING LIMITED ("Company")

1. This letter contains the terms which we have discussed and agreed for your appointment as a non-executive director of the Company, as the nominated director of City of York Trading Limited.
2. You will be expected to attend the Board Meetings and General Meetings of the Company. You will receive details of all such meetings in advance.
3. You will not, whether during the appointment or after its termination, except in the proper course of your duties or as required by law, use or divulge, and shall use all reasonable endeavours to prevent the use or disclosure of, any trade or business secrets or any information concerning the business or finances of the Company or of any dealings, transactions, or affairs of the Company or any client, customer or supplier of the Company which comes to your knowledge during the course of this appointment and will comply with the provisions of clause 11 (**Confidentiality**) of the Shareholders Agreement as if it applied to you. You will, however, be entitled to disclose information to the Shareholder appointing as permitted under the Shareholders Agreement.
4. The appointment will automatically cease in relation to the Company in the event that you resign as a director or are removed from office in relation to the Company. In particular, in signing this letter, you acknowledge that your office is subject to the terms of the Shareholders' Agreement and the Company's Articles of Association (the "**Articles**") and may be determined as permitted under the terms of the Shareholders' Agreement and the Articles and that such termination will not give rise to any claim against the Company whatsoever.
5. On termination of your appointment, you agree that you will promptly return to the Company Secretary all papers and property of the Company which are in your possession or under your control.

Please indicate your acceptance and acknowledgement of these terms by signing the attached copy.

Yours sincerely

.....

SIGNATORY

I agree to and acknowledge the terms and conditions set out above relating to my appointment as non-executive director of City of York Trading Limited.

Signed

Dated

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Executive

11 February, 2021

Report of the Directors of People and of Place
Portfolios of the Executive Members for Culture, Leisure & Communities
and Economy & Strategic Planning

Renewal of the council's contract with Make it York**Introduction**

1. This paper proposes the main terms on which the Council will let a new contract to Make it York (MIY) for the period 2021-24.

Recommendations

2. The Executive is asked to:
 - Agree the priorities on which the new service specification are to be based as set out in paragraph 10 and following
 - Approve the undertaking of further work with MIY to develop the outcomes and service levels schedule of the contract (the SLA) following consultation with businesses and other stakeholder groups and that these be brought back to the Executive in April
 - Agree an extension of the current contract on the current terms until the new contract is in place following agreement to that new contract by the Executive in April

Background

3. In 2015 the council decided to establish MIY as a wholly owned, local authority company in order to deliver a new approach to marketing, culture, tourism and business development in the city. The council was able to enter into a contract to deliver these services without the need for a procurement exercise, as is permitted by regulation 12 of the Public Contract Regulations 2015, since the company is 'Teckal' compliant, i.e. the council has control of all the shares in the company and exercises effective day-to-day control over its affairs, and at least 80% of the activities of the company are carried out in the performance of tasks entrusted to it by the controlling contracting authority.

4. Whilst MIY had previously been financially successful across the life of the contract (the CYC annual net funding to MIY being reduced from £544k in 2015/16 to £324k currently), meeting its budget targets and producing a £25k annual dividend for the council, the current financial year has been extremely difficult for the company, as it has for thousands of businesses across the country. MIY's revenues have been decimated due to Covid-19 and, although the company's board has reduced costs and cut all non-essential spend, these measures have not been sufficient to ensure the commercial viability of the business in this year. As a result of this, the Executive in December had to take significant measures to secure the future of the company, agreeing to:
 - a. Waive the requirement for MIY to make a revenue return to the council in 20/21 in respect of trading activity across the city centre
 - b. Defer the first two quarters rent due from MIY in 20/21 for use of premises on Museum Street and Silver Street offices in line with arrangements for all council commercial tenants
 - c. A loan facility from the council of £300k to be accessed by MIY only if necessary
 - d. Provide a letter of guarantee to MIY with respect to the company's liabilities up to a maximum of £1m over the next 2 years to enable the company to continue as a going concern
5. The current contract comes to an end on 31 March, 2021 and it is therefore necessary now to decide on next steps. The next contract needs to be shaped taking account of the significant changes that have occurred in MIY's operating environment since 2015 as well as the company's present, difficult financial position. Key issues that need to be addressed include:
 - a. The extraordinary impact of Covid-19 on our economy has lead the council to take a stronger strategic leadership role in economic development in order to provide the city leadership required to establish effective public private partnership working and to drive recovery. This leadership role on the part of the council needs to continue and will have implications for the scope of the SLA with MIY
 - b. The financial support provided by the council to MIY referred to above represents a significant financial investment and it is therefore essential that appropriate arrangements are put in place to mitigate risk as far as possible

- c. MIY's governance arrangements as a Teckal company need to be clarified in order to ensure appropriate transparency and public accountability in decision-making
- d. It is important that MIY delivers for all residents across the city

Way Forward

- 6. In response to these points council officers have considered the options available to members including bringing part or all of the functions of MIY back in-house. Discussions have been held with the board of MIY in order to inform these options and to take account of the company's views. Given the broad success of the current model and the high level of cost that would be incurred in dismantling the current arrangements this is not recommended. Rather, in entering into a new contract, it is proposed that the council ensure that in the new arrangements:
 - a. MIY's Teckal company status is retained
 - b. Clarity of purpose is established with respect to what MIY is to deliver with appropriate performance regimes in place
 - c. Clearer governance arrangements are instituted
 - d. MIY continues to provide tourism, city centre and markets, culture and events functions broadly as now
 - e. The council takes a leadership role in economic development and inward investment, bringing together contributions from all parts of York's economic ecosystem, within an Economic Partnership, to set out the city's ambitions and strategy , with MIY contributing to the partnership and acting as an important delivery agent
 - f. Inward Investment arrangements are revisited to define the city's sectoral focus, sharpen its unique offer and clearly understand its opportunities. A plan will be developed for targeting investment opportunities, promoting the city to potential investors and occupiers, and creating a cohesive business support offer, with the respective roles of the council and MIY clearly defined reflecting their respective strengths
- 7. The proposals that follow aim, in essence, to create a closer relationship between the council and MIY. The start-up spirit of entrepreneurial independence helped to get MIY established is now in need of realignment as we seek to make best use of our limited resources in the face of the challenges that face us, notably Covid-19, Brexit and the winds of change affecting our high streets. The

council and MIY need to be working much more closely and collaboratively with resources located where they can be deployed to best advantage.

8. It will be important that the expertise of MIY's Board and staff, supplemented by research and engagement, is played effectively into the council's strategy development alongside that of private sector representative bodies and businesses. In this way, the respective strengths of the two organisations can be used to best advantage in a complementary way: MIY in driving innovation and responding rapidly to emerging issues, the council in taking the overarching strategic lead and ensuring public accountability. As practical initiatives develop, they need to be closely aligned between both organisations, whether delivery sits primarily with the council or with MIY, or through a mixture of both. By working in this way both the council and MIY will be able to facilitate collaboration with our city institutions and present our shared York narrative to the world.

Consultation

9. Whilst it had originally been intended that this report would be accompanied by a final version of the SLA that had been fully consulted on, this has not been possible under the current circumstances. The actions required to stabilise the financial position of the company have consumed significant time and staffing resource and have delayed our ability to engage with stakeholders. Similarly, the new period of lockdown and the uncertainties and issues caused by the pandemic have taken resource away from this exercise whilst also making it difficult to engage effectively with the respective sectors over the December – January period. Under the circumstances, it is proposed that the draft priorities for the SLA set out in this report are the subject of consultation over the following month with final proposals to be approved by the Executive in April. Consultation will take place with key stakeholder groups including:
 - York and North Yorkshire Chamber of Commerce
 - Federation of Small Business
 - York Business Improvement District
 - Universities and Colleges
 - Institute of Directors and other business networks
 - LEPs
 - Visitor economy sector
 - Retail sector
 - Cultural Sector

- York Science Park
- Key sector representatives for our growth priorities: Rail, Financial Services & Insurance, Biotech and Life Sciences, Digital and Creative Industries

We have begun to ask businesses to share their views with us through the regular business bulletin which goes out to many hundreds of businesses. There will also be opportunities for public comments.

Priority areas

10. The following section provides an overview of the key-deliverables proposed under each area of the SLA. More detail is set out in Appendix A.

Economic Development:

11. The priorities for York's economy are well-established and primarily concern:
 - growing employment in our higher-paid sectors
 - supporting businesses to expand and bringing new investors to the city
 - improving employment prospects for all and ensuring there is flexible work which supports household incomes
 - increasing the productivity of our less well-paid sectors
 - supporting inclusive and sustainable green growth
 - helping businesses start and flourish, whether they are high-tech spin-outs from the Universities, independents, social enterprises or community-based businesses
 - a skills system which can produce employees for the future while supporting career-changers
 - making the most of York Central and our other key sites
12. For inward investment, we have identified the key sectors to target, begun to establish the scale and type of businesses we want to attract, and laid the foundations of a partnership approach. The next steps are to identify priority geographies where we might find investors, and then identify target businesses to approach. This targeted approach will be developed by the council working collaboratively with the business community and will be supported by MIY.
13. Potential investors will come both from this direct approach and from the established route of Government agencies and departments –

the LEPs, BEIS, DIT and the Embassy network. Linking into this government network is key both to promotion of the York offer and to helping those who filter enquiries in the network to bring the right opportunities to us.

14. While some investors may prefer to approach the city through intermediaries – whether that be their own business networks and advisers or a DMO such as Make It York or Welcome to Yorkshire – key conversations with the planning and transport policy functions and those who have the ability to provide economic incentives need to be driven by the council. Ensuring that potential investors can have early conversations with senior officers / members is key to establishing the trust which underpins successful inward investment. Inward investment thus needs to be delivered through a blended model. The public facing aspects of:

- promoting our city as a place for business,
- welcoming new investors to the city and
- helping new businesses to become part of the ecosystem

are best done outside of the Council. In previous SLAs we have described this as to welcome investors, and we have recognised that Make It York is best placed to fulfil this function.

15. Alongside this public facing role is the crucial behind-the-scenes work of inward investment. This involves identifying and targeting potential inward investors, liaising with national and international trade organisations, and working with potential investors to establish their requirements and provide support: Where might the investor base their business? What are the planning constraints? Does the local workforce have the skills required, and how might the education system adapt to help? Are there incentives available, and if so, how might these be accessed? As the case develops and trust is established, the involvement of key decision makers increases. Involving Executive Members and the senior officers of the council and the LEP is key to securing investment and needs to be coordinated from within the council.
16. Further work will be undertaken with MIY to specify in detail the functions set out in paragraphs 14 and 15 above and to identify where resources will best be located, under the new contract, to deliver them.
17. MIY currently delivers the York specific elements of the Leeds City Region Growth Hub, employing two business advisers and

undertaking outreach and engagement. Current funding for this ends in March 2023. The implications for future delivery once the funding ends will need to be explored and a mechanism included in the contract to vary the arrangement depending on any new delivery model that is developed.

18. MIY also maintains a Key Account Management (KAM) service which aims to engage with key employers and to be the council's eyes and ears with the business community. The council too engages with businesses at all levels as part of its regular stakeholder engagement activities and has been active in many key sectors and networks in parallel with MIY especially throughout the Covid-19 emergency. It is proposed to reconsider how best to engage with businesses going forward and to reflect this in revised arrangements to be included in the new SLA.

City Centre:

19. In this area the priorities concern:
 - **Outdoor Markets:** Day-to-day management of the Shambles Market and development of a new outdoor markets strategy, on behalf of the council, for approval by the Executive Member for Economy and Strategic Planning
 - **City Centre vibrancy:** Contributing expertise, ideas and experiences to the MyCityCentre consultation which will set the city centre strategy; keeping the city centre relevant and enticing by curating a programme of public events in the footstreets; working with city centre landlords, including those distant from York, to ensure they are engaged with the development of the city
 - **Commercial events:** Running commercial events in a safe and sustainable manner with the potential to generate a surplus for investment in the economy
20. Senior MIY staff will be part of the MyCityCentre Stakeholder Group which will help to guide future development of the city centre. Close working is expected between MIY and the Business Improvement District (BID) with MIY's MD serving on the BID board. There will be regular liaison between MIY and CYC's Executive Member on city centre matters. Where the council is required to exercise its public accountability functions in respect of city centre issues MIY will be able to refer matters formally into the Executive decision-making process.

21. Reports will be made to scrutiny on an ad hoc basis in response to relevant scrutiny reviews ongoing.

Visitor Economy / Destination Management Organisation (DMO):

22. In this area the priorities concern:
- **DMO:** Promotion of York as a tourist destination and liaison with stakeholders to make the most of all available support and contribute to national and regional marketing initiatives
 - **Tourism sector development:** Working with tourism sector businesses to increase their productivity and help them become even better employers; provision of sector intelligence through a monthly dashboard
 - **Tourism Advisory Board:** Contributing to the development of a new Tourism Strategy to be adopted by the council
23. Regular joint meetings will be held between MIY, the council and Welcome to Yorkshire.
24. Reports will be made to scrutiny on an ad hoc basis in response to relevant scrutiny reviews ongoing.

Culture:

25. The over-arching aim is to grow the confidence of the cultural sector and its ability to self-organise, collaborate, develop cultural strategy and action plans, and to contribute to wider city plans and strategies. MIY will not act primarily as a cultural provider.
26. Key priorities in this area will be:
- **Cultural Strategy:** Promote the city's new cultural strategy, develop action and funding plans with defined leadership for each area of activity, put in place new representational / partnership structures for the city to drive implementation of the strategy and develop the city's cultural offer
 - **Events Strategy:** Develop a strategy, consistent with the aims of the cultural strategy, that enables the city proactively to identify the events that it wishes to host and attract taking account of feedback from council consultations, including the My City Centre consultation
 - **Unesco designation:** Establish stakeholder arrangements to determine priorities for the designation going forward, to be contained in a revised 4 year prospectus.

27. In dealing with key cultural organisations such as ACE, major festivals organisers, institutions considering relocating to York, etc. this is likely to mean joint involvement of the council and MIY.
28. The cultural strategy will be reported to the Executive Member for “adoption” into council policy.
29. The events strategy will be a council approved strategy and therefore will be reported to the Executive Member for approval and developed closely with CYC staff and the Executive Member.
30. Reports will be made to scrutiny on an ad hoc basis in response to relevant scrutiny reviews ongoing.

Governance

31. It is vital that the governance arrangements for MIY ensure confidence in the relationship between CYC and MIY and in the robustness of oversight of the company’s delivery of the outcomes agreed with the council. Key principles concern transparency and accountability of decision-making as well as the quality of communication between the two parties. The governance regime has been revisited in consultation with MIY to ensure that it:
 - a. Provides appropriate controls for what is a Teckal company
 - b. Delineates clear roles and responsibilities
 - c. Resolves conflicts of interest
 - d. Is commensurate with the scope of the business
 - e. Is clear and transparent
 - f. Provides certainty to the council on the progress with delivering the agreed business plan and the financial recovery plan
 - g. Provides greater clarity on the outcomes of the work undertaken by MIY
 - h. Facilitates appropriate scrutiny of the operation of the company
 - i. Enables joined up communications to promote the city
32. Detailed issues concerning governance are set out in Annex B. Key issues that will be addressed in collaboration with the board of MIY are:
 - A structured approach will be taken to client meetings, placing a focus on the SLA / outcomes and ensuring that the MIY board are kept informed of the business of the client meetings

through a quarterly report to the board. Client meetings will be informed by a *Quarterly Narrative*, to be produced by the MD of MIY detailing progress against the key deliverables. The Quarterly Narrative will be published via the council's quarterly economic update to the Executive Member for Economy and Strategic Planning

- The new contract will provide mechanisms to ensure robust monitoring of performance against the SLA
- Communication and collaboration will be improved, with the MD of MIY attending the council's corporate management team on a regular basis, and regular formal and informal intelligence sharing between CYC and MIY to aid the respective parties in carrying out their functions
- In recommending new board members to fill vacancies (of which there are currently three) the board will continue to use skills mapping to ensure an appropriate mix of skills: finance, marketing, events, legal, etc. as well as good sectoral representation
- Where a MIY project, plan or initiative gives rise to public accountability considerations requiring a decision to be taken publically through the democratic process, the council will facilitate consideration of the matter through the Executive decision making process. Relevant reports will frame significant issues at the outset, setting out any consultation proposed together with the decision-making process and endorsing the ultimate decision. The annual business plan will identify which areas of work will require this level of decision-making and any adjustments to that plan will be agreed through the regular client meetings.

Options

33. The principal options available to the Executive are to:

- Agree the priorities on which the new service specification are to be based as set out in paragraph 10 and following or to suggest amendments
- Approve the undertaking of further work to develop the outcomes and service levels schedule of the contract (the SLA), following consultation with businesses and other stakeholders and agree an extension of the current contract to facilitate this

- Ask officers to explore alternative delivery mechanisms for some or all of the services currently provided by MIY, examples referenced in paragraphs 11-18

Analysis

34. In view of the success of the current model and the high level of cost that would be incurred in dismantling the model in order to create alternative delivery arrangements, the council is likely to obtain better value for money by entering into a new contract with MIY.
35. It will be preferable to the public purse to enable MIY to trade out of the current financial position and so to reduce the financial liabilities that will otherwise fall largely on the council. Any dismantling of the company will lead to significant disruption with additional costs for the council.
36. It is vitally important that the services that MIY provides for the council in the area of economic development are maintained at this critical time when the city needs to drive recovery from the effects of the pandemic. A strong and effective MIY, working in partnership with the council, will be able to make a key contribution to building the necessary partnership working and to placing a concerted focus on attracting inward investment.

Implications

37. **Financial:** The council provides revenue support of £798k per annum to Make it York for the provision of services. Make it York provides income to the council of £474k per annum to reflect the net income earned from trading activities across the city centre. The net expenditure to the council is therefore £324k. The council also budgets for a dividend of £25k per annum from the company.
38. Due to the impact on trading activities in 2020/21 from the Covid-19 pandemic the council previously agreed to forego the income payment in this financial year.
39. The final value of the new contract and the revenue support to be provided by the council will be assessed in the light of final SLA to be brought back to Executive Members in April.
40. **Legal:** The Council can make a direct award of this contract to MIY without undergoing a procurement process while it remains a Teckal compliant company in accordance with regulation 12 of the Public Contract Regulations 2015. This requires the Council to exercise

similar control over the company as it does over its own departments, that at least 80% of the activities of the company are those entrusted to it by the Council, and that there is no direct capital participation from the private sector in MIY.

41. Legal Services will work with officers to ensure the proposed changes to the SLA will maintain the Teckal compliance of the company.
42. Following consultation, any potential transfer of responsibility for functions from MIY to the council is likely to qualify as both a business transfer and a service provision change under the Transfer of Undertakings (Protection of Employment) (TUPE) Regulations 2006. As a consequence, all those MIY employees who are assigned to work on any transferring functions may be eligible to transfer to CYC.

Council Plan

43. The contract with MIY supports a number of aims of the Council Plan including:
 - Good Health and Wellbeing
 - A Better Start for Children and Young People
 - Well-paid jobs and an inclusive economy
 - Creating homes and World-class infrastructure
 - Safe Communities and culture for all

Risk Management

44. In compliance with the council's risk management strategy the main risks arising from this report have been identified. These risks are mainly ones that could lead to the inability to meet business objectives (Strategic) and to deliver services (Operational), leading to financial loss (Financial), non-compliance with legislation (Legal & Regulatory), damage to the council's image and reputation and failure to meet stakeholders' expectations (Governance).
45. Measured in terms of impact and likelihood, the risk score has been assessed at 14. This "medium" risk level is acceptable but means that regular active monitoring is required.

Appendices

A: Key deliverables

B: Governance arrangements

Contact Details

Author:	Chief Officers responsible for the report:		
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Report Approved:	✓	Date:	
Specialist implications officers:			
Patrick Looker Finance Manager	Cathryn Moore Legal Manager – Projects	Peter Cairns Snr Employment Lawyer	
Wards Affected:	All		

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Make It York Contract Renewal – Key Deliverables

Economic Development

- a) **Sector Development** – Coordinate dedicated networks for key sectors of the economy; establish, implement and maintain sector development plans for each sector;
- b) **Inward Investment** – Bring new investors to York, creating new employment in our target sectors; develop, implement and maintain our inward investment strategy; work with the developers of key sites to secure new investors and occupiers
- c) **Business Support** – Deliver York’s Growth Hub; develop, fund and implement a new startup support offer, providing help to new businesses across the city and increasing our startup rate; network the full business support offer in York, especially private sector providers and membership organisations, to maximise the uptake of help and advice by our business community; keep in regular contact with businesses in York, expanding the reach of existing networks.

Roles:

MIY

Strategy

Contributing to Economic Strategy and Skills Plan through Board, Staff and sector networks
Supporting sector networks to develop sector development plans
Contributing to the Inward Investment Plan

Delivery

Supporting broad private sector involvement in the new city-wide Economic Partnership
Coordinating sector networks
Identifying potential investors through targeted outreach, as defined in the Inward Investment Strategy.
Working with potential investors to establish the parameters around their projects (e.g. sites, planning, transport, specific skills needs) and developing the business case
Developing and hosting the Inward Investment portal and a range of investment prospectuses

Supporting potential investors to access incentives from LEP and national government
Welcoming investors to the city and helping them to become part of the ecosystem
Delivery of Growth Hub arrangements, including contributing the required match funding
Coordinating and communicating business support to public and private sector organisations
Regular communication with as many businesses in York as is possible

Council Strategy

Economic Strategy
Economic Partnership
Skills Plan and Skills Board
Developing the case and funding for a coherent city-wide startup offer
Setting the Inward Investment Strategy
Strategic input on business support to LEPs and beyond
Local Plan and Local Transport Plan

Delivery

Coordination and secretariat of Economic Partnership
Coordination with UK Government Inward Investment functions
Working with potential investors to establish the parameters around their project (sites, planning, transport, specific skills needs, etc) developing their business cases
Developing and hosting the Inward Investment portal and a range of investment prospectuses
Supporting potential investors to access incentives from LEP and national government
Working with potential investors to facilitate appropriate engagement with relevant key Council officers and Members
Bids to LEP for funding

City Centre

Key Deliverables:

- a) **Outdoor Markets** – Day-to-day management of the Shambles Market; operation of the Market Charter on behalf of the city; in consultation with CYC, development of new Outdoor Markets strategy; supporting new retailers to trade
- b) **City Centre vibrancy** – Contributing expertise, ideas and experiences to the MyCityCentre project which will set the city centre strategy; keeping the city centre relevant and enticing by curating a programme of public events in the footstreets; working with city centre landlords, including those distant from York, to ensure they are invested in the city
- c) **Commercial events** – Running commercial events such as the Xmas market in a safe and sustainable manner, to generate surplus for investment in the economy

Roles:

MIY

Strategy

Development of a new Outdoor Markets strategy
Supporting the MyCityCentre engagement and subsequent strategy development

Delivery

Day-to-day management of Shambles Market
Coordination of Market Traders Forum
Operation of the Market Charter on behalf of the city
Curation of city centre events strategy and programme
Engagement with property owners to support their investment in the city centre
Commercial events, run in a safe and sustainable manner, to generate surplus for investment
Consultation with city centre residents on programmes and activities

**Council
Strategy**

MyCityCentre project

Delivery

Landlord and developer for CYC city centre portfolio
Planning, Environmental Health, Licencing and other regulatory functions
Purple Flag coordination

Visitor Economy / Destination Management Organisation

Key Deliverables:

- a) **DMO** –.promotion of York as a tourist destination,; running the Visit York membership scheme; wider city promotion to support inward investment and broader objectives of the City Plan; liaison with LEP, Visit Britain, Welcome to Yorkshire etc to make the most of all available support and contribute to national and regional marketing initiatives
- b) **Tourism sector development** –.Working with tourism sector businesses to increase their productivity and help them become even better employers; provision of sector intelligence through a monthly dashboard
- c) **Tourism Advisory Board** – contributing to the development of a new Tourism Strategy

Roles:

MIY

Strategy

Contributing expertise, evidence and insight to the development of a new Tourism Strategy

Delivery

Convening a Tourism Advisory Board for the city
Leading on leisure marketing of York, working with Welcome to Yorkshire, national and regional bodies to make the most of York’s offer
Sector intelligence through continued development and publication of the monthly tourism dashboard
Inclusive growth: working with Tourism businesses to increase productivity and help them become even better employers
City Narrative coordination and promotion, including hosting of the toolkit

Council

Strategy

Tourism Strategy

Delivery

SLA with Welcome to Yorkshire
Convening the City Heads of Comms network
Refinement of city narrative

Culture

Key Deliverables:

- a) **Cultural Strategy** – Launch and promote the city’s new cultural strategy, develop action and funding plans with defined leadership for each area of activity, put in place new representational / partnership structures for the city to drive implementation of the strategy and develop the city’s cultural offer, engage key stakeholders outside the city such as Arts Council England. Continuously review, update and report on progress on the strategy.
- b) **Events Strategy** – Develop a strategy, consistent with the aims of the cultural strategy, that enables the city proactively to identify the events that it wishes to host and attract and also enables us to respond in an informed way when opportunities are brought to us. The strategy should cover cost/benefit analysis as well as relevant infrastructure issues.
- c) **Unesco designation** – Establish stakeholder arrangements to determine priorities for the designation going forward, to be contained in a revised 4 year prospectus.

Roles:

MIY

Strategy

Work with the sector to maintain, develop and refresh the cultural strategy ensuring its fits with “city strategies including the economic development strategy.
Convene the cultural leaders group as the strategy “owners”, providing the secretariat and driving the agenda by resourcing the partnership and supporting the chair (who will be a cultural leader).
Produce required sub-strategies, working with the sector e.g. an events strategy for the city.

Delivery

Curate a city centre events programme.
From time to time take a lead in supporting cultural events of strategic significance e.g. Rugby League World Cup.

Take the initiative in building coalitions and partnerships for specific initiatives to fill identified gaps in product e.g. to deliver the York Mystery Plays.
Taking the lead in creating action plans to drive the cultural strategy, convening partnership arrangements and growing supporting sectoral leadership (e.g. the Cultural Wellbeing Partnership).
Provide the day-to-day contact for the Arts Council and other strategic sectoral bodies.
Put together the necessary partnerships to make funding bids to deliver the strategy.

Council

Strategy

Commissions specific cultural product in the area of Museums, Libraries, Sport, etc. and maintains a direct relationship with relevant providers.
Speaks for the council within the cultural leaders group and the cultural strategy process
“Adopts” the cultural strategy on behalf of the city (in part ceremonial / in part committing the council to the strategy).

Delivery

May from time to time curate civic events (e.g. as was done for the WW1 100 years celebration).
May from time to time decide to get involved in more major events, e.g. as happened with Tour de Yorkshire.

Make It York Governance Arrangements

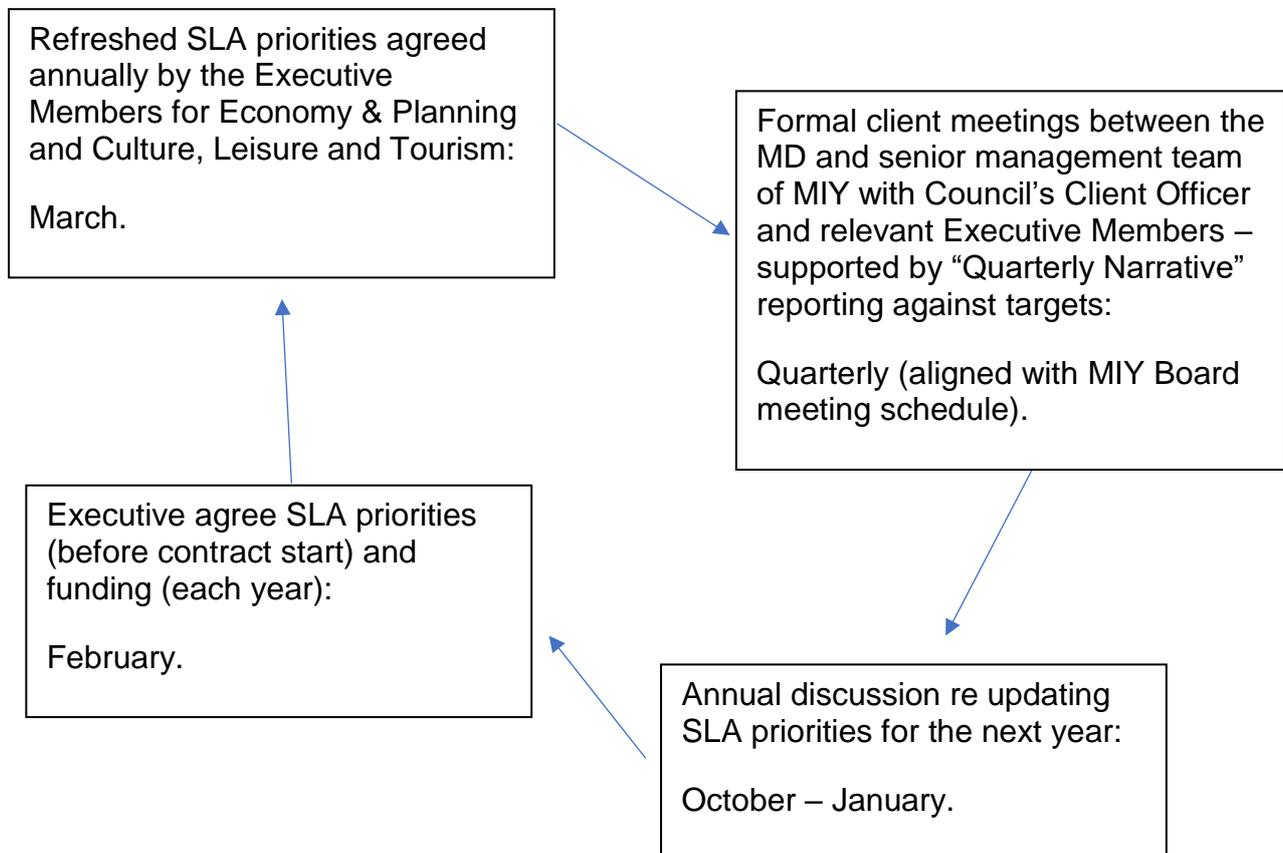
Background

1. MIY is a company limited by shares with the council as sole shareholder. The articles of association reserve important decisions to the council, such as the appointment and dismissal of directors or undertaking borrowing.
2. The company is Teckal compliant, meeting the two Teckal tests relating to i) the degree of control which the council can exercise over the company, i.e. it is controlled at a similar level to the council's directly provided services, and ii) the proportion of work undertaken by the company, i.e. that a minimum of 80% of the work it undertakes is provided on behalf of the council.
3. The governance structure provides for a board of directors and a Shareholder Committee. The directors are appointed by the council (the decision to appoint being within the remit of Council or Staffing Matters and Urgency Committee). The articles provide for two or more "Council Directors" (one of whom is designated as the primary person to have the power to exercise the casting vote) and a maximum of ten are "Non-Council Directors". The board meets 4 times a year.
4. The two Council Directors are currently Cllr. D. Craghill and Cllr. D. Smalley. The Non-Council Directors are the Chair (Greg Dyke), the Managing Director (Sean Bullick), and seven individuals that operate in different key sectors in the city: Joan Concannon, Mark Fordyce, David Horne, Chris Bailey, and three vacancies. (James Farrar of the LEP and Lyndsey Turner-Swift of Visit England also attend the board as advisors).

The Contract

5. A contract between the council and MIY sets out the specification, expected service standards and broad outcomes as well as the funding arrangements. Schedule 1 of this contract (often referred to informally as the SLA) is reviewed each year and sets out agreed priorities for the following year. MIY is expected to develop an annual business plan that demonstrates how it will carry out the requirements of the SLA.

6. The contract is the principal mechanism for ensuring accountability. Reporting and review takes place through the council’s executive function and is facilitated by the client function. The review process works as follows:



The client meetings

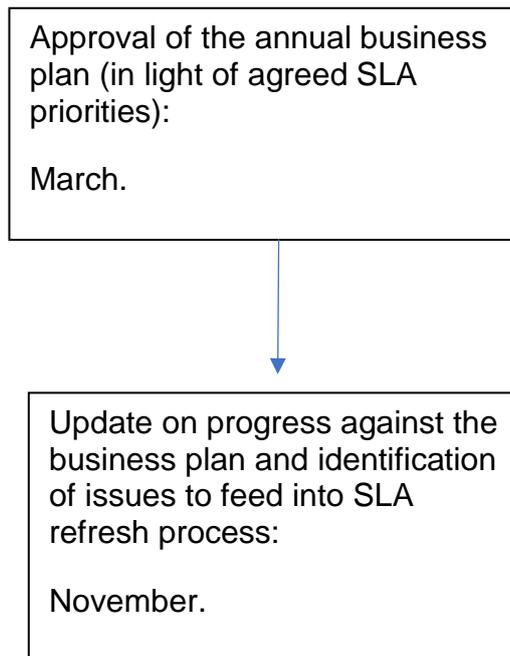
7. A more structured approach is proposed to formalise client meetings in future. They will have an agenda circulated in advance, together with the *Quarterly Narrative*, produced by MIY and will be minuted by the Council. Minutes will be circulated for information to the board members and, by the council, to members of the Shareholder Committee.
8. The *Quarterly Narrative* will focus on the key deliverables and performance measures to be set out in the new SLA. The council will ensure that relevant outputs / performance indicators are then published in public reports, for example through the quarterly economic update report to the Executive Member for Economy and Strategic Planning.
9. The new contract will make a link between the council’s quarterly payments and progress against the performance measures.

Additional communication routes proposed

10. In addition to the formal client meetings there will be informal client meetings in the intervening months between the client officer, Head of Economic Growth and the MD of MIY, with relevant Executive Members invited.
11. It is proposed that the senior management from MIY attend CMT on a regular basis.
12. There will be regular informal briefings / meetings between the Executive Members for Economy & Planning and Culture, Leisure & Communities and relevant MIY officers.
13. There will be constant ad-hoc information / intelligence sharing between CYC and MIY to aid the respective parties in carrying out their functions.
14. Quarterly meetings will take place between MIY Chair and Leader of CYC.

Shareholder Committee

15. The Shareholder Committee represents the council's interest as sole shareholder of MIY. It is primarily concerned with the commercial viability and performance of the company. The role of the Shareholder Committee, which acts for all the council's companies, is to:
 - Act as owners of the company
 - Sign off the business plan
 - Monitor performance and financial delivery against the business plan
 - Exercise decision-making over reserved matters
 - Determine the remuneration of directors and any senior managers as identified in the specific scheme of delegation and agree any performance related bonus payments to staff
 - Make recommendations to Executive for any investment in/asset transfers to or lending to companies
 - Delegate specific functions to officers of the council to increase commercial flexibility
16. MIY reports to the Shareholder Committee twice a year as follows:



17. This practice will be instituted on a consistent basis and ensure that the contribution of the Shareholder Committee is reflected in the developing SLA.

Scrutiny

18. MIY operates in the business areas covered by the remits of two council scrutiny committees: Economy & Place (for economic development, tourism and city centre management) and Children, Education & Communities (for culture). These scrutiny committees are responsible for examining long-term policy development, strategic objectives, horizon scanning to identify best practice and examining performance, operational outcomes and customer expectations across their respective areas.
19. MIY does not routinely report to the scrutiny function; however, the committees may, from time to time, ask MIY to contribute to specific scrutiny reviews and/or to respond to questions about particular areas of activity. Scrutiny may also feed views into the annual review of SLA priorities. MIY is expected to assist scrutiny as best as it can within available resources.

The MIY Board

20. All board members are appointed by the Council following consultation, including with MIY. The Council appoints two CYC board members who may be either members or officers.

21. All board members must work to promote the best interests of the company, evaluating those interests with regard to MIY's various stakeholders. The Board comprises directors with key experience and insight, guiding the company in a collaborative spirit with MIY, the council and key city stakeholders.
22. The Board will review how they receive feedback from the council with respect to their performance against the contract. It is proposed that the client feedback on the performance against the contract is formalised through a quarterly client report to the Board.
23. As MIY is a Teckal company, it is proposed that to avoid potential conflicts of interest with the council's Executive function the council's board members will no longer be drawn from Executive members who serve as members of the Shareholder Committee or who are the Executive Members responsible for the client function (currently Culture, Leisure & Communities and Economy & Strategic Planning).
24. The CYC board members have officer support at the meetings from the client officer (who attends in an observer capacity).
25. As part of the recruitment to the vacancies, MIY will undertake skills mapping to ensure that there is an appropriate mix of skills on the board: finance, marketing, events, legal, etc. as well as good sectoral representation. An understanding of the operation of a Teckal company and the inter relationship with council finance is important alongside a more traditional commercial skill set.
26. Following the start of the new contract, the refreshed governance arrangements will remain under regular review. The Board of MIY will report back to the council in six and twelve months' time on performance of the company and its senior management.

Scheme of delegation

27. A scheme of delegation will make clear which decisions are taken at board level and which are delegated to the MD / other staff levels.

Public Accountability

28. There are many areas that MIY deals with that are matters of legitimate public interest. It will sometimes be the case that a MIY project, plan or initiative needs a decision to be taken in public through the democratic process in order to facilitate appropriate public input and public accountability. In such cases, the council will

facilitate consideration of the matter through the Executive decision making process. Relevant reports will frame significant issues at the outset, setting out any consultation proposed together with the decision-making process and endorsing the ultimate decision.

29. It is difficult to be prescriptive about what these occasions will be; however, an example of where this approach has worked well can be seen in the development of the cultural strategy where the council formally commenced the strategy-making process via a report to the Executive, endorsed key principles at the mid-point, and finally will adopt the strategy (in February) following its recent city-wide launch. MIY has led all stages of the process in the meanwhile and the Cultural Strategy was successfully launched. The annual business plan will identify which areas of work will require this level of decision-making and any subsequent adjustments to that plan will be agreed through the regular client meetings.



Executive**11 February 2021**

Report of the Corporate Director, People
Portfolio of the Executive Member for Children, Young People and
Education

Request to Extend Home to School Transport Contracts**Summary**

1. This report is requesting an extension of the existing contracts for home to school transport. These contracts currently expire on 31 August 2021, and the request is to extend them for a further one year to 31 August 2022. This will allow for the existing contracts to be delivered whilst a full consultation for re-procuring the service has taken place to inform a review of home to school transport policy.

Recommendations

2. Executive are asked to consider:
 - 1) Option 2 - Extending the existing home to school transport contracts for the period of one year, from September 2021 – August 2022.

Reason: To ensure that there is provision in place to meet both the Local Authority's statutory duties in relation to home to school transport, and provision for vulnerable young people.

Background

3. Home to school transport across York is split into two areas. The contracts for Home to School dedicated bus services (current value approximately £970,000 per year) serve Fulford, Huntington and Tadcaster Grammar, and four primary schools - Poppleton Ousebank, St Mary's CE, Bishopthorpe Infants and Archbishop of York CE Juniors. This provision enables the Local Authority to meet its' statutory duty to provide transport for pupils living more than 2

miles (primary) and 3 miles (secondary) from their catchment school, or where there is an unsafe walking route. These contracts are currently held by York Pullman and expire at the end of August 2021. The contracts currently require all vehicles to be fitted with seatbelts and there are clear targets to be met around reducing vehicle emissions.

4. The other two contracts are for minibus (8 seaters and less) and taxis (current value approximately £2 million per year). These contracts provide transport for young people with Education and Health Care plans (EHCP's), and Children and Young People in Care (CYPIC). One contract covers transport to our two special schools, Applefields and Hob Moor Oaks, whilst the other contract is for any other home to school transport work to any school. Both these contracts are currently held by Streamline Taxis and both expire at the end of August 2021. These contracts also require the provider to provide passenger transport assistants when the needs of the pupil/student require one.

Consultation

5. City of York Council Finance and Legal teams have been consulted on these proposals. Comments are included in the Implications section of this report.

Options

6. **Option 1** would be to procure new contracts for all required home to school transport work for September 2021. This process would need to commence early in 2021 to enable any new providers to be ready to mobilise to deliver the new contract by 1 September 2021. Clarification would be required to potential lengths of any new contracts bearing in mind the uncertainty in the current market.
7. **Option 2** would be to extend current contracts until the 31 August 2022. This would enable some form of normality to return to the transport industry, which would widen the number of providers able to bid for the work and at the same time would allow time for costs to stabilise.

Analysis

8. Transport providers at both national and local level have been significantly impacted by the covid-19 pandemic with major reductions in their workloads and a subsequent drop in income. The Council therefore needs to consider the timing of a full procurement process for any new contracts to ensure they are achieving value for money in uncertain times.
9. All the current contracts have a significant focus on quality, health and safety, and safeguarding. The previous procurement processes assessed applications on 60% cost 40% quality.
10. The contracts also require the transport provider to deliver a considerable part of the administration involved in delivering home to school transport services. This includes for example route planning, issuing of bus passes, customer enquiries and handling stage 1 complaints.
11. All staff working on the contracts are required to have enhanced DBS checks done through the City of York Council and attend safeguarding training on a 3 yearly cycle. The contracts are managed via a strict Contract Management process and there are no concerns as to the performance of the current contractors.
12. Due to the uncertainty around covid and the industry's timescales to recover our understanding is that one of our neighbouring authorities, North Yorkshire County Council, have chosen to extend any home to school transport contracts that were due to expire at the end of this current school year by an additional 12 months. Other Local Authorities are also considering this option.

Bus Contract

13. Some soft market testing has taken place recently and the findings are that there is a potential reduction in the number of operators now available to do home to school transport work. From the previous procurement exercise which was done in 2013 only two of the operators who bid for those contracts are still in operation. The other 3 operators are no longer in business.
14. Our current provider York Pullman would prefer a one year contract extension. They indicate that the competitive price they have been

able to provide previously is based on the fact they can link home to school transport work to other private hire work. This work included day trips and importantly other work for schools (trips and visits). Prior to covid-19 York Pullman had seen an increase in the amount of work they were getting from City of York schools since they have held the contract.

- 15.** The other provider who bid for the work eight years ago is mainly a public transport provider who also deliver some home to school transport in other local authority areas. They currently do not have a base in York but the indications are that that they would submit a bid in any future procurement.
- 16.** Other than these two providers it is unlikely that any other local coach provider has sufficient vehicles to provide all our current requirements. The public transport provider that does have a base in York have not submitted any bids in the previous two procurement processes and are unlikely to bid again preferring to focus on public transport rather than home to school transport.
- 17.** York Pullman would be happy to extend existing contracts for an additional year and would bid for any contracts under a new procurement process.
- 18.** If contracts were extended, this would be under the current terms of the contract and service specification. Any price increases would be under the contract terms based on Consumer Price Index (CPI) as of 1 August 2021. The current contract terms relating to environmental standards will be required to be met in terms of Euro standards and age of vehicles (Euro 4 and no older than 16 years).
- 19.** It is recommended that the bus contract be extended by one year until the 31 August 2022. Firstly the volume, numbers of eligible pupils and types of vehicles required is not expected to change. There is some risk of increased costs to the Council involved in procuring a new contract for September 2021, when the number of providers has reduced and the current uncertainty in the bus/coach industry. By delaying the procurement of this contract for one year allows for the return of some normality into the industry which subsequently allows some time for potential providers to re-evaluate their financial position and tender prices should therefore be more realistic and in the long term more beneficial to the Council.

Minibus and Taxi Contract

- 20.** The two home to school contracts currently being delivered by Streamline Taxis have seen the biggest increase in terms of numbers and value. With a review of home to school transport policy due to take place over the next 12 months it is not unreasonable to expect that different types and sizes of contracts may be required in the future.
- 21.** Soft market testing has also taken place with providers who have bid for this work in the past. During the last procurement process five companies bid for/expressed an interest in this work. Alongside Streamline Taxis bids/expressions of interest were also received from a transport provider in Italy, two York based taxi companies and a social enterprise based in Leeds. The two York based providers indicated they were in a position to bid for contracts should we procure them from September 2021 but they both indicated the wish that we should look at splitting the work into smaller contracts (maximum 50 vehicles). Both providers also highlighted the need for a sensible lead in time to ensure they would have time to access sufficient specialist vehicles (wheelchair accessible) and enough Passenger Transport Assistants, so would need time to invest in vehicles and employ staff.
- 22.** Streamline Taxis would be happy to extend existing contracts for an additional year and would bid for any contracts under a new procurement process.
- 23.** The taxi market across York has seen a significant reduction in business and all three providers acknowledge this, although all predict phased increases in passenger numbers over the next few months. It is unlikely that we would see other taxi providers come forward because of the need for specialist vehicles and passenger transport assistants which many do not have.
- 24.** A contract extension would enable us to take into account in future contracts the findings of the Taxi Licensing consultation which is currently taking place. This considers changes relating to vehicle emissions, vehicle age and the number of wheelchair accessible vehicles available. It would also enable us to take into account the updated Air Quality Strategy for York which is due to be updated this year.

25. If contracts were extended, this would be under the current terms of the contracts and service specifications. The contract requirement is for minimum Euro 5 vehicles, although in practice a large percentage of vehicles used on the contract are Euro 6. Annual review of pricing would be by considering relevant inflationary indexes. There has only been one annual price increase in the 5 year term of the contract.

Council Plan

A better start for children and young people.

26. Getting children and young people to and from school each day via the council's home to school transport arrangements is a key part of the Local Authority's education responsibilities. It is important therefore that the service is reliable, safe and cost effective.

Getting around sustainably

27. The options available for getting children and young people to school each day need to be considered in terms of the environmental impact of those options. It is essential therefore that the council encourages use of public transport, shared transport, and sets targets around the types of vehicles used to transport children and young people around the city where it is able to. It also enables the council to work with transport providers in partnership to cut congestion, pollution and carbon emissions

Well-paid jobs and an inclusive economy

28. As these services are delivered by local transport contractors this provides a significant number of jobs within the local area and therefore benefits the local economy.

26. Implications

- **Financial**

The current budget for Home to School Transport is £2.83m. The annual cost of the contracts described above is approximately £2.97m. The difference is due to an as yet unachieved saving, which has been difficult to deliver due to growth in numbers of SEND young people requiring transport.

However, it is difficult to envisage that a procurement under the current circumstances in a small marketplace would deliver this saving compared to the current contract value.

- **Human Resources (HR)**

There are no HR implications

- **Equalities**

There are no Equalities implications

- **Legal**

The Council has a statutory obligation to make travel arrangements to facilitate attendance at school, contained within the Education Act 1996. Further obligations are placed on the Council by the Children & Families Act 2014 as well as the Equalities Act 2010.

The values of each of the Home to School Transport contracts considered in this report exceed the thresholds contained within the Public Contracts Regulations 2015 (the “Regulations”). The Regulations will therefore be relevant when considering both Options presented in this report.

Option 1

Given the value of each contract, a fully compliant procurement exercise will be required in accordance with the Regulations. The Council’s Procurement and Legal teams will need to be consulted in relation to this in order to identify the best route to procure together with the best contract option to be used.

Option 2

As the existing contracts contain no extension provisions which are able to be used, variations to the contracts will be required in order to extend their durations.

Regulation 72(1)(c) permits modifications to be made to contracts where: the need for such modification has been brought about by circumstances which the reasonable authority could not have diligently foreseen, the modification does not alter the overall nature of the contract, and any increase in price will not exceed 50% of the original contract value. The latter two

requirements of this Regulation are easily met – the proposed modification will only extend the duration of the contracts by a year, with no modification to the nature of the services being delivered, and the value of a single year for each contract represents less than 50% of the original contract values.

Since early 2020 almost every sector has been impacted by COVID-19 and the transport industry has not escaped this. Although it might have been possible in 2013 to foresee that one or two potential service providers might encounter financial difficulties and cease trading by the time the contracts were reaching their expiry dates, the particular circumstances that we currently find ourselves in as a result of COVID-19 would not have been contemplated. The requirements of this provision would therefore appear to be met.

Alternatively, Regulation 72(1)(e) permits modifications to be made where these are not considered “substantial”. These are defined as modifications which do not:

- render the contract materially different from the one originally concluded – as mentioned above, extending contracts by a single year with no further alterations to the nature of the services to be provided is not a material difference;
- introduce conditions which would have allowed for the admission of candidates other than those originally selected, allowed for the acceptance of a tender other than that originally accepted, or attracted additional participants in the procurement procedure – there is no indication that increasing the contract duration by a single year would have had any impact on the original procurement exercise;
- change the economic balance of the contract in favour of the contractor – the value of the proposed extensions are in line with the expenditure for previous years;
- extend the scope of the contract considerably – as above, the only modification being proposed is an additional year of service, which when taken against

the eight year term already served is not “considerable”.

It follows that the requirements of 72(1)(e) also appear to be met.

If Option 2 is selected, Rule 19.2 of the Council’s Contract Procedure Rules (governing variations to contracts) will also need to be taken into consideration with guidance from Procurement and Legal colleagues.

- **Crime and Disorder**

There are no Crime and Disorder implications

- **Information Technology (IT)**

There are no IT implications

- **Property**

- There are no Property implications

Risk Management

27. The risks associated with the two options are detailed in the report.

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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: None

All relevant background papers must be listed here. A 'background paper' is any document which, in the Chief Officer's opinion, discloses any facts on which the report is based and which has been relied on to a material extent in preparing the report (see page 5:3:2 of the Constitution).

Annexes - None

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Executive**11 February 2021**

Report of the Chief Operating Officer
Portfolio of the Executive Member for Finance and Performance

2020/21 Finance and Performance Monitor 3

Summary

- 1 To present details of the overall finance and performance position for the period covering 1 April 2020 to 31 December 2020, together with an overview of any emerging issues. This is the third report of the financial year and assesses performance against budgets, including progress in delivering the Council's savings programme.
- 2 The COVID-19 pandemic continues to have a significant impact on the Council's financial position. As outlined in the previous report to Executive on 26th November, estimated additional costs of some £10m will be incurred during the year along with a loss of income from fees and charges of c£8m. General Government grant of £12m has been awarded to date with the Income Compensation Scheme potentially providing another £4m of funding. Further grants as reported in the previous report include the Contain Outbreak Management Fund, Winter Pressures and additional funding for business grants.
- 3 Despite these additional funding streams, an ongoing impact in future years is still expected due to a range of issues, including the longer term impacts on individual residents leading to an increase in the cost of care. In addition, a potential loss of both Council Tax and Business Rates income is to be expected as some businesses struggle to recover, resulting in an increase in unemployment which in turn may leave some residents unable to pay Council Tax.
- 4 In addition to the direct financial consequences of the pandemic, in terms of additional expenditure and lost income, staff time and effort over recent months has clearly been dedicated to supporting residents and communities. This has resulted in attention being diverted away from more business as usual activity, including the actions needed to deliver savings and manage some of the underlying budget pressures being experienced in social care. We are also seeing an increase in social care costs directly as a result of the pandemic. These are national issues that

are not unique to York and the combination of increased costs and delays in achieving savings is having a detrimental impact on the public sector. It continues to be clear that further Government funding is needed both in this year and next.

- 5 The Council has been able to respond quickly and effectively throughout the pandemic, ensuring that support is available for residents and businesses. At the time of writing, the third national lockdown since the start of the pandemic is still in place and the impacts of both the lockdown on income streams and the costs of the recent flooding are not included in the forecast outturn.
- 6 Partner organisations in the city are also experiencing unprecedented financial challenges and it is clear that the pandemic will have lasting financial implications both on the Council and many other organisations operating in the city. Whilst the Council continues to make every effort to manage the situation and protect critical front line service delivery, through identifying efficiencies and more robust control of costs, in the absence of any guarantee of further Government funding to provide much needed support this represents a significant risk to the delivery of the Council Plan and the ongoing delivery of essential services.
- 7 While the Council is continuing to face significant financial challenges, we have stepped up our regional and national lobbying efforts to urge the Government to “Back York” by seizing the opportunities that are unique to York and making the city an exemplar of recovery. York has strengths and opportunities that could facilitate a strong economic recovery from COVID-19. The city has seen significant growth in key sectors over the last 20 years. Our businesses are identified in regional, and pan-northern economic strategies as being key opportunities for the Northern Powerhouse, and are all expected to remain buoyant through the pandemic.
- 8 Whilst the work being done to support recovery, particularly in relation to the local economy, has resulted in many visitors and residents returning to the city centre the return of lockdown restrictions means that it can be difficult to make an accurate forecast of the financial position over the short and medium term. In previous years, we would have been able to rely on our strong local economy to maintain a stable and resilient financial position. With this unprecedented level of uncertainty in both the national and local economy it is therefore prudent to continue to plan on the basis of the current financial picture and begin to put in place mitigation and cost control strategies to bring the forecast expenditure down to within the current approved budgets.

Recommendations

- 10 Executive is asked to:
- note the finance and performance information and the actions needed to manage the financial position

Reason: to ensure expenditure is kept within the approved budget.

Financial Summary

- 11 The gross financial pressures facing the council are projected at £5.7m. Whilst this is a significant overspend, a great deal of work has been done to identify mitigation and further action needed to bring current spending under control. It is therefore considered that this can be brought down to £3.7m by the end of the financial year through a number of measures.
- 12 There are underlying budget pressures across both adult and children's social care. As previously reported, adult social care is operating in an extremely challenging environment and as a result additional funding of £4.5m was allocated to the service in the 2020/21 budget. The long awaited Green Paper on a sustainable system for funding adult social care has again been delayed as a result of the pandemic and the Council has lobbied for this to be brought forward as soon as possible. The Government stated in the Spending Review published in November 2020 that it was still committed to sustainable improvement of the adult social care system and indicated that it would bring proposals forward in the next year.
- 13 This report highlights a number of known pressures that need to be actively monitored and managed, with mitigating actions agreed and regularly monitored across all directorates. Through ongoing monitoring and identification of mitigation alongside a review of earmarked reserves, the Council will continue to make every effort to reduce this forecast position but it is considered unlikely that it will be reduced to the point that the outturn will be within the approved budget. It is clearly vital that the Council's statutory duties, particularly in relation to social care for both adults and children, continue to be delivered and therefore, should it be required, it would be appropriate for the Council's £7.4m of general reserves to be used in light of the unprecedented financial situation caused by the pandemic.
- 14 A number of measures have been introduced to ensure that there are additional expenditure controls in place, particularly around vacancy management and the use of temporary staff. In addition, measures are being introduced to reduce any non-essential expenditure.

- 15 A cost control board has been created specifically to look at all adult and children's social care packages, SEND support costs and the effectiveness of our commissioning and review functions. The Board will track spend on a weekly basis to ensure savings and mitigation plans are on track. If any plans are not on trajectory then recovery plans will be required and where necessary escalated to CMT. Schemes of delegation have also been reviewed across the People Directorate to ensure decision making is clear and at the correct level to challenge and manage costs.
- 16 Work is also underway with health colleagues to ensure we have effective joint care pathways, commissioning and brokerage processes in place which maximises any additional central government funding and opportunities which arise from the integration and place agenda.
- 17 All areas of the Council are currently considering where further efficiencies and reductions in spend can be achieved in order to support the overall financial position.
- 18 These actions demonstrate that the council is maintaining both sound financial management, and delivering priority services to high standards, during a period of significant challenge for local government. In particular, key statutory services continue to perform well, having seen investment in recent years. Whilst the Council's track record of delivering savings and the robust financial management provides a sound platform to continue to be able to deal with these future challenges there remains a significant risk to ongoing service delivery and achievement of Council priorities that needs to be managed effectively.

Financial Analysis

- 19 The Council's net budget is £127m. Following on from previous years, the challenge of delivering savings continues with £4m to be achieved in order to reach a balanced budget. Forecasts indicate the Council is facing net financial pressures of £3,726k (after mitigation) and an overview of this forecast, on a directorate by directorate basis, is outlined in Table 1 below. The main variations, including the financial impact of COVID-19, and any mitigating actions that are proposed are summarised in Annex 1.

	20/21 net budget	20/21 M2 net forecast (after mitigation)	20/21 M3 Forecast Variation	Further Mitigation target	20/21 Monitor 3 net forecast variation
	£'000	£'000	£'000	£'000	£'000

Children, Education & Communities	30,432	2,595	4,569	-1,000	3,569
Economy & Place	24,727	0	0		0
Customer & Corporate Services	3,399	0	0		0
Health, Housing & Adult Social Care	55,394	2,831	3,685	-1,000	2,685
Central budgets	13,270	-900	-900		-900
Sub Total	127,222	4,526	7,354		5,354
Contingency		-128	-128		-128
Target for review of reserves		-1,500	-1,500		-1,500
Total including contingency	127,222	2,898	5,726	-2,000	3,726

Table 1: Finance overview

Reserves and Contingency

- 20 The February 2020 budget report to Full Council stated that the minimum level for the General Fund reserve should be £6.4m (equating to 5% of the net budget). At the beginning of 2020/21 the reserve stood at £7.4m and, as part of the budget report, approval was given to maintain this level of reserve in 2020/21 thus giving some headroom above the minimum level to take account of the continued risks facing the council, in particular the scale of future reductions on top of those already made. In addition, the budget report outlined significant risks associated with major capital projects, reduction in New Homes Bonus and health budgets. The report also contained a strong recommendation that revenue reserves should be increased over the next couple of years, in recognition of the current risks the council faces.
- 21 Should the mitigation outlined in annex 1 not deliver the required level of savings in the current financial year then this reserve is available to support the year end position. However, in light of the ongoing financial challenges being faced by all councils as a result of the pandemic it is now more important than ever to ensure the Council has sufficient reserves. Therefore, should it be the case that we need to draw down from this general reserve in 2020/21, growth will need to be included in a future years budget to ensure that reserves can be maintained at an appropriate level.

- 22 In addition to the general reserve of £7.4m there are a range of other earmarked reserves where funds are held for a specific purpose. These reserves are always subject to an annual review but during this year these funds will be reviewed on a quarterly basis and where appropriate to do so will be released to support the in year position. In light of the continued financial challenge ahead an increased target of £1,500k has been set for this review. Whilst this is a prudent approach that will ensure the financial resilience of the Council it is not a substitute for resolving the underlying overspends but instead allows time to develop future savings proposals in a planned way.
- 23 As in previous years a contingency budget of £500k is in place and at July Executive, it was agreed to transfer the 2019/20 underspend of £128k into contingency, resulting in a balance available of £628k. £500k has been allocated to the York Financial Assistance Scheme (YFAS) to ensure adequate support is in place for residents experiencing financial hardship leaving a balance of £128k available. Whilst the expenditure to date has not been as significant as expected and therefore whilst this amount has been allocated it has not yet been spent. However, as the financial impacts of COVID-19 are expected to continue for some time, the situation will be carefully monitored and any changes in this position reported to Executive.

Loans

- 24 Further to a scrutiny review, it was agreed that these quarterly monitoring reports would include a review of any outstanding loans over £100k. There are 2 loans in this category. Both loans are for £1m and made to Yorwaste, a company part owned by the Council. The first was made in June 2012 with a further loan made in June 2017 as agreed by Executive in November 2016. Interest is charged on both loans at 4% plus base rate meaning currently interest of 4.1% is being charged. All repayments are up to date.

Performance – Service Delivery

- 25 The Executive for the Council Plan (2019-23) agreed a core set of strategic indicators to help monitor the council priorities and these provide the structure for performance updates in this report. The indicators have been grouped around the eight outcome areas included in the Council Plan. Some indicators are not measured on a quarterly basis. The DoT (Direction of Travel) is calculated on the latest three results whether they are annual or quarterly.

- 26 This report concentrates on the indicators that make up the Council Plan performance framework and does not cover COVID-related activity.
- 27 A summary of the core indicators that have a good or poor direction of travel based on the latest available data is shown below and further details around all of the core indicator set can be seen in Annex 2.
- 28 It is likely that due to impacts of COVID, a number of the indicators will see a significant change both in terms of their numbers and their direction of travel in future reporting periods. The majority of the performance measures within the Council Plan have a lag between the data being available, and the current reporting period and therefore impacts will not be immediately seen, and may occur over several years as new data becomes available.
- 29 Strategic indicators that have a good direction of travel based on the latest available data are:

- **% of Talkabout panel who think that the council are doing well at improving green spaces** – 44% of respondents to the Q2 2020-21 survey agreed that the council and partners are doing well at improving green spaces, an increase from 42% in Q3 2019-20.
- **Number of homeless households with dependent children in temporary accommodation** – The number of homeless households with dependent children in temporary accommodation has reduced significantly since March 2020. The latest available data shows that there were 9 households with dependent children in temporary accommodation at the end of Q1 2020-21 compared to 23 at the end of Q4 2019-20. It should be noted that these figures are snapshot figures.
- **Number of new affordable homes delivered in York** – The number of new affordable homes delivered in York remains high, with 83 delivered during the first six months of 2020-21 (compared to 33 during the same period in 2019-20).
- **Number of Incidents of Anti-Social Behaviour within the City Centre ARZ** – The number of incidents of anti-social behaviour within the city centre during Q2 2020-21 (377) has increased slightly since the previous quarter (338), but represents a large reduction on the same period in 2019-20 (459).
- **% of Talkabout panel who give unpaid help to any group, club or organisation** – The results of the latest (Q2 2020-21) Talkabout

survey showed that 71% of the respondents give unpaid help to a group, club or organisation which is higher than the government's Community Life Survey 2019-20 which found that 64% of respondents reported that they had volunteered in the past 12 months. This figure is only slightly less than the 72% in the Q1 2020-21 Talkabout survey.

- **Customer Centre Waiting Times – Footfall** – 92% of customers visiting West Offices in Q3 2020-21 were seen within the target waiting time.

30 Strategic indicators that have a worsening direction of travel based on the latest available data have been separated into two areas; those which have been directly affected by COVID-19 and those affected by wider factors.

31 Indicators where a direct adverse effect from COVID-19 can be seen:

- **% of vacant city centre shops** - At the end of Q3 2020-21, there were 57 vacant shops in the city centre, which is an increase from 42 at the same point in 2019-20. The number of vacant shops equates to 8.88% of all city centre shops, which is lower than the national benchmark in Q1 2019-20 of 11.7%. Properties in York are owned by different commercial parties and CYC commercial properties have very low levels of vacancies.
- **Average number of days to re-let empty properties** – The average number of days to re-let empty Council properties (excluding temporary accommodation) increased from 59 days at the end of Q1 2020-21 to 82 days at the end of Q2 2020-21. The increase in days in Q2 was mainly due to the repairs team being unable to repair vacant properties due to COVID-19 restrictions.
- **Visits – All Libraries** – Due to the global coronavirus pandemic, all libraries in York closed at the end of March 2020 and slowly started to re-open at the beginning of July 2020. Visits in Q3 2020-21 totalled 73,051 (compared to 239,841 in the same period in 2019-20). However positively, 94,418 e-books were borrowed during Q3 2020-21 compared to 11,099 in the same period in 2019-20. When compared to other local authorities, the York figures show a relatively positive position.
- **Parliament Street Footfall** – Footfall in Parliament Street decreased from 1,390,431 in Q4 2019-20 to 425,894 in Q1 2020-21. Shops and businesses slowly started to re-open during June and footfall for Q2 2020-21 increased to 1,643,041. This is still somewhat down on the same period in 2019-20 (2,278,319). In Q3 2020-21, footfall fell to

1,245,444 (also down on the same period in 2019-20 which was 2,144,050). Due to the global coronavirus pandemic, restrictions were placed on movement and all leisure and the vast majority of retail businesses were closed at the end of March 2020. This had a severe impact on the number of visitors to the city centre which mirrored the situation countrywide. When compared to other local authorities, the York figures show a relatively positive position.

- **Number of days to process Housing Benefit claims –** Performance has deteriorated since the end of Q4 2019-20 (1.7 days) due to changes to ways of working which have had to be implemented. Performance in this area remains consistently strong in York with the average number of days taken to process a new Housing Benefit claim, or a change in circumstance, just over 4 days during Q2 2020-21. York performance is better than the national average of 6.9 days (Q1 2019-20).

32 Strategic Indicators with a worsening direction of travel affected by wider factors:

- **Proportion of adults in contact with secondary mental health services living independently –** The percentage of all adults in contact with secondary mental health services living independently, with or without support, has fallen over the last year; during 2020-21 Q2 (the latest figures available), 67% of them were doing so, compared with 79% a year earlier. However, the 2019-20 ASCOF results showed that York is the 18th best performing LA in the country with a performance of 80% in this measure, compared with 61% in all unitary authorities and 63% in its statistical neighbour group. In the current COVID landscape, support services and housing are adapting which may reduce opportunities for individuals in these circumstances. Further detailed work will be carried out on the cohort to understand COVID implications.
- **Slope index of inequality in life expectancy at birth (Female) –** The inequality in life expectancy for women in York is 6.2 years. This means there is around a 6-year difference in life expectancy between women living in the most and least deprived areas of the City. This inequality for women has worsened (risen) for two successive periods and we have seen a fall in life expectancy for women living in the most deprived decile in York and a rise for those living in the least deprived decile. However, York is still below the national average for women (7.5 years).

33 There are a number of additional indicators relating to the economy and demand, that whilst not part of the exiting Council Plan Indicator suite, are

vital at this point to understand the Cities recovery from COVID 19. Key patterns, that are described in greater detail within the annex, are;

- **Business Start-Ups** - In the financial year up to the end of November 2020, there were 634 new business start-ups in the City of York Council area. This figure is very similar to that at the same point in 2019 therefore showing signs of recovery.
- **Room Occupancy** – Occupancy rates in October 2020 are significantly below levels usually seen in October.
- **Visits to Big Attractions** – Visits to large attractions in October 2020 are lower than levels usually seen in October.
- **Community Mobility** – At the end of December 2020, there had been a 46% reduction in retail and recreation activity, a 3% increase in grocery and pharmacy activity, and a 57% reduction in the use of Public Transport compared to a baseline taken in January.

Council Plan

- 34 Following the adoption of the new Council Plan, progress against the commitments made within it will be included in each Finance and Performance monitor. Updates against the 8 key areas of the council plan are included in Annex 3.
- 35 Whilst attention has, rightly, been on responding to the pandemic, progress has been made in all outcome areas. These include:
- **Well paid jobs and an inclusive economy** – the submission of representation to Government on Local Government Reorganisation to make the case for York remaining as a unitary authority. This will help to pave the way for devolution in York and North Yorkshire.
 - **Getting around sustainably** - the roll out of York's electric vehicle charging point network is expected at scale in the first half of 2021, including the Hyperhub facilities, while the Clean Air Zone programme is complete with monitoring ongoing.
 - **Good Health and Wellbeing** - York's ABCD (Asset Based Community Development) model has supported people and communities to remain resilient during the pandemic, ensuring that people stay connected and have trusted relationships at a time of crisis. The work of the council's volunteer management team has actively contributed to this alongside community hub arrangements and work with York CVS and wider VCSE (Voluntary, Community and Social Enterprise).

- **A Better Start for Children and Young People** - A Children's Social Care 'front door' review took place in September 2020 to ensure effective and safe decision making, the findings of the review were very positive. The Improvement Board continues to meet and offer peer challenge.
- **A Greener and Cleaner City** - the new Head of Climate Reduction is now in post leading the development of a Climate Change Policy which will include a decarbonisation Action Plan for the council's own operation and the city. A York Climate Commission is being established to promote leadership in the city on climate change and to encourage action.
- **Creating Homes and World-class infrastructure** - The Reserved Matters Application to deliver key infrastructure for the York Central site was approved in November 2020 and Government has awarded £77m for work commencing on the site in early 2021.
- **Safe Communities and culture for all** - The five emergency response hubs at Acomb, Tang Hall, Haxby, Clifton and Micklegate have amplified even more the benefits of council staff and local groups and organisations working together with common objectives. Over the coming months, the Community Hubs will continue to play an increasing role in supporting local residents, especially those whose jobs have been lost or are at risk.
- **An open and effective Council** - The Council has published its draft 2021-22 Budget proposals in the context of the financial pressures caused by the pandemic. The public consultation finished on 31 January 2021.

Annexes

- 36 Annex 1 shows the quarterly financial summaries for each of the Council directorates.
- 37 Annex 2 shows performance updates covering the core set of strategic indicators which are used to monitor the progress against the Council Plan.
- 38 Annex 3 shows updates against the actions included in the Council Plan for 2019-23.
- 39 All performance data (and approximately 1,000 further datasets) within this document is made available in machine-readable format through the

Council's open data platform at www.yorkopendata.org under the "performance scorecards" section.

Consultation

40 Not applicable.

Options

41 Not applicable.

Council Plan

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

Implications

43 The implications are:

- **Financial** are contained throughout the main body of the report.
- **Human Resources (HR)** There are no HR implications related to the recommendations
- **One Planet Council / Equalities** Whilst there are no specific implications within this report, services undertaken by the council make due consideration of these implications as a matter of course.
- **Legal** There are no legal implications related to the recommendations
- **Crime and Disorder** There are no crime and disorder implications related to the recommendations
- **Information Technology (IT)** There are no IT implications related to the recommendations
- **Property** There are no property implications related to the recommendations
- **Other** There are no other implications related to the recommendations

Risk Management

44 An assessment of risks is completed as part of the annual budget setting exercise. These risks are managed effectively through regular reporting and corrective action being taken where necessary and appropriate.

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Wards Affected: All			✓
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Glossary of Abbreviations used in the report:

ABCD	Asset Based Community Development
ARZ	Alcohol Restriction Zone
ASCOF	Adult Social Care Outcomes Framework
CMT	Corporate Management Team
CVS	Centre for Voluntary Service
MIY	Make It York
SEND	Special Educational Needs
VCSE	Voluntary, Community and Social Enterprise
YFAS	York Financial Assistance Scheme

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Annex 1 – Directorate Financial Summaries

Financial impact of COVID-19

- 1 Previous reports to Executive have outlined the scale of the financial challenge as a result of the COVID-19 pandemic and the level of additional expenditure incurred. There has also been a substantial reduction in income from fees and charges throughout the year, and given the current national restrictions forecasts for the remainder of the year remain well below budgeted levels. Whilst the impact of the pandemic is being felt across all Council services the following paragraphs highlight the main issues.
- 2 The Waste Collection service has continued to provide a grey bin and recycling service throughout the lockdown periods and the green bin was reintroduced in May 2020 (a month behind original plans). There has been a need to employ additional staff throughout the year as staff have been unavailable due to quarantining or shielding and an increased number of staff have been required in order to provide the service within social distancing guidelines. The service also required significantly higher levels of PPE in order to provide the service safely. In order to complete rounds in the first months it also proved necessary to collect more recycling as comingled which has a greater cost to process as well as impacting income levels. As well as the extra cost of providing suitable PPE for our own front line staff, the Council also incurred some costs on the provision of PPE for staff working in private care homes.
- 3 In addition to the Government grants we have distributed, the council has provided further funding totalling £1.2m to help micro businesses that were not eligible for the national scheme. A micro grants scheme has helped 1,122 local businesses with grants of up to £1,000 to enable them to adapt in light of the COVID-19 lockdown. In addition, the Federation of Small Businesses has been funded to provide one year's membership for over 500 of York's micro businesses, enabling them to access free support and advice, and to benefit from membership of the FSB network.
- 4 The closure of markets, attractions and visitor accommodation has had an impact on the financial position of Make It York as income levels are below those forecast. The decision to cancel the Christmas Market also strongly impacted on Make It York's trading position. In December Executive agreed to support Make It York by waiving the revenue return for the year, agreeing to defer property

rents for the first half of the year and providing a loan facility of up to £300k.

- 5 Community Hubs were set up at the beginning of lockdown and have transitioned into a new method of working. The cost for 2021/21 is currently estimated to be in the region of £130k.
- 6 The number of people seeking help from adult social care, the number who go on to receive support and the amount of support they receive have all increased as a result of the pandemic. Social care services have continued to respond swiftly and effectively to the pandemic in order to both protect vulnerable citizens and NHS capacity. In effect this mean that staff have been reallocated from business as usual work to undertake tasks such as ensuring people can be discharged safely and quickly from hospital, establishing short term intensive community and residential support services for COVID-19 positive people, supplying and delivering PPE, supporting care providers, those in receipt of direct payments and establishing new virtual and mobile ways of supporting citizens whose usual sources of support were interrupted.
- 7 The periods of lockdown have placed significant pressure on many families where children have special educational needs and we have seen a similar rise to many other Councils of requests for statutory assessment in this area. We have not seen a significant spike in demand for children's social care which other areas have seen and believe this is because we have had a steady and significant increase in demand for early help. We have however experienced the higher level of complexity in children's social care referrals that has been seen across the country.
- 8 The Council also experienced significant downturns in income as many income streams, particularly car parking, virtually shut down during the national lockdowns.
- 9 To 30th November there has been a £2.6m shortfall in parking income. April and May saw virtually no income (down over 90%) as the City was in full lockdown. Income started to recover in June where income was 74% below budget and July where income was 40% below budget. August and September were better with income only 20% below budget. However further restrictions were introduced in October with a lockdown in the majority of November leading to reductions in income collected of 27% and 72% respectively. Estimates at the end of November were that the shortfall to the end

of the year would be £3.6m however given the current restrictions in place this is expected to worsen by year end. In addition there is a forecast shortfall on PCN income of £400k. It should be noted that the increases in parking charges agreed at the budget in February were not implemented, following an urgent decision which has also impacted total income. There have also been a number of parking incentives to support local businesses including free parking through RingGo app and reductions in Minster Badge charges agreed over the remainder of the year.

- 10 There is a forecast shortfall in income on commercial waste of £813k. During the first and second lockdown a large number of the service's customers were not trading and therefore were not charged. The service is currently working with its customers to determine the level of service and charges going forward through the remainder of the year. Given the current restrictions this forecast shortfall in income is expected to worsen.
- 11 Whilst planning applications have been received and processed during the Covid 19 period there was a significant reduction in numbers during the period March to May but September and November have had higher numbers of applications submitted than in recent years. In relation to fee income the greatest impact is associated with a 21% reduction in the number of major planning applications over the year compared with 2019. It is anticipated that levels will increase as the economy rebounds next year and applications for medium to large scale development schemes are progressed. However an estimate of c55% of budget to the end of the year is currently anticipated.
- 12 Rent invoices in respect of commercial property are now sent on the normal timetable following a deferral for quarter 1 bills. Since that time officers in the Asset and Property Management Team have been working with tenants to agree revised payment plans in order that the council can continue to collect its revenue and the tenants can be supported in difficult trading circumstances. To date these conversations have been very successful and the majority of rents are being paid and still assumed to be collected. It is likely, however, that some businesses going forward may not be able to continue to trade and an assessment of the shortfall totalling £0.5m is currently estimated.
- 13 The pandemic has not only resulted in shortfalls in income across those areas outlined above but also a large number of other income

budgets including the Mansion House and Registrars (due directly to the lockdown) licencing (where there was a fee holiday), bereavement services (where the charges were reduced) building control (when construction activity was on hold), land charges (when the housing market was on hold), green bin subscriptions (as the service was suspended). There are also shortfalls across Public Transport Fees (Park and Ride) and Network Management. Given the continued uncertainty and the current restrictions, it remains difficult to have significant confidence in these estimates and they are being closely monitored and updated on a monthly basis.

Children, Education & Communities

- 14 A net overspend of £3,569k is forecast primarily due to children's social care.
- 15 The placements budgets are predicted to overspend by a total of £2,624k in 2020/21. This includes variances of £896k on Fostering (including Independent Fostering Agencies where there are 35 ongoing placements, an increase of 11 since the first quarter), £225k on adoption and other allowances and £1,503k on Out of City Placements. The fostering projection is based on all local foster carer positions being filled, so where a child reaches 18 or a foster placement ends, then it is assumed that this is filled. The IFA and Out of City Placement projections have taken account of the placements expected to end in 2020/21, with a further reduction expected in 2021/22.
- 16 The number of Looked After Children in York has increased significantly in the past 12 months. The Looked After Children population had been stable for a number of years, in the range 190-210 at any one time (this was significantly below statistical neighbour and national average). On appointment the new Directorate Management Team identified unsafe drift and delay for some children in the system. This was subsequently identified by Ofsted and corrective action has led to significant recalibration in the system. For example in October 2018 there were only 4 individual children in care proceedings. As at the end of September 2020 there were 55 sets of proceedings on 93 individual children in place. Whilst the recalibration of the system has led to an increase of children in care, children are safer as a result and work now is being done to safely reduce numbers to acceptable levels. An external review of our multi agency safeguarding hub (the front door to children's social

care services) has confirmed that decision making and thresholds are now appropriate.

- 17 At the time of this monitor the Children & Young People in Care (CYPIC) number is 287 and within the next 3 years 25% of these will leave local authority care. A Reducing Service Costs Board has been established in Specialist Services chaired by the Assistant Director which will review arrangements to reduce CYPIC numbers safely, the effectiveness and impact of the Edge of Care Service, current Family Group Conference activity and progress on foster care recruitment. In addition a Strategic Overview of Permanence Group has been established, chaired by the Assistant Director to monitor the new Permanence Strategy through tight oversight of children with a plan of permanence and ensuring rigorous use of trackers in order to prevent delay and manage demand in the system.
- 18 A Track and Challenge exercise is also being undertaken on all young people in high cost residential placements which will also ensure education and health costs contributions where applicable are met. A Pathway for funding will be set up to include Health and Continuing Care funding. Children in residential are also being reviewed and those who need to be assessed with a view to returning nearer to York or 52 week placements in residential school to reduce to 38 are assessed.
- 19 Safeguarding Interventions are predicted to overspend by £1,304k, mainly due to increases in the Court and Child Protection Teams who are dealing with the increase in cases. For example in October 2018 there were only 4 individual children in care proceedings. At the end of September 2020 there were 55 sets of proceedings on 93 individual children in place. Legal fees are predicted to overspend by approximately £315k. Children protection numbers, following a recalibration spike, have now returned to national average levels.
- 20 Staffing budgets with Children's Social Work Services, including the Permanency and Referral & Assessment teams, are also predicted to overspend by approximately £1,321k. This is mainly due to temporary staffing across the service, which the directorate has worked hard to eliminate with permanent appointments. Use of agency staff is at a last resort. This could be for example to back fill maternity leave however managers must evidence that they have attempted to backfill with fixed term contract in advance of any agency staff being agreed. A revised structure which reduced the need for agency costs had been agreed just before lock down but

has not been able to be taken forward during the initial phase of the pandemic. This is now being re activated.

- 21 The Home to School Transport budget was already in an historic overspend position of approximately £200k. The savings targets for the SEN element of home to school transport have not been achieved because of a growth in the number of pupils/students requiring transport and the specialist requirements of that transport. The main increase in numbers have been at post 16/19 where, because of the city now being able to provide more specialist education provision for this group of students more locally, subsequently we have had to provide more transport to establishment such as York College, Askham Bryan, Choose 2 and Blueberry Academy. The changes in legislation to allow EHCPs to ages 19-25, resulting in significantly more students accessing this option, has significantly increased our transport spend accordingly.
- 22 In addition, due to the effects of Covid 19 and the complications and uncertainties created by the requirements for school transport and social distancing from September, it is extremely difficult to estimate the potential overspend at this stage. However, due to negotiations with providers, a reduction in contract payments was secured for the summer term, whilst still supporting the providers to remain in business.
- 23 This issue is common to all LAs with Home to School Transport responsibilities, and the Government has recognised this with the announcement of a grant to assist in funding these additional costs. City of York Councils allocation of this grant is £125k. It is not yet clear if further funding will be provided, and, if not, there may be a further impact on the budget, although the Directorate is currently working hard to contain additional expenditure to current spend levels plus the grant funding.
- 24 At this stage an estimated overspend of £211k has been included in the directorate projection, reflecting the effects of the historic overspend, the reduction in costs in the summer term, and some estimates of the likely position for the remainder of the financial year. This is still subject to change depending on the arrangements which may be required in the spring term due to Covid.
- 25 The DSG budgets within Education and Skills are predicted to overspend by £3,251k, mainly due to the high number of Out of

Authority placements, which is partially responsible for the deficit position on the DSG.

- 26 The DSG position at 1st April 2020 was a deficit of £4.865m. Current predictions on High Needs and Central Services Block expenditure indicate that this deficit could grow to £10m by the end of this financial year, due to the continuing increase in High Needs numbers, and increasing complexity, requiring expensive provision. The main pressures are in Post 16 and Post 19 provision and the Out of Authority placements highlighted above. We are developing a DSG recovery plan which will provide options to bring this back to a balanced budget over the next 3 years. This is a national issue and we are part of national lobbying for the SEND review to move forward to address the funding gaps in this area which are experienced across the country.
- 27 The council continues to have discussions with GLL over the cost of managing the centres during the year. The council has been required to fund the net cost of the facilities whilst closed and GLL have suffered from reduced revenues when the facilities have been open during the year. The likely additional cost to the council is currently forecast to be c.£800k but the council and GLL are seeking Government / Sport England funding to mitigate this cost.
- 28 A number of other more minor variations make up the overall directorate position.
- 29 The service is continuing to develop a detailed, costed mitigation plan that will include ways to improve controls over expenditure, identify efficiencies across the directorate and benchmarking with other Councils to ensure best value is being achieved across all areas. Work is also underway to manage and understand demand so that early support can be put in place along with improved commissioning to ensure all activity is needs led and evidence based. We are also considering options to deliver services in a different way either through new brokerage arrangements or sharing services on a wider footprint.

Economy & Place

- 30 The Directorate is currently forecasting a small overspend that does not relate to additional costs or lost income relating to COVID-19. At this time in the year it is anticipated that these pressures are managed within the overall directorate budget. This can be achieved

through a review of staff charged through to other programmes, review of the waste reserve and challenging service managers over ways to reduce expenditure.

Customer & Corporate Services

- 31 Overall the directorate is expected to outturn within budget. There are a number of minor variations being managed and work will continue to try and identify additional savings to help the overall position.

Health, Housing & Adult Social Care

- 32 A net over spend of £2,685k is forecast for the directorate, mainly due to pressures within Adult Social Care. The majority of the overspend relates to the continuation of existing 2019/20 pressures that have been previously reported. The following paragraphs give more detail on the variations to budget and actions taken to mitigate the variations.
- 33 Permanent residential care is forecast to overspend by £430k based on current customer numbers. This is mainly due to the average cost of working age adult physical & sensory impairment placements being around £15k higher than was planned for in the budget (£162k). The policy of using short term placements to support people to return to home has resulted in fewer admissions to residential and nursing care. The overspend on older people placements is projected to be £268k, largely due to the average cost per customer being £5.6k more than budgeted, an increase in cost of £1.1m which has been offset by a net reduction of 15 customers since the start of the year and a slight increase in customer income. Permanent nursing care is forecast to underspend by £505k based on current customer numbers. We are actively working with health colleagues to ensure we have effective brokerage, commissioning, review and market management in these areas.
- 34 There are a number of customers in residential and nursing placements or receiving homecare packages which were previously being paid for by Heath under the Covid 19 regulations. Responsibility for these customers has transferred back to the Council and this is projected to increase the net cost of residential and nursing placements and homecare by £352k once all the customer reviews have taken place.

- 35 Older People short stay budgets are forecast to underspend by £463k. The number of customers placed in respite and step up step down beds in the first three quarters of the year has been a lot lower than usual, largely due to the Covid pandemic.
- 36 The use of home care to support customers is projected to overspend by £1,394k due to the average weekly number of hours of homecare provided being 850 more than budgeted. This position has worsened since the previous report as a result of new customers needing home care packages because their usual support has been unavailable given community services, etc have been closed or had vastly reduced capacity as a result of social distancing measures. Systems are in place to track and code these increases due to covid separately, reclaiming costs from the national NHSE funding stream.
- 37 There are a number of workstreams in place to reduce the long term impact on the home care budget including improving the capacity of the reablement service, introducing short term rapid response support for covid positive people, an improved approach to reviewing peoples care to make the best use of non-council resources and additional work to draw in NHS income.
- 38 Physical & Sensory Impairment Supported Living schemes are forecast to overspend by £613k due to there currently being nine more customers in schemes than was assumed in the budget, and in addition the average cost per customer is £5.5k per annum higher than budgeted for.
- 39 Learning disability residential budgets are forecast to overspend by £878k. The numbers placed are in line with budget, however the net cost per placement is currently £14k more than budget. This is partially due to ongoing issues of customers no longer qualifying for 100% continuing health care (CHC) funding and responsibility passing across from Health to ASC. This involves small numbers of people with very high costs. In response to this the council has employed and trained specialist CHC workers and established a project to work on these highest costing care packages. Joint work is underway with the NHS to adopt a better joint approach to gain better value from the market and also to review existing care pathways in this area to ensure the most effective demand management is in place.
- 40 Learning Disabilities Supported Living for is forecast to overspend by £294k. This is due to having 6 more customers than assumed in the

budget. There is also projected to be a £218k overspend on community support budgets due to the higher than expected spend on homecare and unbudgeted use of temporary staff.

- 41 Direct Payments are forecast to overspend by £459k due to the average direct payment per customer being £5k more than in the budget (£576k), offset by having six fewer customers. A number of these are under review as part of the high cost packages and review work.
- 42 Mental Health budgets are forecast to overspend by £1,256k predominantly due to an increase in the number of residential care placements needed. The mental health accommodation programme is on track to deliver lower cost local alternative provision.
- 43 Be Independent is currently projected to overspend by £213k. The financial position of the service has been recovered significantly since being transferred back to the Council, but there is still work to be done in order to balance the budget.
- 44 There is a projected overspend of £292k on Haxby Hall. Transfer of the service to Yorkcare Homes Ltd has been delayed due to Covid 19 and there is a substantial overspend on staffing due to the use of Work with York and external agency staff to cover staff vacancies pending the transfer going ahead. In addition income is down due to there being a reduced number of customers currently being placed in the home.
- 45 Due to the pandemic Yorkcraft is currently projected to overspend by £202k. This is due to a £62k saving from review of the service which is not likely to be achieved in 2020/21, together with an underachievement of income on external contracts and office collections due to the Covid pandemic.
- 46 ASC's outturn was £3.6m over budget in 2019/20, largely attributable to pressures in external care. Members acknowledged this issue and set aside £550k growth to assist the department in achieving a sustainable budget. However, COVID has delayed and changed how this money will be spent. As such, we have not been able to reset our external care budgets to reflect the plans to bring these budget back in line and the budget has rolled forward based on historic assumptions around customer numbers and prices rather than a more up to date position. This is why several of the variances explained show significant differences between budgets and actuals.

- 47 The growth money is being used in the short term to support the ASC Improvement Team and also to fund a review team tasked with looking at packages where customer needs can be met differently. We have also undergone a Peer Review in January to explore opportunities enabling the department to set a sustainable budget.
- 48 Prior to the Covid pandemic pressure on the budget was largely driven by the increasing market cost of care. During the Covid pandemic additional pressures have emerged. The number of people seeking help from adult social care, the number who go on to receive support and the amount of support they receive have all increased. This is a reversal of a 2 year trend during which early intervention and strengths based working prevented increasing numbers of citizens requiring increasing support. Early work by public health to review the impact of covid19 suggests causes of this increase are likely to include; Loss of income and uncertainty regarding future earnings; Loss of important practical and social support and connections; Reduced access to essential information, goods and services; including through digital exclusion; Diminished or interrupted care and support services; Compromised ability to adhere to disease containment policy and to maintain social distancing; Fear, loneliness, anxiety, increased stress and other adverse psychological impacts.
- 49 ASC has been required to respond swiftly and effectively to the pandemic in order to both protect vulnerable citizens and NHS capacity. In effect this means that staff have been from business as usual work to undertake tasks such as emptying the hospital, establishing short term intensive community and residential support services for Covid positive people, supplying and delivering PPE, supporting care providers, those in receipt of direct payments and establishing new virtual and mobile ways of supporting citizens whose usual sources of support were interrupted.
- 50 Although this was done using all the previous principles of, home first, using community support and reducing reliance on residential care, this intense activity in response to national guidance means that some of savings projects are less advanced than they would ordinarily have been at this point in the year. It is now anticipated that ASC will not achieve £1,008k of the £1,826k savings put forward in the budget process for 2020/21. The main reasons are as follows:

- There was a national decision to halt the continuing health care process and as a result savings in this area are likely to reduce from £500k to £250k
- The development of more targeted strength based reviews has been delayed and the expectation is now that expected savings of £300k will not be achieved this year.
- Proposed increases in customer income have been interrupted due to the measures we have taken in relation to customer charging during the pandemic in line with national guidance. Savings are now likely to reduce from £295k to £225k.

51 The department is taking a review, repurpose, refresh and reset approach to recovery, recognising the opportunity for positive permanent change resulting from the disruption of recent months. The three strands to the recovery work are strength based working, capacity and demand management and staff wellbeing.

- Strengths based working- through maximising the use of community resources we will reduce the reliance on council funding
- Demand Management- we will flex the use of our resources across the health and care system, deploy more and better technology, and change the balance between long and short term support.
- Staff Wellbeing. We will make the best use of the skills and expertise of our staff by supporting them with the right information, tools for the job and invest in their wellbeing

52 As previously reported, ASC is operating in an extremely challenging environment in which Health partners in the city are operating with significant deficits. The price of care provision is high, with a local market driven by those that can fully fund their care without recourse to the Council.

53 The Council is undertaking an Actual Cost of Care exercise with providers of residential and nursing care. This is anticipated to increase our standard rate above the inflation awarded in the 2020/21 budget. The outcome of this exercise will be reported to Members with options around mitigating any additional costs above those already funded.

Housing Revenue Account

- 54 The Housing Revenue Account budget for 2019/20 is a net cost of £825k. Overall, the account continues to be financially strong and is forecasting a small net overspend of £55k.
- 55 The forecast is that Repairs & Maintenance expenditure will outturn on budget for the year. All non-urgent repairs were suspended for the entirety of Q1 in response to COVID-19 and void works were reduced. All of the work streams have now recommenced and it is evident through increased call volumes, demand for voids work, and heating and electrical repairs that a notable backlog has built up. As this build-up of work is dealt with and we move in to the higher demand winter period, it is forecast that the full repairs budget will be spent.
- 56 There are a number of staffing vacancies that are forecast to save £135k. This is offset by the increasing costs of the independent external advice for the James House project which are now forecasted to be £130k above the budget.
- 57 It was reported at Monitor 2 that Rent arrears have increased by c£60k per month in quarter 1 against a forecast of £30k per month. This increase has since levelled off and arrears at the end of quarter 3 were lower than at the end of quarter 2. The new financial assistance scheme is providing financial support and assistance to HRA tenants with their rent arrears.
- 58 There is a forecast shortfall relating to rents of £251k due to the delayed opening of James House and Lincoln Court. However, the majority of the shortfall in income relates to voids. The average void days have returned back to the long term average up by 1 day compared to the same period last year, following an increase at the beginning of the year. All teams across Housing are working together to improve the re-let of the properties.
- 59 The interest receivable on the HRA credit balances is forecast to be higher than the budget this year due to the holding of large balances pending the large scale investment in to new council house building, as such an over achievement of income of £200k is projected at quarter 3.
- 60 As previously reported the HRA will not receive any financial assistance from the government relating to the pandemic and as

such the underspend from 2019/20 of £539k was set aside to fund COVID-19 and other pressures.

- 61 The working balance position at 31 March 2020 was £26.4m. The projected outturn position means the working balance will increase to £27.1m at 31 March 2021. This compares to the balance forecast within the latest business plan of £25.58m.
- 62 The working balance is increasing in order to start repaying the £121.5m debt that the HRA incurred as part of self-financing in 2012. The current business plan assumes that reserves are set aside to enable to the debt to be repaid over the period 2023/24 to 2042/43.

Corporate Budgets

- 63 These budgets include Treasury Management and other corporately held funds. It is anticipated that overall a £900k underspend will be achieved, predominantly as a result of reviewing capital financing assumptions.

Annex 2 – Performance – Council Plan Outcomes

- 1 This report concentrates on the indicators that make up the Council Plan performance framework and does not cover COVID-related activity.
- 2 It is likely that due to impacts of COVID, a number of the indicators will see a significant change both in terms of their numbers and their direction of travel in future reporting periods. The majority of the performance measures within the Council Plan have a lag between the data being available, and the current reporting period and therefore impacts will not be immediately seen, and may occur over several years as new data becomes available.
- 3 Within the updates on the Council Plan indicators, are a number of indicators which show the status of economic, community or corporate recovery since the start of the pandemic.

Well paid jobs and an inclusive economy

Well paid jobs and an inclusive economy						
	Previous Data	Latest Data	DoT	Frequency	Benchmarks	Data Next Available
Business Rates - Rateable Value	£255,622,846 (Q2 2020/21)	£255,125,478 (Q3 2020/21)	➡	Quarterly	Not available	Q4 2020/21 data available in April 2021
Median earnings of residents - Gross Weekly Pay (£)	£574.60 (2019/20)	£572.60 (2020/21)	➡	Annual	National Data 2020/21: £587.1 Regional Data 2020/21: £540.4	2021/22 data available in November 2021
% of working age population qualified - to at least L2 and above	83.20% (2018/19)	83% (2019/20)	➡	Annual	National Data 2019/20: 75.60%	2020/21 data available in April 2021
% of working age population qualified - to at least L4 and above	47.90% (2018/19)	49.10% (2019/20)	➡	Annual	National Data 2019/20: 40.30% Regional Data 2019/20: 34.20%	2020/21 data available in April 2021
% of vacant city centre shops (compared to other cities)	8.28% (Q2 2020/21)	8.88% (Q3 2020/21)	⬆ Bad	Monthly	National Data 2019/20 Q1 11.7%	Q4 2020/21 data available in April 2021
GVA per head (£)	25,130 (2017/18)	30,258 (2018/19)	➡	Annual	Regional Rank 2018/19: 2	2019/20 data available in May 2021
% of working age population in employment (16-64)	80% (Q4 2019/20)	80.10% (Q1 2020/21)	➡	Quarterly	National Data Q1 2020/21 76.20%	Q2 2020/21 data available in March 2021

The DoT (Direction of Travel) is calculated on the latest three data points whether they are annual or quarterly.
All historic data is available via the Open Data Platform

Business Rates

- 4 The Government support schemes for local businesses that operated during Spring and Summer in 2020 have now closed. The support provided was:
 - 3,591 COVID Support Grants (value of £47.325m)
 - 3,192 Business Rate Reliefs 2020-21 (value of £70.228m)
 - 670 Enhanced Micro Scheme payments (value of £2.249m)
 - Approx. 1,000 Council Funded Micro Scheme payments (value of £1m)

- 5 In October, new grants were announced by Central Government which are still live, including Local Restriction Support grants, Sector Support grants and Lockdown Restrictions grants. As the government announced a return to lockdown from the 5th January 2021, further grant support will be provided in the coming months, including one off payments of up to £9,000 per business where they have a rateable value. In addition to the Business Grants, the Council along with Central Government have been supporting local residents through the crises and continue to do so. The support includes Community food parcels, Discretionary free school meals, Hardship Grant for Council Tax Support, Winter Support Grants, Discretionary Housing Payments and Isolation Grants.
- 6 City of York Council were the 12th fastest authority in distributing business grants to those who needed them most during the initial COVID-19 outbreak and are again paying all grants to both business and residents as quickly as possible. Total support across the city is now approaching £130m and will move well beyond this with the new grants announced by Government on the 5th January.
- 7 The 2020-21 collection rate for Council Tax up to the end of December 2020 was 82% (2.14% below the target collection rate and 1.91% below the collection rate at the same point in 2019-20).

Median earnings of residents – Gross weekly pay

- 8 In April 2020, the median gross weekly earnings for full-time resident employees in York were £574.90, which is a decrease of 0.8% from £579.90 in 2019. Nationally, median weekly pay for full-time employees fell in the private sector (negative 0.6%) but not in the public sector (positive 2.4%), following four years of higher pay growth in the private sector; this fall reflects the different job types across each sector and the extent they have been impacted because of the coronavirus (COVID-19) pandemic. Data for 2021/22 will be available in November 2021.

% of working age population qualified – to at least L2 and above

- 9 In 2019-20, 83% of the working age population in York were qualified to at least L2 and above (GCSE grades 9-4), which is higher than the national and regional figures (75.6% and 72.5% respectively). This result ranks the city of York third regionally. The 2019-20 figure has remained stable compared to 2018-19 (83.2%). York performs in the top quartile compared to other Unitary authorities and is ranked 4 out of 56 Unitary LAs. Data for 2020/21 will be available in April 2021.

% of working age population qualified – to at least L4 and above

- 10 In 2019-20, 49.1% of the working age population in York were qualified to at least L4 and above (certificate of higher education or equivalent), which is higher than the national and regional figures (40.3% and 34.2% respectively). This result ranks the city of York first regionally. The 2019-

20 figure is an increase from 2018-19 (47.9%). York performs in the top quartile compared to other Unitary authorities and is ranked 5 out of 56 Unitary LAs. Data for 2020/21 will be available in April 2021.

GVA (Gross Value Added) per head (£)

- 11 In 2018-9 (the latest available data), the GVA per head in York was £30,258 which was the second highest figure regionally. Apart from a slight dip in 2015-16, the GVA per head has been increasing annually since 2009-10 where it was £25,976 per head. Data for 2019-20 will be available in May 2021. Based on predicted economic trends nationally, it is expected that there will be a negative impact on GVA values in future years.

% of vacant city centre shops compared to other cities

- 12 At the end of Q3 2020-21, there were 57 vacant shops in the city centre, which is an increase from 42 at the same point in 2019-20. The number of vacant shops equates to 8.88% of all city centre shops, which is lower than the national benchmark in Q1 2019-20 of 11.7%. Properties in York are owned by different commercial parties and CYC commercial properties have very low levels of vacancies. The York figure has not fluctuated a great deal in the past 10 years, with a high of 9.2% in 2016-17 and the national benchmark figure has remained stable too, with a high of 12.3% in 2013-14. This measure will continue to be monitored along with a number of new measures looking at vacancy rates within secondary shopping centres to broaden the economic picture of the city. These will include Clifton Moor, Monks Cross, Haxby Village and Acomb High Street.
- 13 In the financial year up to the end of November 2020, there were 634 new business start-ups in the City of York Council area. This figure is very similar to that at the same point in 2019 therefore showing signs of recovery.

% of working age population in employment (16-64)

- 14 In Q1 2020-21 (the latest available data), 80.10% of the working age population were in employment, which is higher than the national and regional figures (76.2% and 74.6% respectively). The York performance gives the city a ranking of first regionally and represents a continued yearly upward trend.
- 15 At the end of November 2020, there were 13,120 people in York receiving Universal Credit, of which, at the end of October 2020, 6,917 were not in employment. These figures are considerably higher than the same period in 2019-20 (5,976 and 3,342).

Getting around sustainably

Getting around sustainably						
	Previous Data	Latest Data	DoT	Frequency	Benchmarks	Data Next Available
P&R Passenger Journeys - (YTD)	4.24m (2018/19)	3.98m (2019/20)	→	Annual	Not available	2020/21 data available in July 2021
Local bus passenger journeys originating in the authority area (excluding P&R) - (YTD)	12m (2018/19)	11.6m (2019/20)	→	Annual	Not available	2020/21 data available in July 2021
% of road and pathway network that are grade 4 (poor) or grade 5 (very poor) - roadways	20.00% (2019/20)	22.00% (2020/21)	→	Annual	Not available	2021/22 data available in November 2021
% of road and pathway network that are grade 4 (poor) or grade 5 (very poor) - pathways	3.00% (2019/20)	3.00% (2020/21)	→	Annual	Not available	2021/22 data available in November 2021
Area Wide Traffic Levels (07:00 -19:00) (Excluding A64) from 2009/10 baseline (2.07m)	2.17m (2017/18)	2.15m (Prov) (2018/19)	→	Annual	Not available	2019/20 data available in February 2021
Index of cycling activity (12 hour) from 2009 Baseline (31,587)	116.00% (2017)	120.00% (2018)	→	Annual	Not available	2019 data available in February 2021
Index of pedestrians walking to and from the City Centre (12 hour in and out combined) from 2009/10 Baseline (37,278)	111.00% (2019/20)	103.00% (2020/21)	→	Annual	Not available	2021/22 data available in January 2022
% of customers arriving at York Station by sustainable modes of transport (cycling, walking, taxi or bus - excluding cars, Lift, Motorcycle, Train)	73.00% (2018)	75.40% (2019)	↑ Good	Annual	Not available	2020 data available in December 2021

The DoT (Direction of Travel) is calculated on the latest three data points whether they are annual or quarterly.
All historic data is available via the Open Data Platform

P&R Passenger Journeys

- 16 In 2019-20, there were a total of 3.98 million Park and Ride passenger journeys into and out of the city. This is lower than in 2018-19 (4.24m) and the lowest in the previous seven years (with a high of 4.61m in 2015-16). Due to the global COVID-19 pandemic, lower numbers than normal were seen during March 2020, which partly explains the decrease since 2018-19.

Local bus passenger journeys

- 17 In 2019-20, 11.6 million local bus passenger journeys originated in the local authority area. This is slightly lower than the number of journeys in 2018-19 (12m) but overall, there has been a steady increase over the previous seven years (from 9.7m in 2012/13).

% of ROAD and pathway network that are grade 4 (poor condition) or grade 5 (very poor condition) - Roadways / Pathways

- 18 In 2020-21, 22% of the road network was classed as in poor or very poor condition. This is a slight increase from 2019-20 (20%) but lower than the two year previous to that. In 2020-21, 3% of the pathway network was classed as in poor or very poor condition. This remains relatively low compared with previous years, with the highest being 6% in 2015-16.

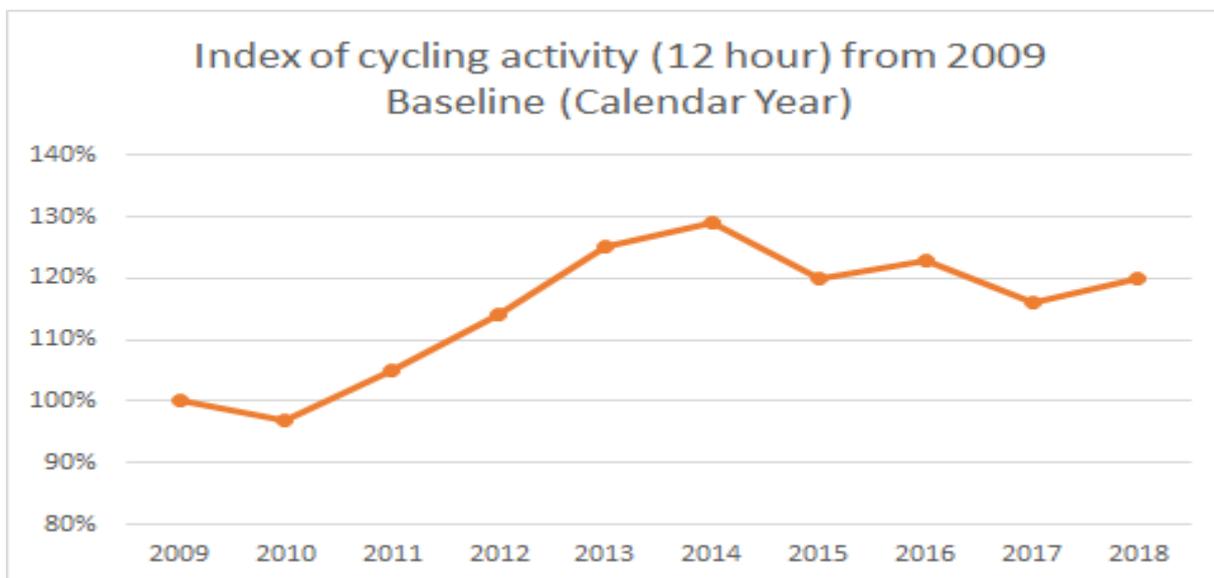
Area Wide Traffic Levels (07:00 -19:00) (Excluding A64)

- 19 Between 2011-12 and 2016-17, the number of vehicles on the city's roads increased year on year to a high of 2.2 million. Since then the numbers have slowly decreased to a provisional figure of 2.15 million in 2018-19. This slight decrease in numbers is set against a backdrop of a city with an

increasing population. Data for 2019-20 will be available in February 2021.

Index of cycling activity (12 hour) / % of residents actively cycling and national comparisons

20 From a baseline in 2009 (31,587), there has been a 20% increase in cycling activity in 2018. The highest level seen since the baseline was established was in 2014 where there was a 29% increase above the baseline. Data for 2019 will be available in February 2021.



21 Statistics about walking and cycling in England in 2019 were published during August 2020. The data is based on two main sources, The National Travel Survey and the Active Lives Survey. The picture for York residents is a positive one with a higher than average proportion engaging in both walking and cycling (the percentage of adults in York who walk or cycle five times per week (50%) is higher than regional and national averages (34.1% and 35.8%).

22 Community mobility data has been available regularly from Google since the start of the pandemic to track how visits to places such as shops and transit stations are changing. Data is sourced through phone location history where consented and changes for each day are compared to a baseline value for that day of the week taken during January and February 2020. At the end of December 2020, in York, there had been a 46% reduction in retail and recreation activity, a 3% increase in grocery and pharmacy activity, and a 57% reduction in the use of Public Transport. Overall, York has performed better than the national averages.

Index of pedestrians walking to and from the City Centre (12 hour in and out combined)

23 From a baseline in 2009-10 (37,278), there has been a 3% increase in the number of pedestrians walking to and from the city centre in 2020-21. This is 8% lower than in 2019-20 and can probably be attributed to the national lockdowns that have taken place during 2020 and early 2021. Data is

gathered on an annual basis over the course of one day; it is a count of pedestrians crossing an inner cordon set just beyond the inner ring road and includes off-road routes such as riverside paths.

% of customers arriving at York Station by sustainable modes of transport (cycling, walking, taxi or bus – excluding cars, lift, motorcycle or train)

24 In 2019 (the latest available data), 75% of customers arrived at York station by sustainable modes of transport which is an increase from 73% in 2018. The data is gathered by an annual survey which takes place for a five- hour period in seven locations around the station. Members of the public are asked how they arrive at the station and the results are flow weighted to take into account the split of people arriving at each entrance.

Good Health and Wellbeing

Good Health and Wellbeing						
	Previous Data	Latest Data	DoT	Frequency	Benchmarks	Data Next Available
Proportion of adults in contact with secondary mental health services living independently, with or without support	72.00% (Q1 2020/21)	67.00% (Q2 2020/21)	↓ Bad	Quarterly	National Data 2019/20 58.00%	Q3 2020/21 data available in March 2021
Delayed transfers of care from hospital which are attributable to adult social care, per 100,000 population (YTD Average)	6.6 (2018/19)	4.9 (2019/20)	→	Quarterly	National Data 2019/20 3.2	Data collection for March 2020 onwards has been suspended due to COVID-19
Overall satisfaction of people who use services with their care and support	63.80% (2018/19)	68.10% (2019/20)	→	Annual	National Data 2019/20 64.20%	2020/21 data available in December 2021
% of reception year children recorded as being obese (single year)	9.50% (2018/19)	7.60% (2019/20)	→	Annual	National Data 2019/20 9.90%	2020/21 data available in December 2021
Slope index of inequality in life expectancy at birth - Female - (Three year period)	5.2 (2017/18)	6.2 (2018/19)	↑ Bad	Annual	Regional Rank 2018/19: 3	2019/20 data available in Feb 2021
Slope index of inequality in life expectancy at birth - Male - (Three year period)	8.9 (2017/18)	8.4 (2018/19)	→	Annual	Regional Rank 2018/19: 3	2019/20 data available in Feb 2021
% of adults (aged 16+) that are physically active (150+ moderate intensity equivalent minutes per week, excl. gardening)	74.90% (2018/19)	67.10% (2019/20)	→	Annual	National Data 2019/20 62.80%	2020/21 data available in November 2021

The DoT (Direction of Travel) is calculated on the latest three data points whether they are annual or quarterly.
All historic data is available via the Open Data Platform

25 There has been an increasing demand for adult social care in 2020-21, partly caused by the COVID-19 pandemic. Our Customer Contact Workers record the number of contacts received to ASC, whether made by email, telephone or other methods. During 2020-21 Q3, they received 5,080 contacts, which is over 2.5 times the number received during 2019-20 Q3 (1,991). Around 35% of the contacts during 2020-21 Q3 were resolved using Information, Advice and Guidance (IAG), which is higher than the percentage that were resolved using IAG during 2019-20 Q3 (30%).

26 There has been a notable fall throughout 2020-21 in the number of individuals in residential/nursing care placements, mainly due to the Covid

crisis. At the end of 2020-21 Q3, this number was 538, compared to 631 at the same point in the previous year. CYC have been relatively successful in ensuring that the number of new admissions to residential/nursing care have been low, partly because of the policy that people should no longer be placed in residential/nursing care directly following hospital discharge. During 2019-20 the number of new admissions of older people to residential/nursing care fell by 20%; during 2020-21, it is forecast there will be a further fall of at least this percentage.

- 27 The COVID-19 pandemic, particularly since the peak of the “first wave” in May, has led to an increasing demand for home care services. At the end of 2020-21 Q3 there were 749 people in receipt of a home care service; this is 6% higher than the corresponding figure at the end of 2019-20 Q3 (705), but this number had fallen in the second half of 2019-20 before beginning to rise substantially in this financial year.

Proportion of adults in contact with secondary mental health services living independently

- 28 The percentage of all adults in contact with secondary mental health services living independently, with or without support, has fallen over the last year; during 2020-21 Q2 (the latest figures available), 67% of them were doing so, compared with 79% a year earlier. The 2019-20 ASCOF results showed that York is the 18th best performing LA in the country with a performance of 80% in this measure, compared with 61% in all unitary authorities and 63% in its statistical neighbour group.
- 29 During 2020-21 Q2 (the latest figures available), 18% of all clients in contact with secondary mental health services were in employment – a figure that has consistently been above the regional and national averages. Based on the 2019-20 ASCOF results, York is the 4th best performing LA in the country on this measure, with 22% of all those in contact with secondary mental health services in employment, compared with 10% in all unitary authorities and 9% in its statistical neighbour group.
- 30 However, NHS Digital have acknowledged that there are issues with the quality of some of its statistics because of the disruption caused by the COVID-19 pandemic, so it is possible that the percentages quoted above may be subject to future revision.

Delayed Transfers of Care (DToC) from hospital which are attributable to adult social care, per 100,000 population

- 31 There had been a downward trend in the number of days that patients are delayed leaving hospital that are “attributable to adult social care”. In the 12 months to the end of February 2020, which is the latest period for which information has been published by NHS England, there were on average eight beds per day occupied by people subject to delayed transfers of care attributable to CYC’s adult social care. This is lower than

in the previous 12-month period (11 beds occupied per day on average). However, reporting on DToC has been stopped since February due to the COVID-19 pandemic and at the time of writing no decision has been made as to whether or not DToC reporting will resume.

Overall satisfaction of people who use services with their care and support

32 The latest (2019-20) Adult Social Care User Survey showed that 68% of those who responded stated that they were “extremely” or “very” satisfied with the care and support they received. This is a significant improvement from 2018-19, where 64% gave one of these answers. This performance puts York amongst the upper quartile of local authorities for satisfaction with care and support, above the average of all unitary authorities (66%) and its statistical neighbour group of local authorities (64%).

33 The Survey also reported that ASC clients felt that their quality of life had improved during 2019-20, a measure that takes into account how they feel about aspects such as their safety, social contact, access to local services and ability to perform household tasks. It has improved to the extent that the quality of life for York’s ASC clients is now comparable with those nationally and in its statistical neighbour group of local authorities.

34 Additionally, 74% of ASC clients that responded to the Survey and tried to access information and advice reported that they found it “easy” to do so, a percentage which is in the upper quartile of local authorities. It is significantly higher than the average of all unitary authorities (70%) and its statistical neighbour group of local authorities (68%).

% of reception year children recorded as being obese (single year)

35 Although the NCMP programme for 2019-20 was discontinued in March 2020 due to the COVID-19 pandemic, the data submitted for children measured prior to lockdown has been published with appropriate local data quality flags. The coverage rates for York for 2019-20 were 38% for year 6 pupils and 57.2% for reception (coverage rates are usually 95%+). As a result of this, the York values have been flagged as ‘fit for publication but interpret with caution’.

36 The 2019-20 NCMP found that 7.6% of reception children in York were obese, which is significantly lower than the England average (9.9%). The York figure has fallen from the 2018-19 level (9.5%). Of Year 6 children in York, 22.1% were found to be obese in 2019-20, which is not significantly different from the England average (21.0%). The York figure has increased from the 2018-19 level (15.1%). There is a wide variation in obesity rates at ward level, and there is a strong correlation between obesity and deprivation at ward level.

Healthy Life expectancy at birth – Female/Male (slope index of inequality)

- 37 Average Life Expectancy and Healthy Life Expectancy for males in York (80.2 years and 65.5 years) is above the England average (79.8 years and 63.4 years). Average Life Expectancy and Healthy Life Expectancy for females in York (83.7 years and 65.3 years) is also above the England average (83.4 years and 63.9 years).
- 38 The inequality in life expectancy for men in York is 8.4 years. This means there is around an 8-year difference in life expectancy between men living in the most and least deprived areas of the City. This inequality for men has improved (fallen) in the most recent measurement period (2016-18) after three successive increases in previous periods. The inequality in life expectancy for women in York is 6.2 years. This means there is around a 6-year difference in life expectancy between women living in the most and least deprived areas of the City. This inequality for women has worsened (risen) for two successive periods, there has been a fall in life expectancy for women living in the most deprived decile in York, and a rise for those living in the least deprived decile. However, York is still below the national average for men (9.5 years) and for women (7.5 years).

% of adults (aged 16+) that are physically active (150+ moderate intensity equivalent minutes per week, excluding gardening)

- 39 The latest data from the Adult Active Lives Survey for the period May 2019 to May 2020 was published in October 2020. In York, 519 people aged 16 and over took part in the survey, and they reported higher levels of physical activity, and lower levels of physical inactivity, compared with the national average. Positively:
- 67.1% of people in York did more than 150 minutes of physical activity per week compared with 62.8% nationally and 61.3% regionally. There has been a significant fall in the York value from that 12 months earlier.
 - 20.4% of people in York did fewer than 30 minutes per week compared with 25.5% nationally and 26.9% regionally. There has been a significant increase in the York value from that 12 months earlier.

A Better Start for Children and Young People

A Better Start for Children and Young People						
	Previous Data	Latest Data	DoT	Frequency	Benchmarks	Data Next Available
Secondary school persistent absence rate (10% absence) (recorded over 6 terms) (relates to prev academic year to financial year shown)	15.50% (2017/18)	13.18% (2018/19)	➔	Annual	Not available	2019/20 data available in April 2021
Voice of the Child - Service Usage and Life Opportunities	Narrative	Narrative	N/A	Quarterly	Not available	Q3 2020/21 narrative available in January 2021
% of children who have achieved a Good Level of Development (GLD) at Foundation Stage - (Snapshot)	74.80% (2017/18)	75.60% (2018/19)	➔	Annual	National Data 2018/19 71.80%	Data for 2019/20 will not be released due to COVID19
Average Progress 8 score from KS2 to KS4	0.11 (2017/18)	0.22 (2018/19)	⬆ Good	Annual	National Data 2018/19 0.01	Data for 2019/20 will not be released due to COVID19
% of pupils achieving 9-4 or above in English & Maths at KS4 (C or above before 2016/17)	69.60% (2017/18)	73.60% (2018/19)	➔	Annual	National Data 2018/19 65.70%	Data for 2019/20 will not be released due to COVID19
%pt gap between disadvantaged pupils (eligible for FSM in the last 6 years, looked after and adopted from care) and their peers achieving 9-4 in English & Maths at KS4	33.20% (2017/18)	29.40% (2018/19)	➔	Annual	National Data 2018/19 27.00%	Data for 2019/20 will not be released due to COVID19
% of Year 12-13 (academic age 16-17) NEET who possess less than a L2 qualification - (Snapshot)	90.50% (Q2 2020/21)	90.50% (Q3 2020/21)	➔	Quarterly	Not available	Q4 2020/21 data available in April 2021
The DoT (Direction of Travel) is calculated on the latest three data points whether they are annual or quarterly. All historic data is available via the Open Data Platform						

- 40 The number of children in care has increased during 2019/20, but has been stable throughout 2020/21 to date. The number of children in care remains above the expected level for York, The increase during 2019/20 reflected recalibration within children's services as progress was made to improve and strengthen practice. As improvement work continues we would expect a second recalibration where the number of children in care reduces.
- 41 The number of children subject to a child protection plan has noticeably decreased at the end of December 2020. The ongoing improvement work in children's services is a key factor. During 2019/20, we saw a predicted increase in the number of children who were the subject of a plan. The second phase of improvement work is contributing to performance levelling off.
- 42 The number of contacts to Early Help increased significantly throughout the initial lockdown phase in response to COVID-19. Whilst the number of contacts to Early Help reduced over Q2, they increased again in Q3 with October being the busiest month since April. Work is progressing within the MASH and with the safeguarding partnership to ensure a city-wide and multi-agency response to the increased demand.
- 43 The number of referrals to children's social care dropped significantly during the initial phase of COVID-19 lockdown. This matched the experience seen nationally and regionally. After a peak in September, the number of referrals to children's social care levelled during October and

December to match similar monthly averages during the summer months. November 2020 saw slightly lower averages, likely attributed to the national COVID-19 guidance.

Voice of the Child

- 44 Advocacy casework for children and young people who are in care or leaving care, going through the child protection process or wanting to make a complaint, has continued to be provided throughout this period. Between October and December 2020, Speak Up received a total of 8 referrals for advocacy; 4 referrals for children and young people in care, 2 referrals for young parents aged 18 and under whose child is subject to a Child Protection Plan, and 2 referrals for young people subject to a child protection plan.
- 45 Participation work opportunities have continued to be delivered remotely, with young people being engaged virtually via Zoom meetings, Facebook and Live Messenger. Our Children in Care Council (Show Me That I Matter) and Care Leavers Forum (I Still Matter) have continued to meet each month and discussed topics such as the impact of COVID-19 on children and young people, training for professionals, access to records and awareness raising about bullying that children and young people might experience from their peers due to being in care. In addition to this, representatives from SMTIM and ISM regularly co-deliver training and within the last quarter have taken part in the Skills to Foster Training for prospective foster carers, delivered a workshop to social workers as part of the Adolescence Practice Week and presented at the City of York Safeguarding Children Partnership's Development Day.
- 46 York Youth Council meetings have continued to be delivered during this period on a remote basis as a result of the COVID-19 restrictions. In Q3, fortnightly meetings have taken place via Zoom and the youth council have focussed on online campaigns and projects. Five formal Zoom meetings and two informal quiz nights have taken place since the end of October. Some members of the youth council have also been developing the Young People's Indicator Report in collaboration with the Human Rights City project team at the University of York. This quarter's sessions have included guests and consultation work such as North Yorkshire Police to discuss the Knife Crime campaign, representation from NHS Youth Councils to gather ideas about formation of an NHS Youth Council, representation from the Private Fostering Team to workshop the new leaflet, and in addition to this, the Youth Councillors have had meetings attended by 14 City of York Council Councillors for their 'Quiz The Councillors' project. The Youth Council have set a timeline target to complete their 'Quiz The Councillors' project by the end of the academic year, and are progressing well with this endeavour. The 'Quiz the Councillors' Project aims to encourage local democracy and engagement,

by the means of a series of questions and answers to create Councillor profiles to soon be displayed in schools, community spaces and online, for young people to engage with. Youth Council is working on collating this document using 'Canva' and are looking forward to getting to a point where they can distribute and share the piece of work. Our Youth Councillors promoted the Make Your Mark 2020 youth ballot, which is co-ordinated by UK Youth Parliament, all despite the unprecedented challenges of running a consultation during a global pandemic. Whilst the turnout was significantly reduced from previous years, the national and local results resonate with the York results and thus will be incorporated into the Youth Council's plan for the following year of projects and campaigns.

- 47 Representatives from York Youth Council have also taken part in a number of virtual, regional workshops, conferences and meetings, mainly facilitated by British Youth Council and the Steering Group, enabling them to communicate with different MPs from across the region about current issues, as well as other Youth Councils. York Youth Council will be doing some consultation work in the new year with York Art Galleries and Museums, Public Health, Community Alcohol Partnership, and the Human Rights City. There will also be a focus on the issues raised by the most recent Make Your Mark results. York Youth Council has been regularly engaging with their online following and local partners and Councillors on Twitter and Instagram and will continue to do so.

Secondary school persistent absence rate

- 48 The May 2020 pupil census was cancelled by the Department for Education due to COVID-19. As the majority of pupils were unable to attend school for the summer term, it is unlikely that performance information on school persistent absence rates will be available for 2019/20.

% of children who have achieved a Good level of Development (GLD) at Foundation Stage

- 49 There will be no data available for 2019-20 as the tests were cancelled due to the pandemic.

Education Progression (Average Progress 8 score from KS2 to KS4) and GCSE Results (% of pupils achieving 9-4 in English and Maths at KS4)

- 50 Progress 8 is a measure of the progress made by pupils between Key Stage 2 and Key Stage 4. A positive score represents progress above the average for all pupils and a negative score progress below the average for all pupils.
- 51 The KS4 landscape is particularly complicated for 2020 due to COVID-19. In 2020, all GCSE, AS and A level exams were cancelled and replaced by

a combination of teacher assessment, mock exam results, course work and a standardised calculation.

- 52 The Department for Education are not planning on releasing data for 2019-20 due to the way in which Key Stage 4 results were calculated due to COVID-19.

% point gap between disadvantaged pupils (eligible for FSM in the last 6 years, looked after and adopted from care) and their peers achieving 9-4 in English and Maths at KS4

- 53 The DfE are not planning on releasing data for 2019/20 due to the way in which Key Stage 4 results were calculated due to COVID-19.

- 54 Reducing the attainment gap between disadvantaged pupils and their peers is a key priority in all phases of education across 0-19 years. In 2019, the attainment gap narrowed slightly to 29.4%, against the national average of 27%.

% of 16-17 year olds who are NEET who do not have a L2 qualification

- 55 The proportion of 16-17 year olds in York who are NEET remains at a similar level to historical trends and there is a correlation with disadvantage, with the majority of young people that are NEET being from the wards with the highest levels of deprivation. At the end of December 2020, 90.5% of young people who were NEET did not have a Level 2 qualification.

A Greener and Cleaner City

A Greener and Cleaner City						
	Previous Data	Latest Data	DoT	Frequency	Benchmarks	Data Next Available
Percentage of household waste sent for reuse, recycling or composting	45.60% (Prov) (Q1 2020/21)	48.75% (Prov) (Q2 2020/21)	➔	Quarterly	National Data 2019/20 43.50%	Q3 2020/21 data available in April 2021
Residual household waste per household (kg/household)	123kg (Prov) (Q1 2020/21)	130kg (Prov) (Q2 2020/21)	➔	Quarterly	National Data 2019/20 537.2kg	Q3 2020/21 data available in April 2021
Incidents - Flytipping /Cleansing(includes dog fouling,litter)/Graffiti - On Public/Private Land	627 (Q2 2020/21) (Flytipping)	456 (Q3 2020/21) (Flytipping)	➔	Quarterly	Not available	Q4 2020/21 data available in April 2021
	534 (Q2 2020/21) Cleansing	477 (Q3 2020/21) Cleansing	➔	Quarterly	Not available	Q4 2020/21 data available in April 2021
	144 (Q2 2020/21) Graffiti	104 (Q3 2020/21) Graffiti	➔	Quarterly	Not available	Q4 2020/21 data available in April 2021
Citywide KPI on air quality (to be created during CP lifespan)	N/A	In development	N/A	TBC	Not available	Indicator to be created during Council Plan lifespan
Carbon emissions across the city (to be created during CP lifespan)	N/A	In development	N/A	TBC	Not available	Indicator to be created during Council Plan lifespan
Level of CO2 emissions from council buildings and operations (Net emissions) (to be created during CP lifespan)	N/A	In development	N/A	TBC	Not available	Indicator to be created during Council Plan lifespan
Flood Risk properties assessed at lower level than 2019 baseline (to be created during CP lifespan)	N/A	In development	N/A	TBC	Not available	Indicator to be created during Council Plan lifespan
Number of Trees Planted (CYC)	0 (Q1 2020/21)	0 (Q2 2020/21)	➔	Quarterly	Not available	Q3 2020/21 data available in February 2021
% of Talkabout panel who think that the council are doing well at improving green spaces	44.31% (Q1 2020/21)	44.31% (Q2 2020/21)	⬆ Good	Quarterly	Not available	Q3 2020/21 data available in 2021
The DoT (Direction of Travel) is calculated on the latest three data points whether they are annual or quarterly. All historic data is available via the Open Data Platform						

Percentage of household waste sent for reuse, recycling or composting

- 56 The latest provisional data of 49% in Q2 2020-21 shows that the amount of household waste sent for reuse, recycling or composting has decreased from 56% in the same period in 2019-20. This may be partially due to COVID-19 restrictions being relaxed in July before being tightened in September, however the provisional annual recycling rate has increased from 44% in 2018-19 to 48% in 2019-20 and York performs in the middle quartile compared to other Unitary Authorities (ranked 22nd out of 56 Unitary LA's).

Residual household waste per household (kg/household)

- 57 Latest provisional residual waste (i.e. non-recyclable) per household data shows an increase from 104 kg in Q2 2019-20 to 130kg in Q2 2020-21 possibly partly due to the COVID-19 restrictions being relaxed in July before being tightened in September, however the full year annual figures have decreased from 551kg in 2018-19 to 461kg in 2019-20. York performs in the middle quartile compared to other Unitary Authorities and is ranked 26th out of 56 Unitary LA's.

Incidents - Fly tipping / Rubbish / Cleansing (includes dog fouling, litter and all other cleansing cases) / Graffiti – On Public/Private Land

- 58 The number of service calls received due to cleansing (including dog fouling and litter), graffiti and fly-tipping during Q3 2020-21 have all decreased since Q2 2020-21 (cleansing from 534 to 477, graffiti from 144 to 104 and fly-tipping from 627 to 456).

Air Quality

- 59 At the start of October 2020, Clean Air Day took place and was promoted through the council's Kick the Habit campaign which aims to help tackle the issue of unnecessary vehicle idling in the city. In addition to a press release and social media messages throughout the day, officers from CYC's Public Protection team organised a pop-up campaign within short stay parking at York Railway Station. Anti-idling signage was erected outside a local primary school and at York hospital. The 'Switch off engines for Clean Air Day' message was also posted on all variable message signs around the city. Public Protection has erected further 'Kick the Habit' promotional material and signage at the Askham Bar Flu vaccination site, in partnership with CYC Public Health.
- 60 In November 2020, the City of York Council Public Protection team launched the Air Quality hub (grant funded by DEFRA) as a one-stop resource for other local authorities and air quality practitioners to learn about best practice in terms of air quality strategy, planning, actions and monitoring.
- 61 Also in November, CYC launched its DEFRA funded Low Emission Taxi incentive scheme which offers financial support for eligible CYC registered

taxi drivers to upgrade their vehicles to low emission vehicles. The scheme provides grant funding of up to £3000 to purchase petrol hybrid, plug-in hybrid and some petrol/diesel vehicles and will have the effect of reducing emissions of the pollutants NOx/NO2 and particulate matter across the city. The use of low emission taxis will also contribute to City of York Council's net carbon neutral target by 2030, following the declaration of a climate emergency in March 2019. The current taxi incentive builds on an earlier taxi grant scheme that kick-started the conversion of 20% of the York taxi fleet to using hybrid vehicles (figure correct as of July 2020).

Trees Planted

- 62 Due to the specific times of year that trees are planted, no trees were planted during the first 6 months of 2020-21, but this is expected to increase by Q4.

% of Talkabout panel who think that the council and partners are doing well at improving green spaces

- 63 The Talkabout Resident Satisfaction Survey was adapted and included in the 'Our Big Conversation' (OBC) consultation which ran in 2020. It was sent to the Talkabout panel and was available to all York residents.
- 64 The results for Q2 2020-21 (the latest available data) showed that 44% of respondents agreed that the Council and its partners are doing well at improving green spaces, an increase from 42% in Q3 2019-20.

Creating Homes and World-class infrastructure

Creating homes and World-class infrastructure						
	Previous Data	Latest Data	DoT	Frequency	Benchmarks	Data Next Available
Net Additional Homes Provided - (YTD)	560 (2019/20)	182 (Q1 and Q2 2020/21)	➔	Quarterly	Not available	2020/21 full year data available in June 2021
Net Housing Consents - (YTD)	3,466 (2019/20)	950 (Q1 and Q2 2020/21)	➔	Quarterly	Not available	2020/21 full year data available in June 2021
Number of homeless households with dependent children in temporary accommodation - (Snapshot)	23 (Q4 2019/20)	9 (Q1 2020/21)	⬇️ Good	Quarterly	Not available	Q2 2020/21 data available in February 2021
Average number of days to re-let empty properties (excluding temporary accommodation) - (YTD)	58.54 (Q1 2020/21)	82.14 (Q2 2020/21)	⬆️ Bad	Quarterly	Not available	Q3 2020/21 data available in February 2021
Energy efficiency - Average SAP rating for all Council Homes	70.60 (2018/19)	70.60 (2019/20)	➔	Annual	Not available	2020/21 data available in November 2021
Number of new affordable homes delivered in York	64 (Q1 2020/21)	19 (Q2 2020/21)	⬆️ Good	Quarterly	Not available	Q3 2020/21 data available in February 2021
Average broadband download speed (Mb/s)	56.1 (2019/20)	147.1 (2020/21)	➔	Annual	National Data 2020/21 68.92	2021/22 data available in December 2021
Superfast broadband availability	93.81% (2019/20)	94.13% (2020/21)	➔	Annual	National Data 2020/21 94.91%	2021/22 data available in December 2021

The DoT (Direction of Travel) is calculated on the latest three data points whether they are annual or quarterly.
All historic data is available via the Open Data Platform

New Additional Homes Provided

65 Between April and September 2020 there were 182 net additional homes completed. This represents a lower level of completions than anticipated earlier in the year and can largely be attributed to the impact of the COVID-19 pandemic on new working practices and building material supply. Of these additional homes:

- 90.1% were completed on housing sites;
- 10.4% were a result of an off-campus privately managed student accommodation block at York Dance Works;
- Changes of use of existing buildings to residential use and conversions to existing residential properties accounted for 13.7% of all completions;
- 22% were on individual sites that saw the construction of five or less dwellings;
- Development sites including Germany Beck, the provision of a new apartment block at Tower Way and the Former Del Monte Site in Skelton all provided notable completions over the year.

Net Housing Consents

66 Between April and September 2020, there were 950 net housing consents. This represents a continuation of significant levels of housing consents that have taken place over the previous three full years. Levels of consents can fluctuate based on the approval of large developments. Of these consents the most significant approved sites included;

- 607 consents on the Former Gas Works, Heworth Green;
- 62 on the Vacant Site, Eboracum Way.

Number of homeless households with dependent children in temporary accommodation

67 The number of homeless households with dependent children in temporary accommodation has reduced significantly since March 2020. The latest available data shows that there were 9 households with dependent children in temporary accommodation at the end of Q1 2020-21 compared to 23 at the end of Q4 2019-20. It should be noted that these figures are snapshot figures.

Average number of days to re-let empty Council properties (excluding temporary accommodation)

68 The average number of days to re-let empty Council properties (excluding temporary accommodation) increased from 59 days at the end of Q1 2020-21 to 82 days at the end of Q2 2020-21 (the latest available data). The increase in days in Q2 was mainly due to the repairs team being unable to repair vacant properties due to the COVID-19 restrictions.

Energy efficiency – Average SAP rating for all Council Homes

69 The provisional average SAP rating for all Council homes in 2019-20 is 70.6, which is the same as in 2018-19. At the point of reporting, the

Building Services team were in the process of establishing a new method for calculating the SAP figure using a combination of the stock condition data and bulk data from the Landmark EPC register. The figure reported for 2019-20 therefore, was the same as the figure from the stock condition survey carried out in 2019.

Number of new affordable homes delivered in York

- 70 The number of new affordable homes delivered in York remains high, with 83 delivered during the first six months of 2020-21 (compared to 33 during the same period in 2019-20).

Superfast broadband availability/Average broadband download speed (Mbs)

- 71 In 2020-21, 94.13% of properties in York had access to superfast broadband, which compares to 94.91% nationally. The average broadband download speed in York in 2020-21 was 147.1Mb/s, which compares to 56.1 Mb/s in 2019-20. This increase can be attributed to the Council's continued work with service providers to improve infrastructure. The national benchmark download speed is 68.92 Mb/s in 2020-21. This data is provided by an Ofcom panel of consumers so should be treated as an indication rather than actual figures. Data for 2021-22 will be available in December 2021.

Safe Communities and culture for all

Safe Communities and culture for all						
	Previous Data	Latest Data	DoT	Frequency	Benchmarks	Data Next Available
% of Talkabout panel satisfied with their local area as a place to live	87.01% (Q1 2020/21)	84.90% (Q2 2020/21)	➡	Quarterly	Community Life Survey 2019/20 75.90%	Q3 2020/21 data available in 2021
All Crime per 1000 population	12.2 (Q1 2020/21)	14.2 (Q2 2020/21)	➡	Quarterly	National Data Q2 2020/21 21.2	Q3 2020/21 data available in February 2021
Number of Incidents of ASB within the city centre ARZ	338 (Q1 2020/21)	377 (Q2 2020/21)	⬇️ Good	Quarterly	Not available	Q3 2020/21 data available in February 2021
Visits - All Libraries	81,056 (Q2 2020/21)	73,051 (Q3 2020/21)	⬇️ Bad	Quarterly	Not available	Q4 2020/21 data available in April 2021
Visits - York Museums Trust (to be created during CP lifespan)	N/A	In development	N/A	TBC	Not available	Indicator to be created during Council Plan lifespan
% of Talkabout panel who agree that they can influence decisions in their local area	29.55% (Q1 2020/21)	27.30% (Q2 2020/21)	➡	Quarterly	Community Life Survey 2019/20 26.80%	Q3 2020/21 data available in 2021
% of Talkabout panel who give unpaid help to any group, club or organisation	72.27% (Q1 2020/21)	71.22% (Q2 2020/21)	⬆️ Good	Quarterly	Community Life Survey 2019/20 63.60%	Q3 2020/21 data available in 2021
Parliament Street Footfall	1,643,041 (Q2 2020/21)	1,245,444 (Q3 2020/21)	⬇️ Bad	Quarterly	Not available	Q4 2020/21 data available in April 2021

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All historic data is available via the Open Data Platform

% of Talkabout panel satisfied with their local area as a place to live

- 72 Results from the Q2 2019-20 Talkabout survey showed that 86% of the panel were satisfied *with York* as a place to live (a decrease from 88% in Q1 2020-21) and 85% *with their local area* (a decrease from 87% in Q1 2020-21). Satisfaction for local area continues to perform well against the

latest national figures of 76% (Community Life Survey 2019-20) and 87% (Local Government Association Poll June 2020).

All Crime per 1000 population

- 73 Overall crime levels in York decreased from 15.3 per 1,000 population at the end of Q4 2019-20 to 12.2 per 1,000 population at the end of Q1 2020-21. This had increased slightly to 14.2 crimes per 1,000 population by the end of Q2 2020-21, however this is lower than at the end of Q2 2019-20 (16.9 crimes per 1,000 population).

Number of Incidents of ASB within the city centre (Alcohol Restriction Zone)

- 74 The number of incidents of anti-social behaviour within the city centre during Q2 2020-21 (377) has increased slightly since the previous quarter (338), but represents a large reduction on the same period in 2019-20 (459).

Visits - All Libraries / YMT

- 75 Due to the global coronavirus pandemic, all libraries in York closed at the end of March 2020 and slowly started to re-open at the beginning of July 2020. Visits in Q3 2020-21 totalled 73,051 (compared to 239,841 in the same period in 2019-20). However positively, 94,418 e-books were borrowed during Q3 2020-21 compared to 11,099 in the same period in 2019-20.

% of Talkabout panel who agree that they can influence decisions in their local area

- 76 Results from the Q2 2020-21 Talkabout survey found that 27% of panellists agreed that they could influence decisions in their local area which is the same as the latest national figure of 27% (Community Life Survey 2019-20) but a slight decrease from the York Q1 2020-21 figure of 30%.

% of Talkabout panel who give unpaid help to any group, club or organisation

- 77 The councils 'Our Big Conversation' survey asks residents if they have given unpaid help to any group, club or organisation within the last 12 months. Responses from the two surveys carried out over the first national lockdown and following summer months both reflect that York has seen an increase in volunteering. The results of the latest survey showed that 71% of the respondents give unpaid help to a group, club or organisation which is 4% higher compared to before the pandemic started. The national figure for unpaid help pre-pandemic taken from the government's Community Life Survey 2019-20 was 64%.

Parliament Street Footfall & Secondary Centre Footfall

- 78 Due to the global coronavirus pandemic, restrictions were placed on movement and all leisure and the vast majority of retail businesses were closed at the end of March 2020. This had a severe impact on the number of visitors to the city centre which mirrored the situation countrywide. Footfall in Parliament Street decreased from 1,390,431 in Q4 2019-20 to

425,894 in Q1 2020-21. Shops and businesses slowly started to re-open during June and footfall for Q2 2020-21 increased to 1,643,041. This is still somewhat down on the same period in 2019-20 (2,278,319). In Q3 2020-21, footfall fell to 1,245,444 (also down on the same period in 2019-20 which was 2,144,050).

- 79 Hotel room occupancy rates in October 2020 were 52%, which are much lower than the levels usually seen in October (80-85%). Visits to large attractions in York in October numbered 82,502, again, which are much lower than visits normally seen in October (between 250-300,000).

An open and effective Council

An open and effective Council						
	Previous Data	Latest Data	DoT	Frequency	Benchmarks	Data Next Available
Forecast Budget Outturn (£000s Overspent / -Underspent) - CYC	£4,526 (excluding contingency) (Q2 2020/21)	£5,354 (excluding contingency) (Q3 2020/21)	↑ Bad	Quarterly	Not available	Q4 2020/21 data available in April 2021
Average Sickness Days per FTE - CYC (Excluding Schools) - (Rolling 12 Month)	11.29 (Q1 2020/21)	10.63 (Q2 2020/21)	→	Quarterly	CIPD Public Sector 2018/19 8.5	Q3 2020/21 data available in February 2021
Customer Services Waiting Times - Phone / Footfall / Webchat	00:00:23 (Phone) (Q2 2020/21)	00:00:17 (Phone) (Q3 2020/21)	→	Quarterly	Not available	Q4 2020/21 data available in April 2021
	100.00% (Footfall) (Q2 2020/21)	91.70% (Footfall) (Q3 2020/21)	↑ Good	Quarterly	Not available	Q4 2020/21 data available in April 2021
	97.60% (Webchat) (Q2 2020/21)	95.60% (Webchat) (Q3 2020/21)	→	Quarterly	Not available	Q4 2020/21 data available in April 2021
Number of days to process Benefit claims (currently Housing benefit)	4.31 (Q1 2020/21)	4.3 (Q2 2020/21)	↑ Bad	Quarterly	Not available	Q3 2020/21 data available in February 2021
% of complaints responded to within timescales (currently 5 days)	68.65% (Q1 2020/21)	88.48% (Q2 2020/21)	→	Quarterly	Not available	Q3 2020/21 data available in February 2021
CYC Apprenticeships	12 (Q2 2020/21)	16 (Q3 2020/21)	→	Quarterly	Not available	Q4 2020/21 data available in April 2021
FOI & EIR - % In time - (YTD)	81.76% (Q1 2020/21)	81.34% (Q2 2020/21)	→	Quarterly	Not available	Q3 2020/21 data available in February 2021

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Average Sickness Days per FTE - CYC (Excluding Schools)

- 80 At the end of September 2020, the average number of sickness days per FTE (rolling 12 months) was 10.63 days compared to 11.29 at the end of June 2020.

Customer Services Waiting Times (Phone / Footfall / Webchat etc)

- 81 Our customer centre is the main point of contact for residents and business visitors. During Q3 2020-21, the number of calls received decreased to 43,698 (52,254 in Q2 2020-21), with 73.4% of calls answered within 20 seconds. In addition, approximately 1,314 people contacted Customer Service for support due to the impact of COVID-19.
- 82 During Q3, 17 customers required an appointment with Customer Service at West Offices and a further 1,031 'dropped by' and received support. This figure includes Probation Services, Registrars and Blue Badge

assessments although, Customer Service are not responsible for these services. The majority of people 'dropping in' can access services without having to come to West Offices. In addition to speaking to customers over the phone, the customer service team also responded to 13,968 e-mails (a decrease from 15,066 in the previous quarter). Customers are now opting to access services using alternative means:

- 2,075 customers made payments using the auto payments facility
- 14,741 people used the auto operator
- 61% of street lighting and street cleansing issues were reported by customers on-line
- There were around 17,000,000 views made of CYC website pages
- Web chat is now available for Council Tax customers, with 2,177 customers using the chat service during Q3, 95.6% of customers waited no more than 20 seconds for their chat to be answered and 84% said they were satisfied with the service.

Number of days to process Benefit claims (currently Housing Benefit)

- 83 Due to improvements in digital processes, performance in this area remains consistently strong in York, with the average number of days taken to process a new Housing Benefit claim, or a change in circumstance, being just over four days during Q2 2020-21 (the latest available data). York performance is higher than the national average of 6.9 days (Q1 2019-20). Performance has deteriorated since the end of Q4 2019-20 where HB claims took 1.7 days on average to process, but due to the global coronavirus pandemic, changes to ways of working have been implemented which have impacted on timescales. Compared to other Unitary Authorities, York performs in the top quartile and is ranked 2nd best out of 56 Unitary LAs.

% of complaints responded to within timescales

- 84 In Q2 2020-21 (the latest available data), the council received 217 stage 1 complaints and responded to 88% of complaints within five days. The number of complaints received was comparable to the number received in the same period in 2019-20. The team continue to work with service areas to ensure complaints performance is monitored where timescales are not met due to resource and other pressures, as well as the review of the corporate complaints policy, procedures and processes.

CYC Apprenticeships

- 85 The number of CYC apprenticeships has remained fairly stable over the past few years and the council has continued to actively recruit new apprentices into the organisation and has been more diverse with the types and levels of apprenticeships offered. This has included encouraging higher level apprenticeships and standards.

FOI & EIR - % In time

- 86 The latest data (Q2 2020-21) shows that the council received 520 FOIs (Freedom of Information requests), EIRs (Environmental Information Regulations requests) and SARs (Subject Access to records requests). CYC achieved 81.07% in-time compliance for FOIs and EIRs and 79.41% for SARs. Whilst this shows a slight decrease in performance for FOIs and EIRs compared to Q1, there was a significant increase in the number of requests received. There was also an improvement in the percentage of SARs responded to in-time compared to Q1. Work continues with service areas to identify areas of improvement in order to comply with the timescales for responses.

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Annex 3 – Council Plan Outcomes – Actions Update

1. Whilst response to the pandemic has been a crucial priority for the council since March 2020 work has nevertheless continued to deliver improvements in the city across Council Plan outcomes. Good progress has been made as shown in the summary below.

Well paid jobs and an inclusive economy

2. Whilst work to develop a new Economic Strategy continues, the timetable has been extended to accommodate the impacts of the Covid-19 pandemic and a report is expected at Executive in autumn 2021.
3. A significant amount of activity around financial inclusion (FI) has been prioritised to respond to the pandemic both in terms of meeting immediate needs of residents and planning for recovery. The FI policy review will be progressed through 2021 taking stock of the new Covid and economic landscape and recovery plans. The Digital Inclusion element of the emerging priorities has moved forward with Explore York taking leadership in partnership with the Council and the development of a cross city/sector network.
4. Officers are currently reviewing the recently published Green Paper aimed to encourage the opening up of public contracts to more small businesses and social enterprises to innovate in public service delivery to help meet net-zero carbon targets.
5. Whilst a Government White Paper on English Devolution is expected during 2021 the Council continues to work across the region to secure devolution to support economic recovery and growth. Executive have agreed a set of devolution 'Asks' to submit to Government. The council also supports the effective reform of two-tier local authority areas and has clearly set out its case for York to remain as a unitary council on the existing footprint. It sees the proposals put forward by North Yorkshire County Council as the most effective way to support delivery of a devolution deal.
6. A lease to the University of York for small business office space in Guildhall was agreed by Executive in November. Build of Guildhall autumn 2021 completion and work on York Central commencing early 2021.

Getting around sustainably

7. While the national transport picture has changed owing to the pandemic, York remains well placed with its proposals.
8. Haxby station is a case in point with New Station programme entry work progressing with the Department for Transport and Network Rail.
9. Similarly, the roll out of York's electric vehicle charging point network is expected at scale in the first half of 2021, including the Hyperhub facilities, while the Clean Air Zone programme is complete with monitoring ongoing.
10. The Reserved Matters Application to deliver key infrastructure for the York Central site was approved in November 2020 and Government has awarded £77m for work commencing on the site in early 2021.
11. Progress also continues to moving the Council fleet to low/zero carbon vehicles although Brexit impacts are to be considered by manufacturers in early 2021.
12. Finally, looking further ahead, a cross cutting consultation approach is being taken across a number of projects, including the Local Transport Plan and Economic Strategy, to ensure a coherent approach and prevent duplication and confusion regarding consultation and competing priorities.

Good Health and Wellbeing

13. The public health response to Covid-19 has been, and continues to be, absolutely critical to the work of the council.
14. Alongside extensive activity to tackle the pandemic, the Council has continued to progress work to protect the most vulnerable in society and embed the 'Good Help' principles in service delivery.
15. The Mental Health Accommodation with Support programme has been approved and this work is now in progress.
16. The council has contributed to a system wide bid for mental health transformation funding, which will enable the partnership to make faster progress towards our shared vision for services.

17. The learning disability partnership has worked with partners to consult people about their access to digital technology and to hear about their experience of the pandemic.
18. York's ABCD (Asset Based Community Development) model has supported people and communities to remain resilient during the pandemic, ensuring that people stay connected and have trusted relationships at a time of crisis. The work of the council's volunteer management team has actively contributed to this alongside community hub arrangements and work with York CVS and wider VCSE.
19. The care home at Burnholme is now completed and the first residents will be welcomed in the New Year. The work at Lincoln Court and Marjorie Waite Court (see below) provide welcome improvements to the choice in and quality of specialist needs housing.

A Better Start for Children and Young People

20. A Children's Social Care 'front door' review took place in September 2020 to ensure effective and safe decision making, the findings of the review were very positive. The Improvement Board continues to meet and offer peer challenge.
21. A prospectus of local support for Covid catch up has been developed and published. Work with schools in the spring term will support their use of the local prospectus. The 14-16 vocational programme developed with York College was due to commence January 2021, but this will now be delayed until restrictions are lifted and it is safe to do so.
22. The recently formed Skills and Employment Board brings together expertise from across the city and strengthens our partnership approach to understanding and responding to the changing skills needs of people and businesses.
23. York Mind has been commissioned by the council to deliver the Department of Education Wellbeing for Education return programme. The School Wellbeing workers continue to provide support to develop capacity in schools. The number of children and young people medically unfit for school has risen during 2020 which has

increased pressure on the home tuition service. Work is taking place with the Clinical Commissioning Group to identify priorities for future joint commissioning.

24. The Cultural Strategy was launched on 3 December through a virtual event with Darren Henley, Chief Executive of Arts Council England as keynote speaker. It will be formally adopted by the council in February. Work continues to take place with the York Cultural Education Partnership. A workshop will take place in February 2021 to refocus the CEP and develop a cultural education strategy. During the national lockdown the partnership produced 'Bags of Creativity' and 'Creative Doodle' books to support vulnerable and disadvantaged children.

A Greener and Cleaner City

25. The Climate Change Policy and Scrutiny Committee continues to meet and the new Head of Climate Reduction is now in post leading the development of a Climate Change Policy which will include a decarbonisation Action Plan for the council's own operation and the city. A York Climate Commission is being established to promote leadership in the city on climate change and to encourage action.
26. Waste collections remain affected by Covid in terms of operational delivery. The review of recycling and collection methodology will be presented to Executive later this year.
27. All procurement by the council now include environmental measures. Work will begin to refresh the Procurement Strategy in early 2021.
28. Executive Members have received updates on the flood review from 2020 and the lessons learnt from a largely successful response. We continue to work closely with the Environment Agency on all aspects of the York Five Year Flood Plan and work continues and a number of flood management schemes.

Creating Homes and World-class infrastructure

29. Some key milestones have been reached on a number of key infrastructure projects. The Community Stadium was completed and handed to the operators in December 2020. Initial infrastructure work will start on the York Central site in early 2021 following the approval of the reserved matters planning application and work on the

Guildhall is due for completion in autumn 2021. The Castle Mills planning application was approved in December 2020.

30. To support the Housing Delivery Programme construction work is progressing well at Lowfield Green where 40% of the homes will be affordable and the first shared ownership and social rent homes will be complete and ready for occupation in March 2021. Six self-build plots at Lowfield have been sold and are now in the design/planning stage. A further phase of homes including apartments for the over 55 and family houses will be complete and occupied during the summer. Planning applications have been submitted at Burnholme and Duncombe Barracks which includes 40% affordable housing. A budget to deliver these projects has been agreed by Executive and works to procure a building contractor will commence in the coming weeks. Social rent council bungalows have been completed and are occupied at Newbury Avenue.
31. The planning applications at Burnholme and Duncombe Barracks reflect the ambitions of the Council's Housing Delivery Design Manual ('Building Better Places'). These will deliver over 220 homes which will be to certified Passivhaus Standards and net zero carbon in use. In addition the developments promote sustainable transport choices by creating connections through the site, by the provision of very high quality and quantity of cycle parking and by restricting car parking spaces to only those needed. The homes meet national space standards and each has access to private as well as public outdoor space. Streets have been designed to create community togetherness with opportunities for play and communal plant/food growing.
32. All planned capital programme works for the Council's own homes is up and running again following a five month Covid interruption. The council is currently reviewing impacts on programme progress and identifying any adjustments needed to future programmes to ensure 'Decent Homes' targets are hit. A new electrical testing contract to support the in-house team will be in place for April 2021.
33. A budget of £1m was agreed to retrofit energy efficiency measures for the first phase of 60 Council owned homes, with work starting in summer 2021 to improve their energy efficiency to an EPC C rating. Alongside this a longer term approach to retrofit more homes over the medium and longer term will be developed to improve the quality

of residents' lives, tackle fuel poverty and contribute to the city achieving carbon neutral status.

34. The delivery of specialist housing is proceeding well. The project at Lincoln Court is now complete which has seen the refurbishment of 20 apartments and the provision of 15 new fully wheelchair accessible apartments for social rent. The extension of Marjorie Waite Court is going well with work to create 33 additional homes, due for completion in 2021. The Executive have approved the procurement of an extra care development on the Lowfield Green site, and procurement is currently in hand.
35. The programme also continues to work with developers to ensure the provision of age appropriate accommodation in major developments. Four extra care developers have either submitted planning applications or are in pre application discussions with planning officers. The programme is working with these to secure properties for social rent, nominations agreements to properties or Section 106 affordable housing contributions.
36. As part of the Covid response additional capacity has been procured to try and ensure that people are not sleeping rough. This consisted of accommodation at city centre apartments and hotels which were further utilised to ensure social distancing could occur at our existing accommodation centres.
37. Improving digital connectivity continues across a number of projects. The expansion of the private sector funded fibre network infrastructure is progressing within the city including some infill areas and discussions are in hand to determine where the next areas of investment should be. Building on the success of the Shambles Project in 2019, Swinegate Court East is now one of many areas in the city centre that will benefit from the fastest connectivity around. This network is being extended to cover Swinegate, Stonegate, Petergate, Grape Lane, Church Street and Goodramgate – giving us the scope to connect up to around 250 businesses through the Digital Enterprise programme connectivity voucher scheme. We are working with a supplier to deliver a full-fibre network on both Fossgate & Walmgate which would give up to 200 premises the option to access full fibre broadband by mid-2021. Work is nearly complete on the new wi-fi service for the Shambles Market businesses and traders – improving card payments and customer experience throughout the market.

38. Work has continued to extend IoT/LoRaWAN (Internet of Things/Long Range Wide Area Network) coverage across the city to provide another key wireless access layer for the Council's and City's Smart solutions. We now have 13 gateways in place that provides almost city wide coverage. We have begun a significant project to improve the connectivity within Wheldrake & Elvington funded through Building Digital UK's (BDUK's) Rural Connectivity Voucher Scheme. Further marketing will take place over the next 4-6 weeks which will involve more community engagement.

Safe Communities and culture for all

39. Better Care Funding has continued to support the Ways to Wellbeing element of social prescribing, ensuring the maximum cover for the city, over and above the Primary Care Network link workers. Ways to Wellbeing are funded to distribute small grants to groups which build local capacity and volunteering. This has been supplemented by additional funding from the Clinical Commissioning Group during the winter period, as part of our shared partnership approach.
40. Multi-agency groups have continued through virtual platforms to deliver against the priorities within Safer York Partnership's three year strategy. Focus has remained on supporting those most vulnerable communities and victims of crime and anti-social behaviour. The closure and slow reopening of the courts due to Covid put a lot of enforcement activity on hold. However, partners have continued to develop innovative ways to work together and resolve those issues which impact most significantly on quality of life and personal safety.
41. The library development programme is progressing plans for the various libraries with consultation on Acomb Explore to begin in the New Year.
42. A new Equalities Impact Assessment is in development, soon to be finalised and embedded into the council's decision making process.
43. The five emergency response hubs at Acomb, Tang Hall, Haxby, Clifton and Micklegate have amplified even more the benefits of council staff and local groups and organisations working together with common objectives. Over the coming months, the Community

Hubs will continue to play an increasing role in supporting local residents, especially those whose jobs have been lost or are at risk.

An open and effective Council

44. The health and wellbeing of staff is a priority for the Council. Throughout the pandemic, the Council has signposted support available and has undertaken health and wellbeing surveys to better understand the requirements of staff.
45. The Council has published its draft 2021-22 Budget proposals in the context of the financial pressures caused by the pandemic. The public consultation finishes on 31 January 2021 with Executive Member decision sessions taking place in the early January.
46. The draft Budget includes a one off revenue investment of £2.5m to create a Covid-19 Recovery Fund. This will ensure that the Council can continue to fund crucial services for local residents and businesses during the pandemic.
47. Work continues to embed social value into our procurement process as does the delivery of the Council's digital programme including mobilisation of the workforce to support remote and home working.
48. Work to update the Council's constitution continues and will report to Executive in due course.



Executive**11 February 2021**

Report of the Chief Finance Officer
Portfolio of the Executive Member for Finance and Performance

Capital Programme – Monitor 3 2020/21**Summary**

- 1 The purpose of this report is to set out the projected outturn position for 2020/21 including any under/over spends and adjustments, along with requests to re-profile budgets to/from current and future years.
- 2 The 2020/21 capital programme approved by Council on 27 February 2020 and updated for amendments reported to Executive in the 2019/20 outturn report resulted in an approved capital budget of £144.683m.
- 3 Whilst capital investment has been disrupted due to the pandemic, progress has still been made in a number of areas including
 - Continued delivery of Shared Ownership homes with the portfolio now totalling 48 properties with a further 17 in the process of being purchased
 - Continued conversion of bus fleets up to the emissions standard required for the city centre Clean Air Zone, with all conversion works due to be completed by 31 March 2021.
 - Completion of major expansion at Archbishop Holgate Academy delivering a new three storey classroom block, together with the conversion of some existing classrooms into specialist teaching facilities for Science, ICT and Graphics
 - Further rollout of ICT and support to enable continued remote working
 - The completion and opening of facilities the Community Stadium as set out at paragraphs 60 - 73.

Recommendations

4 Executive is asked to:

- Recommend to Full Council the adjustments resulting in a decrease in the 2020/21 budget of £24.824m as detailed in the report and contained in Annex A.
- Note the 2020/21 revised budget of £119.859m as set out in paragraph 6 and Table 1.
- Note the restated capital programme for 2020/21 – 2024/25 as set Reason: to enable the effective management and monitoring of the Council's capital programme.
- Approve the schemes listed in the table at paragraph 18 to be funded from the existing Maintenance programme for 2021/22

Consultation

- 5 The capital programme was developed under the capital budget process and agreed by Council on 27 February 2020. Whilst the capital programme as a whole is not consulted on, the individual scheme proposals and associated capital receipt sales do follow a consultation process with local Councillors and residents in the locality of the individual schemes.

Summary of Key Issues

- 6 A decrease of £24.824m is detailed in this monitor resulting in a revised capital programme for 2020/21 of £119.859m. There is an increase of £2.769m in 2020/21 and a re-profiling of budgets to future years totalling £27.593m. The majority of this re-profiling is due to revisions in assumed spend profile in schemes such as York Outer Ring Road dualling, Fleet acquisition and Waste Vehicle replacement,
- 7 Table 1 outlines the variances reported against each portfolio area and a summary of the key exceptions and implications on the capital programme are highlighted in the paragraphs that follow.

Department	Current Approved Budget £m	Projected Outturn £m	Increase (decrease) £m	Reprofile £m	Total Variance £m	Paragraph Ref
Children, Education & Communities	15.667	13.231	0.221	(2.657)	(2.436)	8 - 19
Health, Housing & Adult Social Care – Adult Social Care	3.366	3.867	0.473	0.028	0.501	20 – 22
Health, Housing & Adult Social Care – Housing & Community Safety	44.095	45.050	1.254	(0.299)	0.955	23 – 31
Economy & Place – Transport, Highways & Environment	56.545	33.342	0.527	(23.730)	(23.203)	32 – 54
Economy & Place – Regeneration & Asset Management	18.150	17.675	-	(0.475)	(0.475)	55 – 58
Community Stadium	1.865	2.219	0.354	-	0.354	60 – 73
Customer & Corporate services	2.358	2.108	(0.060)	(0.190)	(0.250)	-
IT Development Plan	2.637	2.367	-	(0.270)	(0.270)	74
Total	144.683	119.859	2.769	(27.593)	(24.824)	

Table 1 Capital Programme Forecast Outturn 2020/21

Analysis

Children, Education & Communities

- 8 Amendments to this area of the capital programme have resulted in a reduction of £2.436m in 2020/21. Further details on various schemes can be found below.

Scheme	Amendment	Amount 20/21 £m	Amount 21/22 £m	Further Details – Paragraph ref
Explore Central library urgent roof repairs	Adjustment	0.221	-	9
DfE Maintenance	Re-profile	(0.500)	0.500	14
Basic Need	Re-profile	(0.636)	0.636	10
Family Drug & Alcohol Assess/ recovery facility	Re-profile	(0.100)	0.100	-
Expansion & improvement of facilities for pupils with SEND	Re-profile	(0.500)	0.500	16
Schools Essential Building work	Re-profile	(0.300)	0.300	12 – 13
Schools Essential Mechanical & Electrical work	Re-profile	(0.300)	0.300	12 - 13
Adaptions to Foster Carer homes	Re-profile	(0.100)	0.100	

- 9 The Explore central library urgent roof repair scheme is to fund the roof replacement work to one wing of the Explore central library building which was urgently required and procured via the Local Authority. Future works will be contracted by Explore directly. This scheme is fully funded by a contribution from the Library Service Maintenance reserve (an earmarked reserve).
- 10 Within the Basic Need Scheme at this later stage in the year it is now clear that the original level of spend will not now be achieved therefore it is now proposed to re-profile a further £636k into 2021/22 leaving an uncommitted amount of £600k which will be available for any additional works which may be approved before the end of the financial year.
- 11 The major expansion at Archbishop Holgate Academy which has been funded by the local authority and managed by Pathfinder Multi-Academy Trust is now almost complete. This scheme has delivered a new three

storey classroom block, together with the conversion of some existing classrooms into specialist teaching facilities for Science, ICT and Graphics

- 12 Only a small number of critical schemes within the School Maintenance programme were prioritised during this financial year due to the issues created by the impact of the Coronavirus lockdown at the point in the year when schemes would normally be tendered, with work normally planned over the summer holidays.
- 13 The two urgent large schemes which were carried out were at Dringhouses and Westfield Primaries. At Dringhouses Primary alterations were carried out to allow the Out of School Club to be accommodated within the schools. At Westfield Primary the KS1 playground was completely resurfaced and some emergency pipework was carried out. A number of minor urgent repairs have also been carried out at a small number of schools.
- 14 It is now proposed that a further £1.1m is re-profiled into 2021/22 (made up of £500k of Condition and Maintenance funding) and £600k of CRAM funding). This funding has been added to the budgets already included in the current programme for 2021/22 to create a funding envelope for a programme of work consisting of schemes postponed from 2020/21 plus some new schemes.
- 15 The new schemes proposed for 2021/22 are listed in the table below. These schemes, together with a further 19 schemes originally approved for 2019/20 at an estimated cost of £4.51m, represent a significant programme of work for 2021/22, totalling approximately £6.3m

School	Description of Works	Estimated Budget Required £000
Applefields School	Roof works	90
Huntington School	Kitchen refurbishment	700
Ralph Butterfield Primary	Drainage	40
St Paul's Nursery	Renew sash windows and external doors	110
Headlands Primary	Roof and guttering renovations	40
Wigginton Primary	Roof Works Phase 3 (including hall roof repair)	230
Yearsley Grove Primary	Outside paving slabs repair/ replacement work	60
Westfield Primary	Pipework and rewire (East Wing) - 5 year plan, year 1	220

Copmanthorpe Primary	Fit new cylinders	70
Wigginton Primary	Pipework	220
	Total	1,780

- 16 The main project being carried out within the Expansion & Improvement of facilities for pupils with SEND scheme in 2020/21 is the provision of a modular building to host a satellite provision for Applefields School at a budgeted cost of £410k. This work is now almost complete.
- 17 A small number of additional schemes may begin before the end of this financial year, however the remaining budget in 2020/21 will not be required therefore £500k has been re-profiled into 2021/22.
- 18 Work is currently underway at All Saints School to improve accessibility.
- 19 The main building work at the Centre of Excellence for Disabled Children is almost complete, and the project should reach full completion in September 2020. Final payments are not due until 2021/22 therefore the remaining budget of £50k has been re-profiled in expectation of this.

Adult Social Care

- 20 Amendments made as part of this report have resulted in a net increase in the capital programme of £501k in 2020/21.
- 21 Additional budget of £150k has been set aside for the purchase of the ambulance station should it become available within two years of the transfer of Haxby Hall, as agreed by Executive in January 2020.
- 22 Within the Ashfield Estate Sports Pitches scheme, mechanical and electrical services on the pavilion are much more expensive than originally forecast and the pavilion substructure has changed following the redesign of the pitch drainage. It is also expected that there will be an overspend on the access road to the site. £190k of additional funding has been identified to date, but this is not sufficient to cover the entire cost increase and the team is working to identify further funding to cover the remaining £113k overspend.

Housing & Community Safety

- 23 Amendments to this area of the capital programme have resulted in an increase of £955k in 2020/21. Further details on variance schemes can be found below.

Scheme	Amendment	Amount 20/21 £m	Amount 21/22 £m	Further Details – Paragraph ref
Major Repairs & Modernisation of Local Authority Homes	Re-profile	(0.299)	0.299	24
Local Authority Homes Phase 2	Adjustment	-	(0.193)	29
Local Authority Homes – Project team	Adjustment	-	(0.150)	30
Willow House Housing Development	Adjustment	-	0.150	30
Disabled Facilities Grant	Adjustment	0.174	-	31
Shared Ownership Scheme	Adjustment	1.080	0.193	28

- 24 Key projects within the Major Repairs & Modernisation of Local Authority Homes scheme include the Tenants Choice Programme. This programme of work includes replacement bathrooms, kitchens, rewires and loft insulation. Following the lockdown in quarter 1, work started around August/September time with the contractors working in a new Covid safe way. Surveys in the Bell Farm area highlighted significant damp issues in a number of the properties, as such further properties have been given to the contractors to ensure a consistent flow of work. The two contractors are on target to complete around 200 properties by the end of the financial year.
- 25 The Standing Water Programme also falls within this capital scheme. This programme of works has been slower than expected due to tenants being reluctant to move out of their properties during the pandemic. Twenty-one properties have been completed to date with a further twenty-six expected to be completed by the year end against a target of fifty. Any underspend at year end will be slipped in to future years to support this rolling programme.
- 26 The contract has been awarded for the window replacement at Bell Farm & Chapelfields and the contractor is due to start on site early 2021 on this 2 year programme of works. £229k of budget has been re-profiled to 21/22 to reflect this future work.
- 27 The main roofing contract has now been completed with 8 blocks of flats and 52 individual properties receiving new roofs.
- 28 Within the Shared Ownership Scheme, the budget has been revised upwards by £1.080m in quarter 3 2020/21 to reflect the equity sales of 9

properties. The budget for this scheme is modelled on 50% of each home being funded by the HRA and resources from Homes England funding. The matched funding is received as a capital receipt when the purchaser buys an equity share of the property, as such the receipts from the sale of the 9 shared ownership homes are required to be reinvested back in to the programme. The portfolio now totals 48 properties with a further 17 in the process of being purchased. The Homes England shared ownership schemes to purchase 65 properties is on track to be completed by March 2021

- 29 The Local Authority Homes Phase 2 scheme budget is for future housing delivery schemes not included in the first phase of 8 sites, it has also been used to make purchases of one off properties for social rent to increase the housing stock and maximise the 1-4-1 right to buy receipts which are time limited. A shared ownership property for £193k has been moved to general needs stock, as such budget of this value is to be moved between one off house purchase and shared ownership schemes in 2021/22 to reflect the spend profile.
- 30 The LA Homes Project Team budget covers the capital costs of the team and associated project costs. Executive on 26th November 2020 agreed to allocate £150k from this budget to fund a review of the Willow House site, budget to be allocated in 2021/22 in line with profiled spend
- 31 Since the easing of lockdown, work with Public Health within the Disabled Facilities Grant scheme has ensured that the adaptations service is delivered safely and measures have been put in place to reduce contact where possible including reducing the number of visits to people's homes. The number of referrals in quarter 2 and 3 have been greater than last year but it is not clear the reason for this unprecedented demand. MHCLG have awarded a further £174,210 DFG grant for this financial year, as such the budget is to be increased to reflect this new funding.

Transport, Highways & Environment

- 32 There have been a number of amendments to this area as part of this report resulting in a reduction to the capital programme in 20/21 of £23.20m. Key variances are summarised in the table below, referenced to further narrative.

Scheme	Amendment	Amount 20/21 £m	Amount 21/22 £m	Amount 22/23 £m	Amount 23/24 £m	Further Details – Paragraph ref
Highway Schemes	Re-profile	(0.580)	0.580	-	-	33
Highways – Tadcaster Road	Re-profile	(4.500)	4.500	-	-	33
Highways & Transport – Ward Committees	Re-profile	(0.877)	0.877	-	-	34
Special Bridge Maintenance	Re-profile	(0.496)	0.496	-	-	35
Built Environment Fund – Hostile Vehicle mitigation	Re-profile	(1.258)	1.258	-	-	36
Fleet Acquisition	Re-profile	(1.908)	1.908	-	-	37
Rowtree Park Lodge	Re-profile	(0.121)	0.121	-	-	
Better Play Areas	Re-profile	(0.250)	0.250	-	-	38
Litter Bin Replacement Programme	Re-profile	(0.200)	0.200	-	-	39
Knavesmire Culverts	Re-profile	(0.227)	0.227	-	-	33
Better Bus Area Fund	Re-profile	(0.312)	0.312	-	-	40
Local Transport Plan	Re-profile	(0.746)	0.746	-	-	41
Local Transport Plan	Adjustment	0.527	-	-	-	41
Local Transport Plan	Adjustment	0.600	-	-	-	42
Highways – pothole and challenge fund	Adjustment	(1.185)	-	-	-	42
Highway and transport schemes	Adjustment	1.185	-	-	-	42
Highway and transport schemes	Adjustment	(0.600)	-	-	-	42
Hyper Hubs	Re-profile	(0.927)	0.927	-	-	43

York City Walls Restoration Programme	Re-profile	(0.120)	0.120	-	-	
WYTF - YORR	Adjustment	(4.081)	(15.620)	(13.198)	(3.280)	44
York Outer Ring Road Dualling	Adjustment	4.081	15.620	13.198	3.280	44
York Outer Ring Road Dualling	Re-profile	(4.156)	4.156	-	-	44
Fordlands Road Flood Defences	Re-profile	(0.436)	0.436	-	-	45
National Cycle Network 65 targeted repairs	Re-profile	(0.300)	0.300	-	-	46
Non Illuminated Structural Asset renewal	Re-profile	(0.100)	0.100	-	-	
Smarter Travel Evolution Programme	Re-profile	(0.535)	0.535	-	-	47
City Fibre Network	Re-profile	(0.360)	0.360	-	-	48
Fleet & Workshop Compliance	Re-profile	(0.100)	0.100	-	-	49
Stonegate Natural Stone renewal	Re-profile	(0.100)	0.100	-	-	50
Flood Scheme Contributions	Re-profile	(1.000)	1.00	-	-	51
Clean Air Zone	Re-profile	(0.100)	0.100	-	-	52
River Bank Repairs	Re-profile	(0.130)	0.130	-	-	
Traffic control/ Reduction & public realm improvements in Bishophill/ Mickelgate area	Re-profile	(0.230)	0.230	-	-	53
Waste Vehicle Replacement	Re-profile	(3.300)	3.300	-	-	54
EV Charging Asset Replacement	Re-profile	(0.150)	0.150	-	-	
Flood Sign Renewal & Rainfall Monitoring	Re-profile	(0.150)	0.150	-	-	

- 33 Within the various Highways schemes, the details of the work at Tadcaster road are being finalised and the majority of works will occur in 2021/22 therefore funds have been re-profiled. The majority of this work is funded by DfT. The Knavesmire Culverts scheme has also been re-profiled into 21/22 as this work will be completed at the same time as the Tadcaster Road scheme.
- 34 Funds of £877k have been re-profiled into 2021/2 on the Highways Ward Committees schemes to carry forward the balance of funding that members have not yet allocated to a scheme. Due to the timescales required for a scheme to be delivered these funds will not be utilised in 2020/21.
- 35 Bridge Maintenance works have been completed at Blue Bridge and the balance of the bridge maintenance funding £496k will be used in 21/22 as the programme of future works is confirmed.
- 36 The City Centre Access scheme has been affected by the expansion of the city centre Footstreets area as part of the council's COVID-19 measures to provide additional space for pedestrians to accommodate social distancing measures. Following the decision at the 26 November Executive to keep the expanded Footstreets area in place until September 2021, it is proposed to reduce the allocation for this scheme to £500k to allow the Racecourse security measures to be implemented in 2020/21, and slip the remaining funding to 2021/22 for the City Centre Access scheme to be implemented.
- 37 Due to build and delivery timescales the majority of vehicles ordered under the Fleet Acquisition scheme will arrive in 21/22 so the funding is being carried forward to match these timescales.
- 38 Expenditure on surfacing under play equipment is to be tendered in early 2021 so no expenditure will take place in 20/21. Decisions on the award of the community fund £100k will take place in March so this expenditure will occur in 21/22.
- 39 The replacement litter bin scheme agreed by members is in the final stages of completion. The £200k is a forecast underspend on the delivery of this scheme due to lower than forecast bin costs.
- 40 Within the Better Bus scheme the grant funding for the School Bus Exhaust Refits and Tour Bus Conversions schemes has been re-profiled to 2021/22, as the conversion works to reduce emissions from school buses could not be progressed due to the impact of COVID-19 and the lockdown measures.

Due to technical issues with the four buses that have already been converted to electric drive, the conversion of the final two buses has been put on hold, therefore the grant funding for this work has been re-profiled to 2021/22 pending a resolution of the issues

- 41 The recent award of tranche 2 of the active travel fund for the development and implementation of schemes to improve cycling and pedestrian facilities, including a new pedestrian/ cycle crossing on Tower Street and a new off-road cycle route linking Wheldrake and Heslington has been added to the Local Transport Plan programme. Progress on several transport schemes was delayed earlier in 2020/21, due to the impact of the lockdown measures introduced in March. Feasibility and design work on new schemes was delayed as staff resources were focussed on the COVID-19 measures and the Emergency Active Travel Fund programme, and implementation of schemes was delayed due to the requirements for lockdown and the need for social distancing. The slippage on the LTP scheme reflects this. It has been possible to progress and implement some schemes as planned, including upgrades to traffic signals at five locations; trial road closures in The Groves area to reduce traffic levels; installation of new pedestrian crossings at Haxby Road, Green Dykes Lane, and York Road Haxby; measures to improve safety at Lord Deramore's school and improvements to the zebra crossing on Hull Road (near Owston Avenue). The COVID-19 measures delivered included creating more space for pedestrians at pinchpoints, extension of the Footstreets area, extension of Park & Cycle facilities at Park & Ride sites, improvements to cycle facilities between Park & Ride sites and the city centre, and additional cycle parking in the city centre. Following a review of the programme in autumn 2020, some of the temporary measures have been removed, while the Coppergate one-way closure and the extension of the Footstreets area have been extended and consultation will be carried out on proposals before making these measures permanent.
- 42 It is proposed to combine the DfT funded Pothole and Challenge Fund with the budget line Highway Schemes to consolidate the Highways Expenditure. From this combined budget it is proposed that £600k is reallocated to the Local Transport Fund as CYC match funding towards the Active Travel programme as reported to Executive Member for Transport on 18th January 2021. The annex reflects these changes
- 43 The HyperHubs project to provide next generation electric vehicle charging infrastructure at Monks Cross and Poppleton Bar Park & Ride is progressing well. The Monks Cross HyperHub is due to be completed by April 2021 and

will include the first Ultra Rapid chargers to ever have been deployed in York, alongside Fast chargerpoints for Park and Ride users, onsite solar PV and battery energy storage. This landmark facility will be joined by the Poppleton HyperHub in June 2021. Despite the Poppleton Park and Ride site being used as a Covid 19 test centre, constructive dialogue between all parties has secured development access to enable the HyperHub to be built. Design work is continuing for a third City Centre HyperHub following the decision to move the site from York Hospital which had insurmountable access issues. The City Centre HyperHub is intended to be completed in the Autumn 2021. Funds of £1.765m have therefore been re-profiled into 2021/22 for the completion of the schemes

- 44 The Outer Ring Road junction improvements and dualling proposals are now being developed as a single scheme. Following public consultation in autumn 2020, work on the planning application for the scheme is ongoing, and will be followed by completion of the detailed design for the schemes, with construction planned to start in summer 2023. The allocation for the scheme in 20/21 has therefore been reduced to £1,700k, with the remaining funding re-profiled to 2021/22 for work on the scheme to continue.
- 45 Work is ongoing on the proposed contract for the Fordlands road flood defences works therefore the majority of funding is being re-profiled to 21/22 as works will not take place in 20/21.
- 46 As resources were deployed onto COVID 19 response schemes, work has not started on the National Cycle Network 65 targeted repairs and as a result this scheme will now be completed in 21/22.
- 47 Although work on the Smarter Travel Evolution Programme has continued throughout the year, some of the aspects of the programme will not be completed by 31 March 2021. It is proposed to reduce the allocation for this scheme to £1.660m, and re-profile the remaining funding to 2021/22 to allow work on the data platform and communications upgrades to be completed.
- 48 The funding for additional improvements to footpaths to be progressed as part of the CityFibre utility works across the city has not been required in 2020/21, and it is proposed to re-profile this funding to 2021/22 for any further planned works.
- 49 Within the Fleet & Workshop Compliance scheme, the delivery and installation of some of the workshop equipment will not happen until 21/22 once requirements are finalised.

- 50 The funding for the Stonegate Natural Stone Renewal scheme will be required in 21/22 when the completion of the footways works will take place.
- 51 The Flood Scheme Contributions funding is likely to be required in late 21/22 as contributions to Environment Agency scheme.
- 52 Although there were some delays earlier in the year due to the lockdown measures, bus operators have been able to progress the conversion works required to bring their bus fleets up to the emissions standard required for the city centre Clean Air Zone, and the conversion works should be completed by 31 March 2021. Grant funding was also awarded to Reliance for the purchase of new buses, which are now in operation.
- 53 Funding was originally allocated for traffic control/ reduction and public realm improvements in Bishophill/ Micklegate. This was to include measures to improve the existing road closure at Victoria Bar. However, following requests to extend the scope of the scheme to review the wider area, and the need to consider the proposals for a car-free city centre as part of the scheme, the work was put on hold to allow these wider measures to be developed. It is proposed to re-profile the funding to 2021/22 to allow a scheme to be developed that could incorporate all of these proposals.
- 54 The remaining waste replacement vehicles to be purchased will be determined by the future methodology for recycling collections, a decision on which is due as part of the budget process. This funding will therefore be required in 21/22 once this decision is taken

Regeneration & Asset Management

- 55 A number of amendments have been made as part of this report resulting in a net decrease to the capital programme of £475k in 2020/21. Key variances are summarised in the table below, referenced to further narrative.

Scheme	Amendment	Amount 20/21 £m	Amount 21/22 £m	Further Details – Paragraph ref
LCR Revolving Investment Fund	Re-profile	(0.300)	0.300	56
Community Asset Transfer	Re-profile	(0.175)	0.175	57

- 56 There are no further loans expected to be completed by the Leeds City Region Revolving Investment Fund in the financial year and therefore no further capital spend is to be required. The budget will be reprofiled into 2021/22.
- 57 Officers continue to work with Community Groups over a number of potential Community Asset Transfers. There are no schemes ready to complete in 2020/21 therefore the budget will slip into 2021/22
- 58 There has been significant progress on the Castle Gateway project. Planning permission has been secured for both Castle Mills and the new St George's Field multi-storey car park which are the first key sites in the delivery of the masterplan. Procurement is under way to appoint a contractor to undertake the detailed design of Castle Mills and provide a tender price for construction. At that point a report will be brought to the Executive in the autumn of 2021 to approve the project and allocate the total construction budget, and to decide whether to proceed with the procurement of a contractor for St George's Field. This would provide the replacement car parking which would allow Castle Car Park to close to be replaced with new public realm. The design work for that public realm is underway, with a planning application due to be submitted in the summer, to create a shovel ready project to give the council the best opportunity of securing external or government funding.
- 59 In July 2020 Executive approved a further funding of £1.96m from CYC budgets to fund the project teams, consultancy support costs, undertake further essential survey works, and to fund an early enabling infrastructure works contract to April / May 2021. CYC have awarded a contract to John Sisk for the enabling infrastructure works within that funding envelope. As Members will be aware Homes England / Network Rail have been directly provided with £77.1m MHCLG funding and they have requested their funding is utilised to extend the scope of the initial procurement in order to accelerate delivery at the site. This facilitating of Homes England budget spending for acceleration and its extent will be reported to Executive as part of ongoing monitoring and update reports

Community Stadium

- 60 Building works to the York Stadium Leisure Complex (YSLC) were completed in late 2020, with the facilities being handed over from builder to our site leisure operator Greenwich Leisure Ltd (GLL).

- 61 GLL opened the sites new leisure centre to the public on 21st December 2020, welcoming customers into the swimming pools, gym and to sport hall activities over the Christmas period.
- 62 The new leisure centre offers a fantastic leisure offer to residents including a 25m swimming pool, a teaching pool (with spectator provision), a leisure fun pool, a 100 station gym, dance studio, group cycling studio, competition standard sports hall (with spectator provision), extreme Clip 'n' Climb play centre, and 3G astro-turf pitches (multi-use games area).
- 63 The YSLC will see home to the following tenant partners who are now all starting to move into their new home, completing their own internal final fit outs works before opening to their customers as COVID-19 guidelines will allow in the coming months:
- York City Football Club
 - York City Knights RLFC
 - York Teaching Hospital NHS Foundation Trust
 - York Against Cancer
 - Explore Library
 - Little Gym
- 64 It should be reminded that the overall Project has been wider than only building a new sports stadium, by its conclusion the Project will have also helped deliver:
- Regional standard athletics facility at Heslington West Campus – Successfully opened summer 2015.
 - Long term training arrangements for YCK at York St John's University Haxby Road sports complex.
 - New long term leisure contract – GLL now operating and maintaining Energise and Burnholme leisure centres, alongside Yearsley Swimming Pool.
 - YSLC – Location of the new Stadium but with so many more other leisure and community facilities present, including new swimming pools, gym, sports hall, Community Hub, NHS outpatient services and many more.
 - YSLC associated commercial offer – Regions first Cineworld IMAX Cinema, up to 5 restaurants, retail and further leisure offers

Financial Update

- 65 The latest budget for the Stadium totals £46,187k that is funded from combination of Council Borrowing / Venture Fund £15,784k, s106 contributions £16,713k, Commercial Land Receipt £7,300k, developer and NHS contribution to the build costs £4,283k, Football Club Foundation £2,000k and other contributions £107k.
- 66 The latest projection for the overall cost of the scheme is a total spend of £47,295k which is a gross overspend of £1,200k. This can directly be offset by savings arising from not paying GLL for the Stadium and New Leisure Facility which has totalled £487k. This has reduced the net overspend to £713k. In percentage terms that equates to 1.5% of the overall budget.
- 67 There are two key reasons for the overspend that need to be considered separately. Firstly the delay in the opening of the facility has added internal costs that were not originally budgeted. The facility was originally due to open in Summer 2019 so the council has needed to retain the project team. The delays in themselves and the covid outbreak has resulted in additional legal fees as this has introduced additional complex contractual issues. These costs have totalled £250k once the savings identified above have been accounted.
- 68 Secondly there have been some additional costs incurred in the build project. As with any major development through its build phase it is natural that some design changes may be required to ensure the end development is fit for users. The YSLC has been no different, with partner and CYC changes being instructed through the build phase, only where absolutely necessary. The overall additional costs which included provisional sums, additional signage, site boundary issues and cladding costs total £458k.
- 69 Alongside the capital budget the council is responsible for a number of revenue costs and income streams relating to the stadium project. This includes the revenue payments to GLL in operating the stadium and leisure centre as well as project revenues from the sports clubs, stadium sponsorship, leases for space at the stadium and commercial unit. The overall revenue position over the contract period has improved due to a) the delay in the stadium opening has reduced early year costs and b) the council has been able to lease additional space at the stadium.
- 70 It is proposed that the capital overspend is funded from a revenue contribution from the Leisure budget of £487k representing the revenue

saving that has occurred. It is recommended that the balance (£713k) is funded from additional prudential borrowing funded from the additional annual revenues anticipated from lettings at the stadium. This equates to annual cost of c £50k.

- 71 It has been widely reported through the Construction Phase of the YSLC that the Building Contractor encountered delays to completion of their works on site. The Building Contractor commenced works on site in December 2017, with their works originally due to last 16 months, and be complete by Summer 2019.
- 72 Unfortunately, the Building Contractor's works lasted in total 36 months. The Building Contractor delays are the subject of ongoing commercially sensitive contractual disputes. With this in mind, the Council are seeking financial damages to the Building Contractor delays through the DBOM Contract with GLL. All contractual disputes and financial claims will follow the prescribed process set out in the DBOM Contract.
- 73 At this time, the Council is still awaiting full claim details from GLL, and their Building Contractor, in order to make a full and thorough assessment. The council will continue to undertake detailed assessment of any claims and will update Executive on any future implications at a future time as appropriate

Customer & Corporate Services - IT

- 74 Within ICT significant work has been carried out in response to Covid-19 that has seen personnel being rapidly redeployed away from other planned work into the enabling of flexible and homeworking, including:
- The quick roll out of Skype for Business to over 2400 users enabling video and audio communication and collaboration tools such as screen sharing etc.
 - Purchased, configured, set up and deployed Zoom for use where Skype was not able to meet needs, for example large public facing council meetings.
 - Made use of relationships with service areas and schools, sourced, built, tested and issued hundreds of extra laptops to increase home and remote working capacity at a time when usual supply routes were not available and we know other councils struggled.

- Millions of potentially harmful scam emails were blocked and dealt with over the last 9 months
- Worked with colleagues to provide the ICT services required for a number of different projects including but not limited to:
 - connecting the hub sites within the City
 - Commissioning Peppermill Court which provides Covid19 Patients a step down location between hospital and home to recuperate safely.
 - Identifying and commissioning a waste booking system to enable the reopening of the waste recycling centres. This was provided via the website where we took the precaution to provide additional capacity to ensure the system was not overwhelmed by requests as we know has happened at other authorities.
 - helping Age UK to identify grants and secure equipment to digitally support their customers.
 - providing wireless connectivity coverage at the coronavirus testing facility at Poppleton Bar Park & Ride as part of the government's UK-wide testing drive.
 - provided devices and internet connectivity to residents within our assisted living communities enabling them to have contact with the outside world, from careworkers, doctors, friends & family to giving them the ability to order online food shopping and video calling. This supports our existing work in advancing digital inclusion.
 - supported the commissioning of the Nightingale hospital in the Harrogate Convention Centre
 - continued to focus on projects that are priority such as Housing, the Total Mobile SaaS transition, CRM (Lagan switch off), Waste, Parking, 365, Telecare replacement (UMO), the DMS replacement, launched the new Health & Safety product and completed work with Elections.

Summary

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

Gross Capital Programme	2020/21	2021/22	2022/23	2023/24	2024/25	Total
	£m	£m	£m	£m	£m	£m
Children, Education & Communities	13.231	24.466	3.000	-	-	40.697
Health, Housing & Adult Social Care – Adult Social Care	3.867	1.129	0.638	0.660	0.682	6.976
Health, Housing & Adult Social Care – Housing & Community Safety	45.050	65.779	41.302	36.790	10.716	199.637
Economy & Place – Transport, Highways & Environment	33.342	66.256	46.342	27.385	9.536	182.631
Economy & Place – Regeneration & Asset Management	17.675	29.118	81.100	51.770	0.500	180.163
Community Stadium	2.219	-	-	-	-	2.219
Customer & Corporate Services	2.108	0.854	0.200	0.200	0.200	3.562
IT Development Plan	2.367	2.810	2.420	2.420	2.420	12.437
Revised Programme	119.859	190.412	175.002	119.225	24.054	628.552

**Table 2 Revised 5 Year Capital Programme
Funding the 2020/21 – 2024/25 Capital Programme**

76 The revised 2020/21 capital programme of £119.859m is funded from £28.277m of external funding and £91.582m of internal funding. Table 3 shows the projected call on resources going forward.

	2020/21	2021/22	2022/23	2023/24	2024/25	Total
	£m	£m	£m	£m	£m	£m
Gross Capital Programme	119.859	190.412	175.002	119.225	24.054	628.552
Funded by:						
External Funding	28.277	65.283	111.621	59.899	5.300	270.380
Council Controlled Resources	91.582	125.129	63.381	59.326	18.754	358.172
Total Funding	119.859	190.412	175.002	119.225	24.054	628.552

Table 3 – 2020/21 –2024/25 Capital Programme Financing

77 The Council controlled figure is comprised of a number of resources that the Council has ultimate control over. These include Right to Buy receipts, revenue contributions, supported (government awarded) borrowing,

prudential (Council funded) borrowing, reserves (including Venture Fund) and capital receipts

78 During Executive meetings in October 2016 and July 2017, Members decided to ultimately finance the purchase of property at Hospital Fields Road and Swinegate from Capital receipts. Therefore it should be noted that all future capital receipts are assumed to be used for this purpose in the medium term. This strategy will deliver significant revenue savings, and reduce the need for savings within the revenue budget.

Council Plan

79 The information contained in this report demonstrates progress in achieving the priorities set out in the Council Plan.

Implications

80 This report has the following implications:

- **Financial** - are contained throughout the main body of the report
- **Human Resources (HR)** – There are no HR implications as a result of this report
- **One Planet Council/ Equalities** – The capital programme seeks to address key equalities issues that affect the Council and the public. Schemes that address equalities include the Disabilities Support Grant, the Schools Access Initiative, the Community Equipment Loans Store (CELS) and the Disabilities Discrimination Act (DDA) Access Improvements. All individual schemes will be subject to Equalities Impact Assessments
- **Legal Implications** - Whilst this report itself does not have any legal implications, the schemes within the capital programme will themselves will be in receipt of legal advice where necessary
- **Crime and Disorder** - There are no crime and disorder implications as a result of this report.
- **Information Technology** – The information technology implications are contained within the main body of the report,
- **Property** - The property implications of this paper are included in the main body of the report which covers the funding of the capital programme from capital receipts.
- **Other** – There are no other implications

Risk Management

- 81 There are a number of risks inherent in the delivery of a large scale capital programme. To mitigate against these risks the capital programme is regularly monitored as part of the corporate monitoring process, and the project management framework. This is supplemented by internal and external audit reviews of major projects. In addition, the Capital Asset Board meet monthly to plan, monitor and review major capital schemes to ensure that all capital risks to the Council are monitored and where possible minimised

Authors:	Chief Officer Responsible for the report:		
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	Report Approved	x	Date
Wards Affected: <i>All</i>			
<i>For further information please contact the author of the report</i>			

Specialist Implications:
<i>Legal – Not Applicable</i>
<i>Property – Not Applicable</i>
<i>Information Technology – Not Applicable</i>

Annexes

Annex A – Capital Programme 2020/21 to 2024/25

	2020/21	2021/22	2022/23	2023/24	2024/25	Total Capital Programme £000
	£000	£000	£000	£000	£000	£000
CEC - CHILDREN, EDUCATION & COMMUNITIES						
Basic Need	600	9,136	0	0	0	9,736
Fulford School Expansion 2020 Phase 1 and 2	800	5,200	1,000	0	0	7,000
Archbishop Holgate's School Expansion	4,308	0	0	0	0	4,308
Libraries as Centres of Learning and Opportunity for all: Acomb & Clifton	0	2,000	2,000	0	0	4,000
Centre of Excellence for Disabled Children (Lincoln Court)	3,060	70	0	0	0	3,130
Schools Essential Building Work	200	2,358	0	0	0	2,558
Schools Essential Mechanical & Electrical Work	200	2,351	0	0	0	2,551
DfE Maintenance	931	500	0	0	0	1,431
Children in Care Residential Commissioning Plan	0	1,358	0	0	0	1,358
Expansion and Improvement of Facilities for Pupils with SEND	532	500	0	0	0	1,032
Southbank Expansion	910	0	0	0	0	910
Haxby Library Reprovision	43	700	0	0	0	743
Improving School Accessibility	500	0	0	0	0	500
York Theatre Royal	500	0	0	0	0	500
Explore Central Library Urgent Roof repairs	221	0	0	0	0	221
NDS Devolved Capital	221	0	0	0	0	221
Energise Roof	130	0	0	0	0	130
Family Drug & Alcohol Assess/Recovery Facility	0	100	0	0	0	100
Adaptions to Foster Carer Homes	0	100	0	0	0	100
Healthy Pupils Capital Fund	0	93	0	0	0	93
Westfield Primary School Kitchen and Dining Facilities Expansion	29	0	0	0	0	29
National Centre for Early Music	25	0	0	0	0	25
Children & Young Peoples services & Building based provision review	12	0	0	0	0	12
Fulford School Expansion	9	0	0	0	0	9
ADULT SOCIAL CARE & ADULT SERVICES COMMISSIONING						
Telecare Equipment and Infrastructure	382	251	259	267	275	1,434
Disabled Support Grant	216	230	240	250	260	1,196
OPA-Ashfield Estate Sports Pitches	1,052	0	0	0	0	1,052
OPA-Community Space at Marjorie WaiteCourt	717	300	0	0	0	1,017
Major Items of Disability Equipment	150	135	139	143	147	714
OPA-Haxby Hall	694	0	0	0	0	694
OPA-Lowfields Enabling Work	130	113	0	0	0	243
Proof of Concept for robotics & AI within social care	100	100	0	0	0	200
OPA-Burnholme Sports Facilities	185	0	0	0	0	185
OPA - the Centre@Burnholme including enabling works	126	0	0	0	0	126
S106 Sports Development	115	0	0	0	0	115
HOUSING & COMMUNITY SAFETY						
Local Authority Homes - New Build Project	0	29,250	9,900	18,443	0	57,593
Major Repairs & Modernisation of Local Authority Homes	9,979	10,534	8,763	8,034	7,541	44,851
Lowfield Housing	16,500	7,062	500	0	0	24,062
LA Homes - Burnholme	1,323	7,000	11,000	3,945	0	23,268
Disabled Facilities Grant (Gfund)	2,042	1,985	2,106	2,236	2,375	10,744
Duncombe Barracks	599	2,000	5,500	1,362	0	9,461
Shared Ownership Scheme	6,291	193	0	0	0	6,484
Local Authority Homes - Phase 2	0	3,807	1,103	0	0	4,910
Local Authority Homes - Project Team	649	1,230	1,050	1,730	0	4,659
Extension to Marjorie Waite Court	2,300	800	0	0	0	3,100
Assistance to Older & Disabled People	590	600	610	620	630	3,050
LA Homes Energy Efficiency Programme	1,309	350	250	250	0	2,159
Lincoln Court Independent Living Scheme	1,613	0	0	0	0	1,613
LA Homes - Hospital Fields/Ordnance Lane	1,321	0	0	0	0	1,321
Housing Environmental Improvement Programme	236	170	170	170	170	916
IT Infrastructure	150	478	0	0	0	628
Water Mains Upgrade	0	120	350	0	0	470
Willow House Housing Development	0	120	0	0	0	120
Empty Homes (Gfund)	20	80	0	0	0	100
Extension to Glen Lodge	88	0	0	0	0	88
Local Authority Homes - Phase 1	40	0	0	0	0	40
ECONOMY & PLACE - TRANSPORT, HIGHWAYS & ENVIRONMENT						
York Outer Ring Road - Dualling	1,700	21,392	24,055	16,938	0	64,085
Highway Schemes	7,955	7,577	6,997	6,997	7,000	36,526
WYTF - Station Frontage	1,000	13,472	11,550	0	0	26,022
Local Transport Plan (LTP) *	4,715	2,316	1,570	1,570	1,570	11,741
Waste Vehicle Replacement	3,300	3,300	0	0	0	6,600
Highways - Tadcaster Road	500	4,500	0	0	0	5,000
Drainage Investigation & Renewal	951	700	700	700	700	3,751
Hyper Hubs	1,765	927	0	0	0	2,692
York City Walls Restoration Programme	891	836	376	336	0	2,439
Fleet Acquisition	500	1,908	0	0	0	2,408
Highways & Transport - Ward Committees	1,000	1,127	250	0	0	2,377
Replacement of Unsound Lighting Columns	442	578	644	644	66	2,374
Smarter Travel Evolution Programme	1,659	535	0	0	0	2,194
Built Environment Fund - Hostile Vehicle Mitigation	500	1,258	0	0	0	1,758
Clean Air Zone	1,533	100	0	0	0	1,633
Flood Scheme Contributions	0	1,500	0	0	0	1,500
EV Charging Asset Replacement	1,285	150	0	0	0	1,435

Highways Drainage Works	352	200	200	200	200	1,152
Special Bridge Maintenance (Struct maint)	475	496	0	0	0	971
Scarborough Bridge	498	0	0	0	0	498
Fordlands Road Flood Defences	50	436	0	0	0	486
A1079 Drainage Improvements (A64 to Kexby Roundabout)	440	0	0	0	0	440
Fleet & Workshop Compliance	212	200	0	0	0	412
City Fibre Network	0	410	0	0	0	410
National Cycle Network 65 Targeted Repairs	109	300	0	0	0	409
Flood Defences	317	0	0	0	0	317
CCTV Asset Renewal	157	157	0	0	0	314
Better Bus Area Fund	0	312	0	0	0	312
Better Play Areas	50	250	0	0	0	300
Wayfinding	284	0	0	0	0	284
Car Park Improvements	278	0	0	0	0	278
Litter Bin Replacement Programme	42	200	0	0	0	242
Traffic control/ reduction and public realm improvements in Bishophill/ Mic	0	230	0	0	0	230
Knavesmire Culverts	0	227	0	0	0	227
Flood Sign Renewal and Rainfall monitoring	50	150	0	0	0	200
River Bank repairs	37	130	0	0	0	167
Stonegate Natural Stone Renewal	52	100	0	0	0	152
Non Illuminated Structural asset renewal	46	100	0	0	0	146
Rowntree Park Lodge	0	121	0	0	0	121
Wheeled Bins in Back Lane and Terraced Areas	0	61	0	0	0	61
Osbalwick Beck Maintenance	60	0	0	0	0	60
Gully Repair Engineering works	48	0	0	0	0	48
A19 Flood Alleviation Scheme	48	0	0	0	0	48
Hazel Court conversion of storage area to operational hub	20	0	0	0	0	20
Public Realm footpaths	20	0	0	0	0	20
Pothole Spotter Trial	1	0	0	0	0	1
<u>ECONOMY & PLACE - REGENERATION & ASSET MANAGEMENT</u>						
York Central Infrastructure	2,300	20,538	80,000	51,120	0	153,958
Guildhall	11,029	4,050	0	0	0	15,079
Castle Gateway (Picadilly Regeneration)	1,000	2,541	0	0	0	3,541
Climate Change schemes including Northern Forest	2,322	850	850	400	250	4,672
Asset Maintenance + Critical H&S Repairs	237	200	250	250	250	1,187
Holgate Park Land – York Central Land and Clearance	397	0	0	0	0	397
LCR Revolving Investment Fund	0	300	0	0	0	300
29 Castlegate	0	270	0	0	0	270
Commercial Property Acquisition incl Swinegate	208	0	0	0	0	208
Shambles Modernisation - Power	0	180	0	0	0	180
Community Asset Transfer	0	175	0	0	0	175
York Central	75	0	0	0	0	75
Air Quality Monitoring (Gfund)	61	14	0	0	0	75
Shambles Health & Safety	27	0	0	0	0	27
Built Environment Fund - Shopping Area Improvements	19	0	0	0	0	19
<u>CUSTOMER & CORPORATE SERVICES - COMMUNITY STADIUM</u>						
Community Stadium	2,219	0	0	0	0	2,219
<u>CUSTOMER & CORPORATE SERVICES</u>						
Project Support Fund	577	200	200	200	200	1,377
Capital Contingency	802	0	0	0	0	802
Removal of Asbestos	52	200	0	0	0	252
Crematorium Waiting Room	50	200	0	0	0	250
West Offices - Major repairs	237	0	0	0	0	237
Photovoltaic Energy Programme	131	40	0	0	0	171
Replacement of 2 Cremators	153	17	0	0	0	170
Hazel Court welfare facilities	10	90	0	0	0	100
Registry office Phase 2 Refurbishment	50	30	0	0	0	80
Fire Safety Regulations - Adaptations	0	77	0	0	0	77
Mansion House Restoration	46	0	0	0	0	46
<u>CUSTOMER & CORPORATE SERVICES - IT</u>						
IT Development plan	2,367	2,690	2,420	2,420	2,420	12,317
IT Superconnected Cities	0	120	0	0	0	120
<u>GROSS EXPENDITURE BY DEPARTMENT</u>						
CEC - CHILDREN, EDUCATION & COMMUNITIES	13,231	24,466	3,000	0	0	40,697
HH&ASC - ADULT SOCIAL CARE & ADULT SERVICES COMMISSION	3,867	1,129	638	660	682	6,976
HH&ASC - HOUSING & COMMUNITY SAFETY	45,050	65,779	41,302	36,790	10,716	199,637
ECONOMY & PLACE - TRANSPORT, HIGHWAYS & ENVIRONMENT	33,342	66,256	46,342	27,385	9,536	182,861
ECONOMY & PLACE - REGENERATION & ASSET MANAGEMENT	17,675	29,118	81,100	51,770	500	180,163
CUSTOMER & CORPORATE SERVICES - COMMUNITY STADIUM	2,219	0	0	0	0	2,219
CUSTOMER & CORPORATE SERVICES	2,108	854	200	200	200	3,562
CUSTOMER & CORPORATE SERVICES - IT	2,367	2,810	2,420	2,420	2,420	12,437
TOTAL BY DEPARTMENT	119,859	190,412	175,002	119,225	24,054	628,552
TOTAL GROSS EXPENDITURE	119,859	190,412	175,002	119,225	24,054	628,552
TOTAL EXTERNAL FUNDING	28,277	65,283	111,621	59,899	5,300	270,380
TOTAL INTERNAL FUNDING	91,582	125,129	63,381	59,326	18,754	358,172



Executive**11 February 2021**

Report of the Chief Finance Officer (s151 Officer)
Portfolio of the Leader and Deputy Leader of the Council

Financial Strategy 2021/22 to 2025/26**Summary**

1. This report presents the financial strategy 2021/22 to 2025/26, including detailed revenue budget proposals for 2021/22, and asks Members to recommend to Council approval of the proposals. Following on from consultation with residents and business groups, the financial strategy delivers a balanced budget for 2021/22 with savings proposals totalling £7.9m, equivalent to 6% of the net budget. There are separate reports on the agenda covering the capital budget, the capital and investment strategy and the treasury management strategy.
2. Overall £12.5m in additional revenue funding will be added to the Council's 2021/22 budget to meet continuing pressures on adult social care and children's services, to support the Council's response to the Covid-19 pandemic and maintain progress on the objectives outlined in the Council Plan. Specific examples of revenue investment include;
 - An open and effective Council –revenue investment in 2021/22 of £2.5m to create a Covid-19 Recovery Fund. This will ensure that the Council can continue to fund crucial services for local residents and businesses. Given the scale of the economic challenge following the pandemic, the Council must be financially prudent and ensure emergency funding is there to support York's communities over the coming years. The Covid-19 Recovery Fund is covered in further detail below.
 - Good Health & Wellbeing – revenue investment in 2021/22 of over £4.4m in adult social care, to support and care for some of the most vulnerable residents in York. This includes the costs of care, supporting adult social care staff and enabling residents to remain in their homes for longer.

- A Better start for Children and Young People - revenue investment in 2021/22 of £1.4m to support children and young people across the city, including further funding for social care staff.
 - A Greener and Cleaner City – further revenue investment in 2021/22 of £500k (in addition to the £500k in 2020/21) to create a new waste and street environment service, with a new neighbourhood focus to support local communities.
 - A Greener and Cleaner City – further enabling investment of £150k in 2021/22 (in addition to the £150k in 2020/21) to underpin the Carbon Reduction Strategy and support towards the Climate Change delivery programme to coordinate, develop and implement the council's ten year plan to deliver a zero carbon future for York.
 - Getting around sustainably - revenue investment in 2021/22 of a further £200k one off funding to refresh the Local Transport Plan.
 - Creating homes and world class infrastructure - revenue investment in 2021/22 of £1.6m to fund the prior year capital programme to continue the on-going work of the Housing Delivery Programme, York Central, Castle Gateway, the Community Stadium, highways investment, vehicle replacement, The Guildhall and other crucial major projects.
3. Other key issues included in the budget proposals are as follows;
- A proposed basic council tax increase of 1.99 % in 2021/22.
 - In addition an increase of 3% in line with the government's social care precept, equating to additional income of £2.5m, which provides support for social care
 - Revenue savings of £7.9m in 2021/22
 - Ensuring a financially prudent budget by addressing known budget pressures, including likely pay awards and inflationary pressures
 - A net revenue budget of £131.392m, which will be funded by:
 - i. Council tax income of £98.051m
 - ii. Retained business rates of £33.341m
4. Due to the uncertainty of the financial situation, and the need to invest in recovery, the Council has reviewed the level of capital investment needed and has been able to reprioritise some areas of the existing

capital budget to invest in the Council's priorities and to support the city's recovery from the impacts of Covid-19. The Council's main focus is to build back better from the pandemic. This budget continues the Council's transformational £550 million capital programme, to drive regeneration and accelerate the city's economic recovery.

5. The Capital Budget report sets out proposals for reprioritisation of investment. These continue the council's approach to prioritise investment in the economy, housing, transport, and to invest to save including energy efficiency. Some of the key capital projects include;
- £154m to progress the York Central scheme
 - £52m to improve the city's road network infrastructure and accelerate the delivery of flood defences, in conjunction with local and regional flood defence funding
 - £19m to progress regeneration schemes in the city, including Castle Gateway and the Guildhall
 - £64m to further develop the York outer ring road, including cycling and walking improvements in the vicinity of the ring road
 - £132m to deliver more housing across the city, including affordable housing
 - £12m to invest in initiatives to tackle climate change, including funding to deliver active travel measures across the city, including new cycling measures and new routes across the city
6. The following table shows the 2021/22 budget position after taking account of the expenditure and funding changes outlined throughout the report. Further detail is provided at annex 1.

Summary	2021/22 £'000
Total investment (Table 3)	12,559
Total net funding changes (Table 4)	-446
Total changes in council tax (Table 5)	-4,243
Total changes in business rates income (Table 6)	74
Total savings and income generation (Table 7)	-7,892
New homes bonus funding (Table 8)	-52
Budget gap	0

Table 1 – Budget position summary

7. City of York Council continues to face financial challenges, particularly with regard to uncertainty over national funding streams and growing demand for council services, especially within adult social care.
8. As a consequence of the Covid-19 pandemic, the Council must maintain a stable and resilient financial position for the next financial year in the midst of this unprecedented level of uncertainty and economic challenge.
9. The Council's proposed overall financial strategy includes significant investment in several priority areas outlined in the Council Plan, including front line services, adult social care, community-based services and initiatives to reduce carbon emissions.

Recommendations

10. Members are asked to consider the appropriate levels of council tax that they wish to see levied by the City of York Council for 2021/22. In doing so they should pay due regard to factors such as;
 - Expenditure pressures facing the council as set out in the report
 - Impacts of savings proposals set out in annex 2
 - Medium term financial factors facing the council as outlined in the report
 - Projected levels of reserves as set out in the report
 - Statutory advice from the Section 151 Officer
11. In light of the considerations outlined in the paragraph above, Members are asked to recommend to Council approval of the budget proposals as outlined in this report. In particular;
 - The net revenue expenditure requirement of £131.392m
 - A council tax requirement of £98.051m
 - The revenue growth proposals as outlined in the body of the report
 - The 2021/22 revenue savings proposals as outlined in annex 2
 - The fees and charges proposals as outlined in annex 3
 - The consultation feedback as set out in annex 4

- The Housing Revenue Account (HRA) growth set out in annex 5, the HRA savings proposals set out in annex 6, HRA 2021/22 budget set out in annex 7 and the HRA 30 year plan set out in annex 8.
- The dedicated schools grant proposals outlined from paragraph 156
- The use of £52k New Homes Bonus to fund one off investment, as outlined in paragraph 87

Reason: To ensure a legally balanced budget is set

12. The effect of approving the income and expenditure proposals included in the recommendations would result in a 4.99% increase in the City of York element of the council tax, 3% of which would relate to the social care precept. It is intended that the total council tax increase including the parish, police and fire authority precepts, will be agreed at the full Council meeting on 25 February 2021.
13. Members are asked to note the revocation of the 2020/21 North and West Yorkshire 50% retention business rates pool on 31 March 2021 and agree membership of City of York Council in the 2021/22 Leeds City Region 50% retention business rates pool from 1 April 2021, as outlined in paragraph 106.

Reason: To confirm membership of the Leeds City Region business rates pool for 2021/22

14. Members are asked to approve the average rent increase, based on national formulas linked to RPI and CPI, of 1.5% to be applied to all rents for 2021/22, with the exception of a 1.2% increase on the Gypsy, Roma and Traveller Community site rents as described in paragraphs 152 and 154.

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.

Background

National context and funding issues

15. All aspects of the public sector are continuing to face challenging times. In recent years the council has had to deal with large reductions in funding, combined with a range of significant pressures. The additional pressure on Council finances due to Covid-19 has added to the uncertainty, just like the many thousands of businesses and

organisations across the country. Demand for services has increased and at the same time income has significantly fallen.

16. The Government has not given Councils everything they need to respond to the pandemic. Although the Chancellor announced increased spending power for Councils, they have in fact given Councils the power to raise money through Council Tax and the Adult Social Care precept. The Government has transferred the burden to Council Tax payers.
17. The Council has responded by urging the Government to 'Back York' by investing more funding in the city and to seize the opportunities that are unique to York to drive recovery across the region. In the wake of the pandemic, the Council has stepped in, providing support for vulnerable residents and struggling businesses, and also with Covid-19 testing.
18. York has the 7th lowest band D council tax out of 57 unitary councils in England.
19. In relation to council tax, as City of York Council is a unitary authority with statutory social care responsibilities, the proposals in this report are predicated on a basic council tax increase in 2021/22 of 1.99 %, plus an additional increase of 3% in line with the government's social care precept. Further information on council tax and the social care precept is included later in the report.

Local issues and challenges

20. The Council is facing unprecedented financial challenges due to the impact of the Coronavirus pandemic. Demand for Council services has increased and, at the same time, income from services (such as parking) has fallen significantly. This has generated an in-year financial pressure totalling £15m for the Council. The total financial pressure facing the Council over the next 3 years is estimated to be £25m. At this stage, due to the continued uncertainty and changes in national restrictions, it remains unclear as to the ongoing financial impact in terms of lost income and other recurring expenditure.
21. Despite the Covid-19 funding provided by central government, an ongoing impact in future years is still expected due to a range of issues. As the city continues to recover, it is anticipated there will be significant pressures as a result of the longer term impacts on individual residents and increase in the cost of adult social care.
22. In addition, as residents and businesses respond to the economic impacts of the pandemic, it is anticipated there will be a reduction in both Council Tax and Business Rates receipts. In response to this shortfall,

the Council has had to make some difficult decisions to identify some £7.9m of savings to ensure crucial council services can continue to support local residents and businesses during the difficult year ahead.

23. In addition to the direct financial consequences of the pandemic, in terms of additional expenditure and lost income, staff time and effort over recent months has clearly been dedicated to supporting residents and communities. Focussing our resources on protecting the most vulnerable has meant actions needed to deliver prior year savings and manage some of the underlying budget pressures being experienced in social care have not been prioritised. We are also seeing an increase in social care costs directly as a result of the pandemic. These are national issues that are not unique to York and the combination of increased costs and delays in achieving savings is having a detrimental impact on all local authorities.
24. Partner organisations in the city are also experiencing unprecedented financial challenges and it is clear that the pandemic will have lasting financial implications both on the Council and many other organisations operating in the city. Whilst the Council continues to make every effort to manage the situation and protect critical front line service delivery, through identifying efficiencies and more robust control of costs, the Government funding will not fully compensate the Council and this represents a significant risk to the delivery of the Council Plan and the ongoing delivery of essential services.
25. The pandemic has caused significant changes to the way the economy operates globally, nationally and locally. The long term impacts on retail, office working and tourism are all subject to a great deal of speculation. In addition, the UK has the uncertainties of the impact of Brexit and the challenges and opportunities that may bring to the York economy. York is well placed to manage these challenges, with a highly educated workforce and excellent infrastructure however, the impact on Council revenue and service demands are highly unpredictable. With this unprecedented level of uncertainty in both the national and local economy it is therefore prudent to continue to plan on the basis of the current financial picture and begin to put in place mitigation and cost control strategies to bring expenditure down to within approved budgets.
26. In shaping the budget these issues have been carefully considered to ensure we set a budget that is both prudent and protects vulnerable people. Ensuring that there is the capacity to invest in council priorities has been a critical part of the budget deliberations.

Local issues and challenges – Adult social care

27. Locally demand for council services continues to increase, with an ageing population and increased complex needs in respect of care. In addition Covid-19 has significantly impacted on the ability of both formal and informal support networks to prevent vulnerable people needing social care support. There are also significant challenges in the health sector, including challenging financial positions for health partners which are in turn a significant financial risk to the council.
28. The Financial and Performance monitor 3 report, elsewhere on this agenda, sets out in more detail the current financial pressures in relation to adult social care.
29. The additional funding received in 2021/22 and areas of investment in relation to adult social care is summarised in the table below.

	2021/22
	£'000
Additional social care grant	446
Social care precept	2,546
Total Additional Social Care Income	2,992
Invested in:	
Pay and pension	37
Price inflation	1,730
Children preparing for Adulthood	1,630
Investment to ensure budget sustainability	1,000
Total Invested	4,397

Table 2 – Adult social care additional funding and investment

30. The majority of the growth will be used to fund price increases and existing cost pressures as a result of costlier support packages for a growing number of individuals with complex care needs. It will be used to fund the increasing cost of residential placements in a marketplace where the majority of customers are self funders and where resources to satisfy demand are scarce. It will also fund the increasing cost of the support required as children move into adult services.
31. As mentioned earlier in the report, Covid-19 has resulted in attention being diverted away from more business as usual activity, including the actions needed to deliver prior year savings and manage some of the underlying budget pressures being experienced in social care.

32. Investment of £1m, with a further £1m in 2022/23, is included to manage current budget pressures and build on the work initiated in the 2020/21 budget. It is expected that this investment will allow time for work to be done on reducing the current cost pressures and therefore is currently assumed only for the next 2 years. This will be reviewed in the following years budget process.
33. The strategy to bring a sustainable balanced budget is to focus on key areas we believe will make the most impact on these areas of increasing cost. In order to achieve this, work is underway on reviewing the key areas of budget pressure. This will help us embed at scale what we are currently doing to improve the budget position. We will also create an enhanced social care leadership and management structure that will enable us to manage the budget sustainability. Key performance outcomes include;
- Implementing best practice financial controls and measures to improve scrutiny, review and authorisation of spend.
 - Enhanced review of service packages to ensure people are in receipt of only what they need.
 - Ensuring prudent use of financial resources in commissioning social care packages.
 - Reducing the number and spend on permanent residential placements through the use of short term intensive support and alternative provision.
 - Reducing the spend on home care services through better, more frequent reviewing of care, the use of technology to support people as a default option and strengths based approaches that harness personal strengths and sustain families in their caring roles.
 - Reducing the cost of residential and home care coming to adult services through children's service through earlier intervention by adult services to prepare young people with care needs for adulthood.
 - Improving uptake of NHS continuing health care services where people are eligible for these.
 - Stabilise the rising unit cost of residential and nursing care by agreeing rates with the sector based on the actual cost of care.
34. A cost control board has been created specifically to look at all adult and children's social care packages, SEND support costs and the effectiveness of our commissioning and review functions. The Board track spend on a weekly basis to ensure savings and mitigation plans are

on track. If any plans are not on trajectory then recovery plans will be required and where necessary escalated to CMT. Schemes of delegation have also been reviewed across the People Directorate to ensure decision making is clear and at the correct level to challenge and manage costs.

35. Work is also underway with health colleagues to ensure we have effective joint care pathways, commissioning and brokerage processes in place which maximises any additional central government funding and opportunities which arise from the integration and place agenda.
36. We are changing our approach to reviews, learning from our good practice and positive outcomes from managing demand at the front door of adult social care. At the heart of this is our proven experience that care can be reduced by enabling people to access more community and voluntary sector support to promote independence. This programme is underway.

Local issues and challenges – Children’s social care

37. Nationally there is significant pressure on budgets in children’s services. Demand is increasing and numbers of children in our care are also rising. There are well publicised issues with SEND and high needs funding which are subject to national review. In York we are seeing significant demand pressures, for example referral to social care are on track to have doubled this year.
38. For the last year there has been very significant due diligence activity with a detailed review of every aspect of service delivery. As a result of this, drift and delay which had existed has been tackled and this has led to a re calibration in the system with significantly more children needing the support of a child protection plan or being in our care. This also creates cost pressures.
39. Improvement journeys of this type also require investment in workforce to support them to make the practice changes which are necessary. In York we are very pleased to have been successful in attracting social workers at the start of their careers with a view to supporting and developing them to become a stable and experienced workforce committed to the children of York. In order to offer them appropriate support and mentoring we have recruited additional experienced staff to ensure caseloads remain reasonable and children and their families receive a timely and appropriate service.
40. Against this context (especially as there is a need for a relentless focus on continuing our improvement) to make savings is very

challenging. Therefore the savings which are proposed are primarily in areas where there is an alternative funding source (such as a grant) and core budget can be reduced. Where this is not the case savings are anticipated to come from re alignment of services to have a more focused practice model which reduces the number of children that require statutory intervention due to complex needs) for example being in need of protection or in need of being in our care).

41. The growth items in the budget relate to areas where there is significant need such as mental health support and social care practice improvement.
42. The Council spends less of its overall budget on children's social care than any other Council in the region. The Track and Challenge initiative has been a success and £819k of savings have been delivered so far this year. However, it should be noted that the budget is based on approximately 200 children in our care although statutory neighbours suggest this should be around 245, which makes it a challenge to remain within budget.
43. As mentioned above, as with Adult Social Care the impact of Covid-19 has diverted resources from business as usual activity, including the actions needed to deliver prior year savings and manage some of the underlying budget pressures being experienced in social care. Investment of £1m, with a further £1m in 2022/23, is included to manage current budget pressures and build on the work initiated in the 2020/21 budget.

Council priorities

44. The Council Plan for 2019/2023 is based on our statutory responsibilities and the priorities of our administration. The plan is structured around 8 core outcomes, which in turn reflect the key components of a good quality of life for our residents. These are:
 - **A greener and cleaner city** – York's environment is protected and enhanced through investment in the Council's frontline services working towards becoming a carbon neutral city by 2030
 - **Good health and wellbeing** – Every resident enjoys the best possible health and wellbeing throughout their life
 - **A better start for children and young people** – Families, carers and schools are supported so that every child and young person has the opportunity to develop, learn and achieve their aspirations

- **Well-paid jobs and an inclusive economy** – High skilled and better paid jobs in sustainable businesses, providing opportunities for all York's people in an inclusive economy
- **Getting around sustainably** – More people chose to travel by public transport, walking or cycling, benefiting from improved roads, footpaths and cycle routes across the city, cutting congestion, pollution and carbon emissions, as part of renewed efforts to tackle the climate emergency
- **Creating homes and world-class infrastructure** – The right housing is available, affordable and environmentally sustainable for everyone with good quality infrastructure that supports community and local businesses
- **Safe communities and culture for all** – Residents live safe from harm as part of strong and vibrant communities, participating in their local area and have access to a range of quality cultural activities
- **An open and effective Council** – We work as an efficient, open, transparent, democratically-led and accountable organisation, in partnership with key stakeholders, to deliver on residents priorities and achieve the council plan outcomes for our city

45. The plan focuses on outcomes rather than just on the services we provide, to help the Council and our partners work better together, rather than as a collection of individual services and activities.
46. The plan was formally approved by Council on 31 October 2019 following consultation with residents, businesses and staff.
47. The budget reflects the Council priorities, with significant revenue and capital investment in a number of critical areas, or protection to existing spending, as set out in both the capital budget and this report.

Principles that have shaped the budget process

48. The Council's Financial Strategy includes significant investment to stabilise our finances to protect against the economic effects of Covid-19 and continues to invest in priority areas as outlined in the Council Plan, including adult social care and support for children, frontline services and the city's economic recovery.
49. Recognising the unprecedented economic challenge of the pandemic and support needed for local residents, we are increasing net spending by £2.6 million on adult social care and support for children, whilst

investing additional funding to protect frontline services and to accelerate our economic recovery.

50. To enable this investment, the Council has delivered back office efficiencies of £3 million to ensure financial prudence and that the Council is prepared to respond to future challenges and deliver services to residents and businesses more effectively.
51. The scale of the budget reductions required will inevitably affect all services and all residents to some extent. In considering what savings can be made we have taken long term approaches to the development of future services. This included an assessment of options, risks, and links with Council priorities. This strategic approach ensures that any cross cutting implications are taken into consideration and savings in one particular area do not impact on other budgets in an unintended way. This approach will help to protect the needs of the most vulnerable people in York.
52. Anticipating that the council would be self-funded from council tax and business rates by 2021/22, it was recognised some years ago that a successful economy is critical to the council's financial future, with strong and growing business rates and the ability to attract better paid employment to the city.
53. Ensuring that there is a strong link between the capital and revenue budgets to support the delivery of council priorities is essential. The capital budget sets out significant capital investment, and details regarding some of the major capital schemes that will impact on the economy of the city.
54. Set out in the separate capital budget report are proposals for further major investment in a variety of schemes. These continue the council's approach to prioritise investment in the economy, housing, transport, and tackling climate change. In addition, the council is continuing to make a significant investment in ICT, recognising that the need for high quality technology will be crucial to delivering services in the most effective manner in the future, particularly in relation to adult and children's services and customer services.

Consultation

55. The council has been working with residents and businesses to identify the services that matter most to them and to understand their priorities for spending the council budgets.

56. The budget consultation launched in December and closed on 31 January 2021.
57. This year there were 2,251 responses, a significant increase compared to 825 last year.
58. The consultation replicated a number of question sets from previous years on council tax and the social care precept, to allow us to track feedback.
59. The consultation was promoted to residents through various existing channels via the business intelligence team, published on the council's consultation page, and promoted via the communications teams.
60. The survey was promoted;
 - Within the business community via existing business network links and distribution groups including York Business Week, Make It York, The Business Improvement District, York Chamber of Commerce and the York Federation of Small Businesses. Promotion was through social media, website channels and email. These key stakeholders were asked to pass on details of the consultation to their members.
 - To equalities groups via the equalities network.
 - Paper copies were distributed to all households in the City, through a flyer in Local Link in December. Responses were sent back at no cost to residents via Freepost to West Offices.
61. The key messages from the consultation were;
 - To balance the budget, 44% of respondents were in favour of an increase in council tax, rather than an increase in charges (34%) or a reduction in service provision (22%)
 - 68% supported some form of increase in basic council tax, and of those supporting an increase 44% favoured the maximum increase of 1.99.
 - 59% supported a 3% increase in the social care precept.
 - Respondents were asked if they agreed with various areas for priority investment. The area most thought was a priority was the Council's public health response to the pandemic, including support for mental health, followed by the maintenance and upkeep of

schools and also to provide financial support for those that need it most.

62. These consultation results have been used to inform the budget, as evidenced below;
- The budget proposal increases the basic council tax by 1.99% and social care precept by 3% as favoured by the majority of respondents. This decision was taken to address the significant budget pressures which the council faces, particularly in adult social care, as set out in the report.
 - The Council have prioritised investment in the £2.5m Covid-19 recovery fund, which is covered later in the report, including investment in the York Financial Assistance Scheme and support for mental health.
63. The consultation responses to questions are summarised in Annex 4. Due to the significant volume of free text comments these are not included in the summary annex but will be published on the York's open data platform www.yorkopendata.org

Executive Member decision session consultation

64. Following the consultation, five decision session meetings were held for all portfolios (some of these were joint decision sessions) in the week commencing 11 January.
65. The meetings provided further opportunity for Executive Members to obtain feedback from stakeholders, and also gave stakeholders a view of the initial budgets proposals approximately a month in advance of the Executive meeting. Four elected members registered to speak to share their views, which were taken into consideration by Executive Members in advance of the finalisation of these budget proposals.

Budget analysis

66. The budget setting process has taken into account the following issues, (which are considered in more detail in following paragraphs);
- i. Consideration of the 2020/21 position.

- ii. Consideration of unavoidable cost increases, priority areas, how to create the capacity in priority areas and creating the capacity to allow for service improvement and innovation.
- iii. Consideration of reductions in grant funding.
- iv. Ensuring that the budget is robust and prudent and is based upon the strategic financial advice of the s151 officer.
- v. Ensuring there is a strong link between the capital and revenue budgets and that the delivery of priorities fully considers the two budgets hand in hand.

2020/21 position

67. As part of the budget approved in February 2020, considerable investment was made in priority services to ensure sufficient resources to deliver statutory and priority services. The most notable example was additional funding for adult social care, with the inclusion of £4.5m growth. At a time of significant financial challenges, this was a major investment to ensure the council were able to provide sufficient funding for the cost of care, supporting social care staff and enabling residents to stay in their homes longer.
68. As outlined earlier in the report, and in a separate report elsewhere on this agenda, the latest finance and performance report identifies a range of budget pressures.
69. Some areas identified as pressures in 2020/21 will require additional funding in the future and these include investments relating to waste, children and adult social care, which is covered further in the report. In addition the Council will need to take some concerted actions to ensure cost pressures are minimised, with cost avoidance strategies.

Additional Investment

70. The following bullet points set out the areas where additional investment is being made;
 - Revenue funding for the prior year capital programme **£1,636k**
 - Adult social care - **£4,360k** to cover contractual price increases and demographic pressures, including the cost of adults as they

transition from children's services within 2021/22. Including an increase for officer pay and pension costs (included in the £200k figure below) a total investment of £4,397k has been made in the adult social care service, as set earlier in the report

- Public Health **£183k** – to reinvest public health savings, to ensure that there is no overall reduction in the Public Health budget
- Contractual price increases **£1,740k** - to cover unavoidable contractual price increases in other service areas, mainly ICT, transport, waste and children's services
- Pay and Pension costs - **£200k** is included for pay and pension costs in 2021/22.

71. The following bullet points set out the areas where additional investment is being made in other priority areas;

- Waste and environment services **£500k**, in addition to the £500k increase in 2020/21 – To invest in waste and environment services to include additional staffing on waste rounds, improved city centre cleaning and effective weed control.
- Climate change delivery programme **£150k**, in addition to the £500k increase in 2020/21 – To establish a climate change delivery programme that will deliver a programme of actions along with the development of an evidence base to inform future activity and a public engagement exercise.
- Footstreets **£60k** - One off impact of temporary footstreet extension in response to Covid as approved by Executive Member in November 2020
- Organisational Development **£30k** - to undertake an organisational development programme to ensure delivery of key council priorities

72. As set out earlier, there remain potential pressures and risks within social care. The budget provides for a significant investment within adult care, however it is recognised there remain a number of risks in this area.

One off Investment

73. In addition to the ongoing expenditure pressures set out above one off growth totalling **£4.7m** is included.

- Given the continued financial challenges due to the pandemic, the Council is trying to address this by creating a Covid-19 Recovery Fund (£2.5m revenue, £1m capital). Although this funding is included as one off in 2021/22, it is funded from recurring resources with the expectation that it will continue (in some form) in future years. This investment will allow provision of the following measures, alongside a prudent amount for any further impact where we may need to react quickly to changing circumstances. The following measures will progress immediately. Some may be subject to further decisions, either from the Executive Member or Executive, dependent on the situation and restrictions in place at the time.
 - £200k to support Covid-19 recovery efforts in local communities across the city
 - £80k will be invested to give residents cheaper Minster Parking Badges as part of our efforts to mitigate the impact on the local economy
 - £40k to provide sustainable travel incentives to support recovery and build back confidence in public transport
 - £50k will be used to assist households via the York Financial Assistance Fund, helping residents on the lowest incomes mitigate the financial impact of the pandemic
 - £50k to extend existing projects that support carers most affected by the pandemic to access resources and support, particularly for carers and individuals with a diagnosis of dementia
 - £100k to work with the local Voluntary Sector to provide additional low level Mental Health Support recognising the impact the pandemic has had on emotional wellbeing with the aim of reducing the need for NHS services.
 - £40k to support business during recovery including grants, information and networking
 - £40k for promoting the benefits of business membership organisations, such as the FSB or Chamber of Commerce
 - £50k will fund support for skills development and re-training programmes, including support for new green jobs

- Adult Social Care **£1m**, with a further £1m in 2022/23 - continuing to invest in community based services which build in the strengths of individuals, families and communities to reduce the need for crisis intervention and enable people to live independent lives. As mentioned earlier in the report, this will fund existing pressures in the service. This one off investment is funded from recurring funds, therefore the option remains for continuation of this one off funding beyond 2022/23 and this will be considered in future budgets, dependant on the circumstances.
- Children's social care **£1m**, with a further £1m in 2022/23 - additional Investment to Children's social care supporting current pressures delivering services to the most vulnerable children, young people and families. As mentioned earlier in the report, this will fund existing pressures in the service. As above, this one off investment is funded from recurring funds, therefore the option remains for continuation of this one off funding beyond 2022/23 and this will be considered in future budgets, dependant on the circumstances.
- Transport Plan refresh **£200k** - including funding towards a trial to investigate how taxis and other small vehicles can be used to enhance the York bus system

74. The one off growth items above are funded from £52k one off new homes bonus grant provided by central government and £4,468k recurring funding from council tax and business rates.

Investment Summary

75. The investments described above are set out in the following table;

Investment	2021/22 £'000
Recurring investment	
- Revenue funding for prior year capital schemes	1,636
- Adult social care prices and demographic	4,360
- Public Health demographic	183
- Other Prices contingency	1,740
- Pay and pension	200
- Waste and environment services	500
- Climate change delivery programme	150

- Footstreets	60
- Organisation Development	30
One off investment, to be reviewed	
- Covid-19 Recovery Fund	2,500
- Adult social care	1,000
- Children's social care	1,000
- Transport plan refresh	200
Total Investment	12,559

Table 3 – Summary of investment

Grant Funding Changes

76. Table 4 shows the net change in specific grants. The council will receive additional grant of £446k in 2021/22 to fund adult social care pressures. This will be used to fund growth in adult social care and is covered in further detail elsewhere in the report.

	2021/22
Funding Changes	£'000
- Net increase in specific grants	-446
Net Funding Changes	-446

Table 4 – Grant funding changes

Council Tax Funding Changes

77. Table 5 shows the net changes to council tax funding.

78. The first line in Table 5 shows the 4.99% increase in council tax which will generate additional income of £4.681m on the existing taxbase.

79. However, due to a decrease in taxbase, this will reduce by £438k, as shown in the second line of Table 5. The taxbase is calculated by the s151 Officer each year and represents the total number of Band D equivalent properties in the city. In 2021/22, this has decreased by 301. Taxbase can increase or decrease due to various factors including new homes and changing patterns in the number and types of discounts taxpayers are able to receive or apply for. In 2021/22 we forecast a decrease in taxbase since the number of claimants for council tax

support is increasing, mainly due to the financial difficulties facing households affected by Covid-19.

80. The third line is the reversal of the collection fund surplus from the prior year. There was no surplus in 2019/20.
81. The council tax collection fund surplus or deficit for the year 2020/21 is estimated on 15 January 2021, based on current year actual figures. The surplus or deficit is a result of a change in taxbase, compared to estimates made last year. The collection fund surplus is only available as one off funding, but there is no surplus forecast for the year 2020/21.
82. In summary the Table 5 shows an estimated £4.243m additional income from council tax in 2021/22.

	2021/22
Council tax	£'000
- Increase in charge	-4,681
- Decrease in taxbase	438
- Reversal of collection fund surplus 2019/20	0
- Collection fund surplus 2020/21	0
Net council tax changes	-4,243

Table 5 – Council Tax funding changes

Business rates income

83. Table 6 shows a total of £74k reduced income from business rates.
84. In 2020/21 City of York Council were part of a 50% business rates pool with North and West Yorkshire and in 2021/22 the council will form a new pool, Leeds City Region, with the West Yorkshire authorities. This is covered in further detail later in the report.

	2021/22
Business rates income	£'000
- Business Rates reduction	74
Change in income	74

Table 6 –Change in business rates Income

Savings proposals

85. Directorates have identified £7.892m to contribute towards the 2021/22 savings target. These proposals, outlined in annex 2, include increases in income, reductions in administration costs and removal of vacant posts.
86. Table 7 summarises the 2021/22 savings to be delivered by each directorate and corporate services.

Savings	2021/22 £'000
- People (including Public Health)	-4,244
- Customer and Corporate Services	-1,181
- Place	-367
- Corporate	-2,100
Total savings changes	-7,892

Table 7 –2021/22 Savings Proposals

New homes bonus (NHB) grant

87. The new homes bonus was introduced to provide an incentive for local authorities to encourage housing growth in their areas. Authorities receive funding for growth above the national baseline set at 0.4%. When an authority has overall growth in excess of the baseline, it gets rewarded for the above-baseline growth, not its entire growth.
88. In the September 2019 settlement the government announced a reduction in legacy payments and a phasing out of the NHB funding by 2023/24.
89. We will continue to phase out any ongoing revenue funding from NHB. This currently totals around £2.2m (as set out in the table below) and therefore over the coming years this will be gradually phased out in future budgets.
90. The total funding available in 2021/22 is £2.3m.
91. The budget proposals include one off investment of £52k which will be funded from NHB.

New Homes Bonus	£'000
- Available 2021/22	-2,311
- Previous Council decisions	
February 2016 budget - recurring	1,349
July 2015 budget amendments - recurring	1,259
February 2019 budget - recurring	51
- 18/19 Allocation to phase out NHB funding	-400
- Allocated in this budget (one off)	52
NHB remaining	0

Table 8 – New homes bonus funding

Net Budget Composition

92. Taking into account funding changes summarised in Tables 4, 5 and 6, Table 9 below summarises the funding available from council tax and business rates for 2021/22.

	2021/22 £'000
Council Tax	98,051
Business Rates	33,341
Total Net Budget	131,392

Table 9 – Net budget composition for 2021/22

Fees and charges

93. At the start of the Covid-19 pandemic to assist residents and businesses during this difficult period the Council made the decision not to increase some fees and charges which were agreed in February 2020 and due to be implemented in April 2020. Whilst the Council recognise that the challenges remain, it has been necessary to increase some fees and charges for 2021/22 to achieve a balanced budget.
94. Detailed proposals for any changes to fees and charges are attached at annex 3. The proposals have taken account of such factors as possible impact on customer numbers, knowledge of business and current market conditions and benchmarking exercises. Any increased income from this

review of charges is included within the overall list of savings attached at annex.

Council Tax

95. The existing components of the current (2020/21) band D council tax for a CYC resident are shown in Table 10 below. It should be noted that these figures exclude parish precepts which are an additional charge in some areas.

	£
City of York Council	1,383.33
North Yorkshire Police	265.77
North Yorkshire Fire and Rescue	72.69
TOTAL	1,721.79

Table 10 - Make Up of 2020/21 Council Tax

96. The collection fund is the ring-fenced account where all council tax is credited. This account can either be in surplus or deficit at the year end, depending on whether the authority has managed to collect more or less than it originally anticipated and the growth in property numbers. This year, the CYC element of the council tax surplus is estimated to be nil and this is included in the budget assumptions.

Referendum Limits

97. The council tax referendum limit has remained at 2% (excluding social care precept) for 2021/22. The threshold is not guaranteed to continue beyond 2021/22. If a Council wishes to set a higher council tax it must hold a referendum. It must also provide 'substitute calculations' which need to be presented to setting out what the alternative budget would be. This means that that if any proposal is made for a council tax above the referendum limit it must be accompanied by 'substitute calculations' within the referendum limit, to be used in the event that the referendum would reject the increase. If a referendum is held after the beginning of the relevant financial year, the higher rate of council tax will be payable unless and until it is overturned by a 'no' vote in the referendum. In the event that a referendum rejects the increase, the billing authority would be able to issue new bills, offer refunds at the end of the year or allow credits against liability the following year, although individual council taxpayers would be entitled to a refund on demand.

98. The costs of a referendum are not easy to estimate, and depend to an extent on whether it can be done as part of another election. If there is no other election, provision should be made for £210k. If the referendum could be combined with another election this would reduce the cost by approximately 50%. There are no local elections scheduled to take place in 2021/22. In addition there are the costs of rebilling which is estimated at £50k.

Social care precept

99. Local authorities with responsibilities for adult social care have been given the flexibility to charge a further social care precept in addition to the 2% referendum threshold. The Council can charge up to a maximum of 3% on social care precept.

100. As referred to earlier in this report, the recommendation made in these papers is that from April 2021 the City of York element of the council tax will increase by 4.99%, 3% of the increase relating to the social care precept.

101. A 3% social care precept increase generates additional income of approximately £2.5m for the council which will be used along with additional grant funding to fund adult social care increased costs, pay, pension and other pressures. The increase in the adult social care precept is in recognition of the significant budget pressures within this service area. Further details on the use of the adult social care precept are covered earlier in the report.

Precepts

102. In addition to the council tax to be charged by the City of York, the overall charge must include the precepts from the North Yorkshire Police, North Yorkshire Fire and Rescue Authority and parish councils. Due to the timing of this report these precepts are not yet available but will be included in the report which is considered by full Council on 25 February.

103. Table 11 demonstrates both the cash and percentage increase in 2020/21 for these which resulted in a total band D council tax for a York property of £1,721.79.

	2019/20 Charge (£)	2020/21		
		Increase (£)	Increase (%)	Council Tax (£)
CYC	1,330.25	53.08	3.99%	1,383.33
Police	255.77	10.00	3.9%	265.77
Fire	71.27	1.42	2%	72.69
Total	1,657.29	64.50	3.88%	1,721.69

Table 11 – 2020/21 Council Tax Figures for City of York Area

104. There are 31 parish councils within the City of York Council area. It should be noted that the council will provide each parish with a support grant to ensure that they do not experience any loss on their equivalent funding as a result of changes due to the localisation of council tax support.

Business Rates (National Non Domestic rates - NNDR)

105. The council is projecting retained business rates income in 2021/22 of £33.352m, a decrease of £63k compared to 2020/21. Business rates are expected to reduce as a result of Covid-19.

Business Rates Pooling

106. City of York Council is currently a member of the North and West Yorkshire (NWy) Business Rates Pool. The pool was formed for 2020/21 and retains 50% of business rates, in line with national policy. The pool will disband on 31 March 2021.

107. The West Yorkshire authorities within the pool (which formed the original Leeds City Region (LCR) pool in 2013/14) have reformed as a new pool which will begin on 1 April 2021.

Reserves and Contingency

General reserves and contingency

108. Table 12 shows the position on the general fund reserve which, it is anticipated, will be £7.442m by the end of 2020/21. However, as noted earlier in the report and on a separate report on this agenda a number of known pressures are forecast for 2020/21. The Council will continue to make every effort to reduce this forecast position but it is considered unlikely that it will be reduced to the point that the outturn will be within

the approved budget, and therefore it is expected that Council general reserves will need to be called on.

109. The projected reserves at the end of 2021/22 are based on the assumption that Members agree no usage of reserves in 2021/22 as part of the final recommendations to Council.

	2020/21 Projected Out-turn £'000	2021/22 Budget £'000
General reserve at start of year	7,442	7,442
In Year use of reserves	0	0
General reserve at end of year	7,442	7,442
Prudent minimum reserves	6,400	6,400
Headroom (+)/Shortfall (-) in reserves	1,042	1,042

Table 12 – Projected general reserves

110. In line with best practice, the council has undertaken a review of risks and known commitments in order to determine its minimum general reserve level. In considering this, it has been determined by the s151 Officer that a level of £6.4m remains an appropriate figure. However in light of the risks facing the council, in relation to Covid-19, major capital programme schemes such as York Central and Castle Gateway and the budget pressures within children's and adult social care as covered earlier in the report, it is considered that the Council should make every effort to maintain some headroom above the minimum level. Should the general reserve be required in 2020/21, further consideration of reserves will be made during the early part of 2021/22 and any increase needed will be considered as part of a future budget process. Reserves are covered in further detail within the s151 statutory statement at the end of the report.
111. In addition to general fund reserves and the Covid Recovery Fund, the budget includes a £500k general contingency. In recent years this has always been required.
112. As mentioned earlier in the report, due to significant risks associated with Covid-19, major capital projects and the reduction in NHB grant it is appropriate to provide an adequate contingency on an ongoing basis. This is critical in terms of the setting of a prudent budget.

Venture fund

113. The balance on the venture fund reserve is anticipated to be £4.18m at the end of 2020/21.

114. As covered in previous budget reports Executive have already agreed commitments in future years to major projects including £300k to the Community Stadium, £3m to York Central and £200k to Burnholme Community Centre. After taking into account these commitments, the forecast year end balances on the venture fund is included below in Table 13.

	Forecast Year end Venture Fund Balance
	£'000
2020/21	4,175
2021/22	4,356
2022/23	4,244
2023/24	1,281
2024/25	1,485
2025/26	1,696

Table 13 – Venture Fund Balance

115. Taking into account future year's commitments, a balance of £850k is available at 2020/21, which increases to £1.7m by 2025/26 as advances are repaid to the fund from prior year schemes.

116. The Council have notionally ring fenced any remaining balance in the Venture Fund for a letter of credit on behalf of York Museum Trust (YMT) up to a maximum of £1.95m, although it is not expected that amount would be required. Since this is notional and the amount is still uncertain it has not yet been reflected in Table 13 above. The council has also agreed to a loan of up to £300k to Make it York if required to support its cashflow that would be funded from the Venture Fund.

Medium term planning

Medium Term Outlook

117. The Spending Review 2020 (SR20) announced in November 2020 would have been a multi year review but due to Covid-19 is a one year only announcement for 2021/22. Most local government funding will remain at

current levels with a small amount of additional funding for Adult Social Care. The government is also providing Covid-19 related support to local authorities to cover loss of income and expenditure increases, although this will not fully compensate all the pressures.

118. The Spending Review included increased 'spending power' for local authorities. However, on analysis of the detail this is predominantly funded by Council's power to raise money through Council Tax and the Adult Social Care Precept.
119. The provisional settlement was announced on 17 December. It is expected that the final settlement will be announced in February, but it is unlikely to differ significantly from the provisional figures.
120. Significant uncertainty remains due to the financial effect of Covid-19 on council tax and business rates income. In addition there remains ongoing uncertainty around long standing issues which have been delayed due to Covid-19; the ongoing 'fair funding' review, the ongoing review of business rates retention and details of the business rates baseline reset. All this uncertainty increases the risks facing the Council. However, this risk is mitigated by the inclusion of a Covid contingency. Without this contingency fund the budget would not, in the view of the Chief Finance Officer, be sufficiently robust to meet the challenges ahead. Nor would it properly cover potential costs for the year ahead.

Business Rates and Funding Reform

121. As highlighted in previous Financial Strategy reports, the government has phased out Revenue Support Grant (RSG), to be replaced by a system which allows local government to retain a greater percentage of business rates growth.
122. Whilst devolution of business rates presents opportunities for the council, there are also associated risks with business rates appeals and the business rates reset.
123. As at this time last year, there was an expectation that business rates and funding reform, which had already been postponed due to the government's focus on Brexit, would be implemented in 2021/22. The Covid-19 pandemic has set back progress on this again.
124. The business rates review will consider an increase in the retention rate for councils from 50%, the process for business rates revaluations and the business rates reset. It might also lead to more fundamental change

in the way that businesses are taxed. The government are now set to publish their conclusions to the business rates review in Spring 2021 but it is uncertain when any changes will be implemented.

125. The Government has indicated that they are minded to have a full business rates baseline reset. This could have significant implications for a high growth authority such as York, as any growth built up since 2013/14 may be taken and redistributed to authorities with higher 'needs', according to the revised funding formula under consideration in the Fair Funding Review (FFR).
126. The Fair Funding Review focuses on the cost drivers for individual authorities. As part of the funding reform, additional responsibilities will transfer to local government, potentially the administration of housing benefits for pensioners and funding of public health.

Social care funding

127. Social care funding received an extra £300m in 2021/22. Since this was a one year settlement, there is no indication as to whether the social care precept on council tax will continue beyond 2022/23, although it is likely to continue.
128. The government wants to reform social care to find 'a long term solution that will stand the test of time'. It is recognised throughout both central and local government that social care has been underfunded for several years. The Social Care Green Paper was originally due to be published in summer 2017, and in Autumn 2019 there was an expectation that a White Paper would be published instead in 2020. The paper is expected to consider the longer-term challenges in adult social care, and its purpose will be to build a sustainable, long-term, reliable system. A publication date for the paper has not been confirmed.

Medium term strategy and approach to savings

129. Recognising some of the risks set out in preceding paragraphs, in particular the state of the UK economy, and the distribution of local government funding, the table below, Table 14, sets out the headline figures for the Council's medium term financial forecast to 2023/24.
130. It is difficult to predict beyond this timescale with the absence of multi-year settlements and the current uncertainties due to Covid-19.

	2022/23	2023/24	2023/24
	£'000	£'000	£'000
GROWTH			
Pay and price inflation	4,000	4,000	5,800
Demographic (mainly social care) and overspend pressures	3,100	2,840	2,840
Capital Programme	1,600	1,600	1,600
Covid-19 Recovery	2,500	2,500	
Other	1,600	660	
Total growth	12,800	10,000	10,240
RESOURCES			
Council Tax at 4.99%	4,400	4,400	4,400
Business Rates Growth	0	0	0
Total resources	4,400	4,400	4,400
FUNDING GAP	8,400	5,600	5,840

Table 14 – Medium Term Forecast to 2023/24

131. These figures are based on the assumption that funding for adult social care continues in a similar manner as currently and there will not be any significant pay award until 2023/24. Clearly there are a number of factors that could change these figures, and uncertainty will remain until the announcement of the Spending Review 2021, but they provide the broad basis on which the Council will need to consider decisions over coming years. The longer term impact of Covid-19 on council tax and business rates collection and the pressures on budgets are difficult to judge at this stage.
132. The funding gap figure in Table 14 represents the amount of savings that are required each year to balance the budget.
133. Whilst settlements for local government are expected to be better than in the past, this is far from certain in light of the current one year settlement and the factors outlined earlier in the 'medium term outlook' section of the report.
134. There are three very major pressures facing the Council. These relate to social care, Covid-19 and the impact of the capital programme.
135. The impact of the capital programme will have an effect on the revenue budget in terms of cost of borrowing. Whilst this is spread over a number

of years, the broad requirement in future years is for an increase in the treasury budget of around £1.6m every year.

136. The current pressures on the social care budget are expected to continue in the medium term and are reflected in the figures in Table 14.
137. To achieve the savings, and ensure budget pressures are contained, it is essential that the Council further develops the delivery of digital services, its use of assets, ensures efficient cost control, develops new sources of income, secures grant funding and reviews the method of delivery of a number of service areas.
138. Due to the impact of Covid-19 there is no growth in business rates assumed. As identified earlier in the report there are further uncertainties around assumptions in business rates funding which may have a significant impact on the council's funding. This will be determined by the outcome of the fair funding review and the business rates baseline reset.
139. Based on the current assumptions above, based on a 4.99% increase in future year's Council tax, there remains a funding gap of between £8.4m and £5.6m each year, over the next 3 years. The Council will need to consider the relevant balance of savings, variation in council tax, and potential changes in funding and income from business rates.
140. Specific details of future year's savings proposals will be covered in future budget reports. Looking beyond 2021/22 is difficult given a wide range of uncertainties already described. The scale of savings is to a large extent dictated by the overall level of council tax increase that will be set.

Housing Revenue Account (HRA) Budget

141. Local Authorities are required, by legislation, to keep a HRA. The Local Government and Housing Act 1989 stated that items of income and expenditure only relating to council housing must be contained within the account. Authorities have a duty to ensure that the HRA balances, to keep the budget under review and to take all reasonable steps to avoid a deficit.
142. This budget has recognised the need for further investment in its Housing Stock and has identified additional funding for its repairs service:

- Additional servicing on equipment in tenants properties dealing with damp (£150k full year)
- New Apprenticeship programme to recruit and retain up to 15 apprentices over a five year period (£100k full year)

143. There is also proposed investment across the Housing Management service:

- Additional resources to support adaptations service to council tenants (£25k full year)
- Additional resources to support estate regeneration, improving care of estates and policy support (£92k full year)
- Additional resources to optimise the implementation of the new Housing ICR system (£140k full year)

144. It is also important to ensure that the HRA does operate efficiently and a number of savings of £477k, have been identified. Details of these savings are shown in Annex 6.

145. The HRA budget taking into account the growth and savings for 2021/22 is detailed at Annex 7.

146. Elsewhere in the capital programme, additional investment has been identified for further aids and adaptations across the housing estate to support tenants to remain in their homes, further investment in energy efficiency measures to reduce the carbon footprint of council housing and also investment in the new Housing ICT system which is due to go live in 2021/22.

147. The impact of the recommendations within the financial strategy have been modelled and the 30 year business plan is shown as Annex 8. The impact of the growth and savings have been broadly neutral over the years. The headlines of the plan are that

- Maximum debt will increase from £140m to £156m as the Housing Delivery Programme develops sites
- The HRA debt will be fully repaid by the end of the plan
- The minimum HRA year end balance can be maintained at over £20m

148. The plan remains financially robust as the ongoing HRA debt can be serviced whilst continuing to deliver in year surpluses (prior to debt repayment) in every year of the plan.

Rent Changes 2021/22

149. Since April 2002, the rent increase has been calculated with the key aim of converging rents across all social housing providers whether local authority landlord or other registered provider. This involved a phased change in rents, known as rent restructuring, based on a formula for rent setting created by central government. This government formula rent took account of various factors including the number of bedrooms a property has, property valuation, average earnings and the date at which all rents were expected to converge.
150. Central government policy has now changed and rent restructuring has been brought to an end. The subsequent policy of increasing rents by the Consumer Prices Index (CPI) + 1% that was applied for the 2015/16 increase was due to apply for ten years but in July 2015, further changes to social rents were announced in the Welfare Reform and Work Bill 2015. All social housing rents were required to be reduced by 1% for four years from 2016/17. Government made a further announcement in October 2017 confirming that social rents can be increased by CPI + 1% with effect from 2020/21. The modelling assumes future CPI at 2%.
151. The expected effect on rent levels over the next 3 years is shown in table 15 below.

Year	Estimated Average Rent Per week	Estimated Average Increase per week
2020/21	£79.83	£2.32
2021/22	£80.77	£0.94
2022/23	£83.19	£2.42

Table 15 – HRA Rent changes

152. All rents that do not fall within the definition of “social housing rents” for the purposes of the Welfare Reform and Work Bill 2015 will have the previous policy applied of increasing by CPI + 1% which will be an increase of 1.5%. This will include garages as well as any specialist supported housing that is exempt from the rent reduction legislation.
153. The Mobile Homes Act 1983 allows the council to increase rents by RPI. However, where the RPI is higher than CPI +1%, CPI +1% is used in line with the other rent increases which are exempt from the 1% reduction.
154. The current RPI is lower than CPI+1%, as such a rate of 1.2% (December 2020 rate) will be used to increase the Gypsy, Roma and Traveller Community site rents in 2021/22.

155. 2021/22 sees the first year of Shared Ownership rent increases for those tenants that have held an equity share in their property for 12 months as at 1st April 2021. In line with the lease agreement, rent on the portion of the property owned by City of York Council, will be increased by RPI +0.5%, being 1.6%.

Dedicated Schools Grant (DSG) and the Schools Budget

156. The DSG is ring-fenced for funding the provision of education or childcare for 3 to 16 year olds in all settings and high needs pupils up to age 25. As such it covers funding delegated to individual local authority maintained schools, academies and PVI providers through the LMS & Early Years funding formulae, plus funding for other pupil provision which is retained centrally by the Council to support such things as Special Educational Needs and some central education services.

157. In recent years there have been some significant changes to DSG allocations for councils. The Department for Education (DfE) introduced new national funding formulae to allocate the DSG for schools, high needs and the central school services block from April 2018. These arrangements are continued for 2021/22 but with some more tightening of the flexibility available to local authorities, particularly in the use of centrally retained budgets.

158. Previously the DSG was divided into three blocks; schools, high needs and early years. There is now a fourth block, the central school services block, which funds councils for the statutory duties they hold for all maintained schools and academies, which were previously funded through the schools block.

159. The funding councils receive in each block is now determined by a specific national funding formula (NFF). The total DSG allocation for 2021/22 is estimated at £149.353m, an increase of £5.645m (3.9%) from 2020/21 and broken down as follows:

DSG Funding Block	Adjusted 2020/21 £m	2021/22 £m	Increase	
			£m	%
Schools Block	108.278	112.597	4.319	4.0%
Early Years Block	10.924	11.067	0.143	1.3%
High Needs Block	21.331	22.923	1.592	7.5%

Central School Services Block	3.175	2.766	(0.409)	(12.9%)
Total DSG	143.708	149.353	5.645	3.9%

Table 16 – DSG Allocation

Schools Block

160. The vast majority of the Schools Block DSG (£112.269m) is used to fund the local funding formula for mainstream schools (maintained and academies). Following a detailed consultation with all schools and the Schools Forum prior to setting the 2018/19 budget, the Council agreed to introduce the DfE's new national funding formula (NFF) at school level from April 2018. For 2021/22, in consultation with the Schools Forum, the Council is again proposing to follow the NFF for schools.
161. This equates to an increase of £4.557m (4.2%) in the total resources available to allocate to schools in the city through the school funding formula. For individual schools this results in increases ranging from a minimum of 2.0% per pupil to a maximum increase of 14.8% per pupil. These increases are in addition to the funding for previous years teachers' pay and pension increases that have been merged into the DSG from 2021/22, having previously being allocated to schools via separate specific grants.
162. The remaining £0.390m of the Schools Block DSG is allocated to the pupil growth fund. The growth fund can only be used to support increases in pre-16 pupil numbers to meet basic need, additional classes needed to meet the infant class size legislation or meet the costs of pupils in new schools commissioned to meet basic need. The growth fund may not be used to support schools in financial difficulty or general growth due to popularity; which is managed through lagged funding. The amount of growth funding allocated to the Council by the DfE continues to fall, from £0.800m in 2018/19 to £0.629m in 2020/21 and a further significant reduction, down by £0.249m (40%) in 2021/22.
163. The level of funding required to be allocated to schools under the current local growth criteria and formulae is difficult to predict with any certainty each year. In each of the last three years the fund has been overspent and this is likely to continue as the DSG allocation from government reduces. As a result, and in consultation with the Schools Forum, all allocations made for the 2020/21 academic year onwards are being capped under a cash limited budget. This means that if the total of all allocations to schools in a particular year, calculated via the relevant

formulae, exceeds the budget available then all allocations would be reduced pro-rata.

Early Years Block

164. York's government funding rates for 2021/22 through the Early Years block have increased by 6p per hour from the 2020/21 rates to £4.44 per hour for 3 & 4 year olds (+1.4%) and by 8p per hour to £5.36 per hour for 2 year olds (+1.5%). In line with this the Council is proposing to increase all elements of the Early Years Single Funding Formula rates for York providers in 2021/22 in proportion to the increase in government funding. In addition, under the formula the DfE established in 2017 to support stand alone nursery schools, the provisional additional amount to be received for St Paul's Nursery has increased by £9k to £99k.

2021/22 EYSFF Funding Rates

	Base Rate £/hour	Deprivation Rate £/hour	Nursery School Lump Sum £
3 & 4 Year Olds	4.13	0.41	98,845
2 Year Olds	5.36	Nil	Nil

Table 17 – EYSFF Funding Rates

High Needs Block

165. As has been previously reported, the high needs budget is already under significant pressure due to increased demand from rising numbers of SEND pupils and the higher complexity of individual pupils' needs. This is the situation for the majority of local authorities nationally. The Council are pushing the government to undertake a SEND national review to address this issue.

166. The high needs block DSG increases by £1.592m (7.5%) in 2021/22. For 2020/21 there is a projected net outturn overspend on the high needs budget in excess of £4m, contributing to an estimated deficit carry forward DSG balance of £10m into 2021/22.

167. Projections for 2021/22 show that based on the increased DSG funding, current levels of demand and expected inflationary pay and contract price increases and without any significant mitigating action, the in-year overspend would reduce to £3.5m. Significant mitigations will therefore be required to bring the in-year pressure back down to a balanced position and to start to make inroads into the cumulative deficit.

168. Overspends at this level are clearly unsustainable and financial savings, either as part of the inclusion review that is currently underway or separately, are essential to ensure that high needs expenditure is maintained within the funding available through the high needs block of the DSG. Members should note that a deficit carry forward of DSG into 2021/22 at the projected amount of £10m is significantly in excess of the 1% (c£1.5m) level that is expected to trigger a formal requirement from the DfE for the Council to submit a deficit recovery plan. This requirement was suspended for deficits at the end of 2019/20 to allow councils to concentrate on their Covid 19 response but can be expected to be re-introduced in the future.
169. It is therefore imperative that, as part of the 2021/22 budget process, the Council, in conjunction with the Schools Forum, starts to address the in-year DSG deficit. In response to this, the Schools Forum meeting on 2 February is discussing options for delivering savings within the DSG which could, if implemented in full, deliver annual savings of £1.841m in 2021/22 and £3.391m by 2023/24.

Central School Services Block

170. This funding block was created in 2018/19 from elements of the previous schools block and the former Education Services Grant (ESG). As part of the DfE's strategy to remove funding within this block that directly supports exceptional expenditure previously agreed between local authorities and their Schools Forums (historic commitments), there is a significant net reduction of £0.409m (12.9%) in 2021/22. This follows a similar reduction in 2020/21. This net reduction is made up of a 4% increase in the allocation for the ongoing responsibilities that the Council continues to have for all schools, and a 20% reduction in the allocation for historic commitments.
171. For 2021/22 this means allocations of £0.796m for the Council's ongoing responsibilities and £1.970m for historic commitments. As historic commitments currently total £2.466m in 2020/21 the Council will need to identify budget reductions totalling £0.496m for 2021/22. The Council will be consulting with the Schools Forum at its meeting on 2 February on how best to manage this reduction.

Scrutiny

172. In accordance with constitutional practice Corporate Scrutiny and Management Policy Scrutiny Committee will consider at its meeting on 8 February 2021 what level of budget is appropriate in the coming year to support scrutiny reviews. The committee take into account existing

levels of spend in 2020/21 and the councils overall financial position. In the light of those considerations the committee will decide whether to maintain the current funding level of £5k. This decision will take place after publication of this report. If there are any changes to the budget, Members will be told verbally at the Executive meeting.

Equalities

173. The Public Sector Equality Duty is a duty which requires all public authorities to consider the impact of proposed decisions on various recognised groups with protected characteristics as part of the organisations formal decision making process. The protected characteristics as defined by the Equality Act 2010 are:

- Age;
- Disability;
- Gender reassignment;
- Marriage and civil partnership;
- Pregnancy and maternity;
- Race;
- Religion or belief
- Sex; and sexual orientation.

174. For City of York the decision makers are the Leader of the Council and the Executive who make reasoned well founded decisions based on the professional advice from appropriately skilled and qualified officers. In respect of the budget, Full Council, is asked to approve the budget as recommended to it by the Executive. In respect of Officers a number hold statutory responsibilities, for example Head of Paid Service, s151 and Monitoring Officer, and as such there is a greater onus on statutory officers to ensure that the advice and recommendations given also take into account a number of factors including the Public Sector Equality Duty as part of their role.

175. In all aspects of the budget setting for the Council it is essential that the Public Sector Equality Duty is at the forefront of all decisions made. To ensure this occurs an Equality Impact Assessment is prepared at the outset of the budget preparations and a detailed EIA has been completed on the overall impact of the budget proposals.

176. The EIA is classed as a “living document” and as such it should be regularly revisited to ensure that the impacts of proposals (either negative or positive) on the protected characteristics are taken into

consideration and recorded. It is accepted that the EIA accompanying the budget report will not address the impacts of every detailed aspect of the budget and therefore individual elements of the budget will, following Council approval, attract their own EIA to support delivery of that proposal and ensure that negative aspects of the protected characteristics are acknowledged and where possible mitigated.

177. The impact assessment considers risks associated with savings proposals to ensure any negative impact for a particular group, sector or community is eliminated or counterbalanced.
178. The financial strategy will impact on all residents and has carefully considered the local demand for services whilst also ensuring the budget set is prudent, protects vulnerable people and has capacity to invest.
179. This negative impact can be mitigated by investment targeted to these same communities. The key approaches to achieving savings whilst avoiding impacts on communities of identity include;
- Ensuring that savings are made from back office functions and universal services
 - Protecting statutory services and other key services for vulnerable residents
 - Increasing community involvement in service redesign and delivery
 - Making services self-financing wherever practicable, including external trading
 - Maximising the return from externalised service provision
 - Redesign of existing services and external contracts
 - Placing a focus on prevention and ceasing service provision only where this is least impact
 - Streamlining services to provide focussed support and reduce areas of duplication
 - Supporting carers
 - Integrated working with health
 - Focussing growth where it is expected to have a positive effect on older or disabled people and their carers
180. There is significant investment in the climate change delivery programme to coordinate, develop and implement the council's ten year plan to deliver a zero carbon future for York. This brings many positive outcomes in relation to energy usage, waste and sustainable transport.
181. Funding for carers will continue as the council aims to provide a more comprehensive set of support, reflecting the significant role of carers in

allowing people to remain in their own homes and live independently as far as possible.

182. The changes within a new operating model for adult social care seek to reduce people's dependency on social care support through the provision of information and advice and earlier intervention to support, maintain or regain independence for those who are able. These changes are designed improve outcomes for customers, including those with one or more protected characteristic (particularly Age and Disability). For those who require ongoing support, the offer will be made more flexible and tailored to their needs.

183. In addition to the numerous EIA documents on the individual savings and the overall budget, the Council has used the Better Decision Making Tool to provide a high level overview and this is available at annex 9.

Specialist Implications

184. This report has the following implications;

Financial

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

Human Resources (HR)

186. As implementation plans to achieve savings are produced the specific staffing implications will be clear and staff consulted on the proposals. The type of change affecting staff in 2021/22 is likely to be a mixture of post reductions and working for redesigned services, some of which may no longer be delivered by the council.

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

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

Legal

189. The council is required to set a council tax for 2021/22 before 11 March 2021. It may not be set before all major precepts (i.e. precepts from the Police and Fire Authorities) have been issued or before 1st March 2021, whichever is the earlier. The decision to set the level of council tax is reserved to Council and cannot be taken by Executive or delegated to officers, although Executive has to recommend a budget to Council. These comments are intended to apply to both the Executive meeting and the subsequent Council meeting.
190. Before determining the level of the tax, the Council must estimate its proposed revenue expenditure, taking into account amounts required by way of contingency, any need to raise reserves and any other amounts which the Council is legally required to transfer between funds. It must also estimate its anticipated income, any relevant transfer between funds and any proposed use of reserves. It must then calculate the difference between the two which is the council tax requirement.
191. The Council's Chief Financial Officer (under s151 Local Government Act 1972) is required to report to the Council on the robustness of the estimates made for the purposes of the calculations, and the adequacy of the proposed financial reserves. The Council must have regard to the report when making decisions about the calculations in connection with which it is made. The Chief Financial Officer has a statutory duty under section 114 of the Local Government Finance Act 1988 to issue a written report if he considers that a decision taken by the Council would be unlawful and likely to cause a financial deficiency.
192. In reaching decisions on these matters, Members are bound by the general principles of administrative law. Lawful discretions must not be abused or fettered and all relevant considerations must be taken into account. No irrelevant considerations may be taken into account, and any decision made must be one which only a reasonable authority, properly directing itself, could have reached. Members must also balance the interests of service users against those who contribute to the Council's finances. The resources available to the Council must be deployed to their best advantage.
193. Members must also act prudently. Members must also bear in mind their other statutory duties to have regard to certain matters when making decisions. The report identifies proposals which, if approved, may potentially have an impact on children, older adults and persons with disabilities all of which groups are statutorily protected equality strands

under the Equalities Act 2010. In making their decision, Members must have due regard to their public sector equality duties and the need to eliminate discrimination, to mitigate against negative impacts where these are known and to promote equality when making decisions. Members must also take into consideration the need to consider any crime and disorder implications of the decision. A failure to follow these principles could open the Council to judicial review.

194. Members have a fiduciary duty to the council tax payers and others in the local authority's area. This means that members must behave responsibly in agreeing the budget. Members have no authority to make anything other than a balanced budget.
195. Among the relevant considerations which Members must take into account in reaching their decisions are the views of business ratepayers and the advice of officers. The duty to consult representatives of non-domestic ratepayers on the Council's expenditure plans is contained in Section 65 of the Local Government Finance Act 1992.
196. In considering the advice of officers, and the weight to be attached to that advice, Members should have regard to the personal duties placed upon the s151 Officer. Members are obliged under the Code of Conduct to have regard to the advice of the s151 Officer and Monitoring Officer. The Council may take decisions which are at variance with their advice, providing there are reasonable grounds to do so. However, Members may expose themselves to risk if they disregard clearly expressed advice, for example as to the level of provision required for contingencies, bad debts and future liabilities. In addition, if Members wish to re-instate savings recommended by the Chief Finance Officer in order to balance the budget, they must find equivalent savings elsewhere.
197. The Chief Finance Officer is required by Section 151 of the Local Government Act 1972 and by the Accounts and Audit (England) Regulations 2011 (as amended) to ensure that the council's budgeting, financial management, and accounting practices meet relevant statutory and professional requirements. This is in addition subject to the requirements set out above.
198. Members must also have regard to, and be aware of, the wider duties placed upon the council by various statutes governing the conduct of its financial affairs. These include the distinction between revenue and capital expenditure and the requirement to set prudential indicators in

line with capital investment plans that are prudent, affordable and sustainable.

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

200. If a referendum is held after the beginning of the relevant financial year, the higher rate of council tax will be payable unless and until it is overturned by a 'no' vote in the referendum. It must also provide "substitute calculations" which need to be presented to Council setting out what the alternative budget would be. This means that if a party proposes a council tax above the referendum limit they must also produce "substitute calculations" within the referendum limit, to be used in the event that the referendum would reject the increase. In the event that a referendum rejects the increase, the billing authority would be able to issue new bills, offer refunds at the end of the year or allow credits against liability the following year, although individual council taxpayers would be entitled to a refund on demand.

Council Priorities

201. This report, alongside the capital budget, sets out a range of investments and savings which reflect the Council's priorities. These are covered in detail in the main body of the report.

Statutory Advice from the s151 Officer

Introduction

202. The Local Government Act 2003 places responsibilities upon the council's Chief Finance Officer to advise the council on the adequacy of its reserves and the robustness of the budget proposals including the estimates contained in this document. This section also addresses the key risks facing the council in relation to current and future budget provision. The following paragraphs outline my assessment of the budget proposals outlined in this report, including reserves and general

robustness of the process. Section 25 (2) of the 2003 Act requires the council to have regard to this assessment in approving the annual budget and setting the council tax.

Robustness of proposals and process

203. The preparation of a budget relies on estimates, which are made at a point in time, and clearly there are a number of factors that can influence actual expenditure throughout the year. However, there are processes in place to ensure that assurance can be given that this budget has been constructed using the best available information and assumptions at the time of preparation. These include:

- regular budget monitoring to ensure known pressures are reflected
- involvement of directorate management teams in development of the proposals
- regular scrutiny of the proposals by Executive members, including separate budget Executive Member Decision Sessions held during January

204. Considerable reliance is also placed on budget managers having proper arrangements in place to identify issues early, project the likely demand for services, and consider value for money and efficiency.

205. In order to provide assurances that the budget estimates are robust the following factors have been considered:

- overall funding available including specific grants and other funding available from central government, along with locally raised income from council tax and business rates,
- progress made in delivering 2020/21 savings
- whether the budget decisions outlined in this report are achievable
- the current and anticipated budget pressures arising from services such as social care
- the forecast impact of inflation and pay awards
- the financial sustainability of the council and the effectiveness of the financial management arrangements in place
- the affordability and sustainability of the capital investment plans outlined in the capital programme report elsewhere on this agenda and the revenue impact of this expenditure

206. In addition, the council has a demonstrable track record of delivering budget savings and has sound financial management procedures in place. This has been recognised by favourable audit reports in respect of

financial management and processes and overall the financial planning process is sound and effective.

207. A range of pressures have been identified and built into the budget presented in this report, including a contingency sum of £500k as in previous years. There are also significant savings, reflecting the scale of the challenge facing the council. There should be no understatement of the scale of this challenge that continues to face the council, given the general upward cost profile of adult care and children's services.

Risks

208. The report outlines the key risks to the 2021/22 budget and these are considered further in the following paragraphs.

209. The COVID-19 pandemic has clearly had a significant impact on the Council's financial position and is likely to continue to be an area of significant risk throughout the next financial year. The Council has responded quickly and effectively during 2020/21, ensuring support has been available for residents and businesses where needed. It has also been the cause of unprecedented challenges and financial uncertainty and the impact on the Council's income streams is also likely to continue well into the next financial year. The longer term impact both on businesses and on residents is still unknown and therefore I consider the inclusion of a COVID contingency an essential aspect of the budget proposals.

210. A key risk facing the council is the number of complex capital schemes it is currently undertaking, and which are still at relatively early stages of development. Should schemes not progress to full completion there remains a risk that costs currently assumed to be capable of being capitalised must be written off to revenue. There are also increased borrowing levels resulting in increased revenue costs of debt in coming years. This is highlighted in the medium term plan figures.

211. A further key risk in relation to the capital programme is that some major capital projects may have short/medium term cash flow impacts. For example York Central, and Castle Gateway will be major schemes, which will result in additional business rates, income or capital receipts, but that may require short term borrowing prior to income being received to cover the costs. As identified in previous budget reports, the Venture Fund will be used to support early years cash flow deficits on major strategic capital projects.

212. The current pressures being experienced within both adults and children's services are of concern and the ongoing action being taken, as outlined in the finance and performance report elsewhere on this agenda, will need to continue and be given a high priority. Specific attention is drawn to the national picture regarding these services, which are recognised as being under increased pressure. Whilst this council has invested in these services in recent years, the risks remain, and it is essential the council continues to make adequate budgetary growth provision to deal with the significant cost pressures these services are experiencing, along with savings programmes to mitigate pressures. The budget proposals properly recognise these pressures.
213. Brexit remains an area of risk that will require continued monitoring. There do not appear to have been any significant issues to date but there are clearly potential future implications, such as increased inflation or difficulties securing goods.
214. The reduction in New Homes Bonus Funding will also require careful planning to ensure expenditure currently funded from this source can be met from council tax/retained business rates. Again, provision has been made for this in future years.
215. The council has declared a climate emergency and funding has been allocated within the budget to coordinate, develop and implement the council's ten year plan to deliver a zero carbon future for York. The potential future costs (and savings) that may result from this work is still relatively unknown and will therefore require careful monitoring and further consideration in future years budgets.
216. Clearly, there are risks in the achievement of some of the proposed savings and, in assessing this risk, I cannot guarantee that every single proposal will be achieved. I do however consider the overall package to be prudent. As outlined earlier, processes are in place to ensure the robustness of the proposed savings. A risk assessment of the individual savings proposals has been conducted and discussed with senior management. Where savings are not delivered, services are fully aware of the need to find compensating savings.
217. Finally, there remains the potential for significant changes to the system of local government finance in coming years. Earlier this year, the Government announced that it would delay the move to 75% Business Rates Retention and the implementation of the fair funding review. This decision allowed local authorities to focus on meeting the public health challenge posed by the pandemic. In order to provide further stability to

the sector, the Government has decided not to proceed with a reset of business rates baselines in 2021/22 and will maintain the existing 100 per cent business rates pilots for a further year

218. The government originally launched the Fair Funding Review in 2016 and this is the second time the review has been postponed. As yet, there are not details as to when the review may be revisited. This policy is likely to change the needs assessments of local authorities and therefore the distribution of funding between different councils, adding to the uncertainty in the years ahead.

Reserves

219. CIPFA guidance states that, in order to assess the adequacy of reserves when setting the budget, chief finance officers should take account of the strategic, operational and financial risks facing the authority and that the many factors involved when considering appropriate levels of reserves can only be assessed properly at a local level.

220. Determining the appropriate levels of balances is therefore a professional judgement based on local circumstances including the overall budget size, risks, robustness of budgets, major initiatives being undertaken, budget assumptions and other earmarked reserves and provisions.

221. Furthermore, part of the risk management process involves taking appropriate action to mitigate or remove risks, where this is possible. This in turn may lead to a lower level of reserves being required, and it would be appropriate to consider reducing the level of balances held where appropriate action to mitigate or remove risks has been successfully undertaken. As part of the year end process, a review is undertaken and any balances that are no longer required, or that can be reduced due to action taken to reduce or mitigate the relevant risks, will be reported to Executive as part of the year end outturn report.

222. The proposed 2021/22 budget does not use the general reserve to balance however, given the financial pressures currently being experienced within social care, it is expected that the general reserve will need to be called on in 2020/21. As the budget proposals also include a £2.5m Covid Recovery Fund to deal with the ongoing impact of the pandemic, it is my view that the level of reserves would still remain sufficient to deal with any further risks.

Summary

223. The continuing reduction in public spending coupled with increasing demand for services means financial planning needs to be robust. Over the past 12 months the unprecedented financial uncertainty created by Covid-19 has meant that it has been incredibly difficult to forecast with any real certainty. For future budget planning, further action will be needed to continue to focus resources on the highest priority services to reduce demand, as well as creating capacity to make investment in key front line services and essential capital investment to support and accelerate recovery from the pandemic. Therefore, the major financial challenge facing the council in coming years remains the need to secure further savings and for cost pressures, particularly those resulting from the pandemic, to be managed effectively. Given the current financial pressures referred to in previous paragraphs there will need to be continued careful monitoring of the achievement of the savings outlined in this report. Whilst the council currently has strong financial health in terms of its overall level of unallocated reserves, a period of uncertainty is to be expected and for future budgets consideration will need to be given to increasing reserves should they be used in the short term.

224. I have given careful consideration to the proposals outlined in all the budget reports on this agenda and particularly the risks associated with the proposals. Prudent and realistic assumptions have been made and the financial implications of known pressures have been included. Therefore, I am satisfied that they represent a robust budget on which the council can rely in setting council tax.

Risk Management

225. A summary of risks attached to the budget is contained in annex 10. Each risk identified relates to at least one Key Corporate Risk (KCR) which are monitored regularly throughout the year and reported to the Audit and Governance Committee.

Contact Details

Author:

Chief Officer Responsible for the report:

Sarah Kirby
Principal Accountant
(Corporate Finance)

Debbie Mitchell
Chief Finance Officer
(s151 Officer)

**Report
Approved**

Date 1/2/21

Specialist Implications Officer(s)

Legal – Janie Berry
HR – Trudy Forster

Wards Affected: List wards or tick box to indicate all

All

For further information please contact the authors of the report

Background Papers:

Financial Strategy 2021/22 to 2025/26 Equality Impact Assessment (EIA)
Executive Member Budget Decision Session reports;

- Joint Decision Session - Executive Members for Environment and Climate Change, Transport and Economy & Strategic Planning 12 January 2021
- Joint Decision Session - Executive Members for Children, Young People & Education And Culture, Leisure & Communities 12 January 2021
- Joint Decision Session - Executive Leader (incorporating Policy, Strategy and Partnerships) and Executive Member for Finance & Performance 13 January 2021
- Decision Session – Executive Member for Health and Adult Social Care 13 January 2021

- Decision Session - Executive Member for Housing & Safer Neighbourhoods 12 January 2021

Budget Consultation available at www.yorkopendata.org

Annexes:

- 1 – 2021/22 Budget Summary
- 2 – 2021/22 Savings Proposals
- 3 – Fees & Charges
- 4 – Summary Consultation Results
- 5 – HRA 2021/22 Growth Proposals
- 6 – HRA 2021/22 Savings Proposals
- 7 – HRA 2021/22 Budget
- 8 – HRA 30 Year Business Plan
- 9 – Better Decision Making Tool
- 10 – Risk Analysis

Abbreviations used in this report:

- ASC – Adult Social Care
- DSG – Dedicated Schools Grant
- EYSFF – Early years single funding formula
- FTE – Full time equivalent
- HRA - Housing Revenue Account
- KCR – Key Corporate Risk
- LCR – Leeds City Region
- NHB – New Homes Bonus
- NWY – North and West Yorkshire
- RSG – Revenue Support Grant

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Annex 1 Summary of 2021/22 Budget**2021/22
£000's****Expenditure**

Net Expenditure Brought Forward	127,223
Expenditure Pressures	
Additional Investment:	
- Revenue funding for prior year capital programme	1,636
- People: Pay, Prices and Demographic	3,880
- Other: Pay and Prices	1,603
Priority Investment agreed in the 20/21 budget:	
- Waste and Environment	500
- Climate Change	150
- Footstreets Security	60
- Organisational development programme	30
	7,859
One off Investment	
- Adult social care pressures	1,000
- Children's social care pressures	1,000
- Covid-19 Recovery Fund	2,500
- Transport Plan refresh	200
	4,700
Total Expenditure Pressures	12,559
Expenditure Reductions:	
- People	(4,244)
- Customer and Corporate Services	(1,181)
- Place	(367)
- Corporate Savings	(2,100)
Total Expenditure Reductions	(7,892)
Changes in Income	
- Increases in specific grants	(446)
Total Changes in Income	(446)
One off Income (funding one off investment)	
- New Homes Bonus	(52)
	(52)
Revised Projected Budget Requirement	131,392
<u>Funding</u>	
Funding Streams:	
- Council Tax	(98,051)
- Business rates	(33,341)
Projected Funding	(131,392)
Overall Funding Gap	0

Annex 2 2021/22 Savings Proposals

Ref	Proposal Description	2021/22 Impact £000	2022/23 Impact £000	Total Saving Impact £000
People Directorate (including Public Health)				
PEO1	Childrens Social Care Placement Costs Following approval of the Sufficiency Strategy, we will ensure all 3rd party payments are recouped in relation to high cost care packages. In addition the weekly resource panel will review all high cost social care placements and ensure rigorous financial management is in place.	(50)		(50)
PEO2	Childrens Social Care Placement Costs Ensure that children and young people in external residential placements are able to be supported in semi-independent living or foster care where this is the right care plan for them.	(325)		(325)
PEO3	Learning and Work Advisor Team A review of the outcomes and impact of the service to deliver increased income through the development of an expanded traded offer.	(99)	(70)	(169)
PEO4	Review of Early Help Restructure and re alignment of community, local area teams, early years, school wellbeing service and CIN practitioners with a view to removing duplication and better aligning and targeting service provision. This will remove some management costs and support roles without impacting on service provision.	(150)		(150)
PEO5	Schools Capital Programme Ensure the appropriate charges are made to capital projects.	(80)		(80)
PEO6	Education and Skills Staffing A review of the existing Education & Skills staffing teams to create an all inclusive all age Education Services Team and minimising duplication.	(280)	(115)	(395)
PEO7	Ward Committees Removing the £250k Safer Communities Fund which was only originally announced as one-off for 2020/21, but allow any unspent funds to be rolled forward and used alongside any available Covid funding to enable an efficient use of available resources.	(250)		(250)
PEO8	Community Involvement Officers/ Community Hubs Service alignment of the CIO / Community Hubs and local area coordination service. Consideration also to be given to the hubs becoming commissioning hubs for all age service provision – building on local area coordination and social prescribing.	(85)		(85)
PEO9	Service Transformation Growth Repurposed Use the Local Government Association and peer review to support the programme of adult social care transforming services rather than employing consultancy firms.	(110)		(110)
PEO10	Adult Social Care Staffing Undertake a review of adult social care roles to make the most efficient and effective use of the service without impacting on service delivery.	(98)	(79)	(177)
PEO11	Explore opportunities to partner with independent sector The independent sector in York has a strong track record of providing high quality home care services. Further investment in the independent sector can deliver greater volume, improved outcomes and lower unit costs whilst still ensuring staff are paid at the Living Wage Foundation rate.	(147)	(440)	(587)
PEO12	Home First - No Permanent Placements from a hospital bed to Residential Care Reduce the number of residential placements by promoting Home First and continuing with the "No Permanent Placements" model to support people in their own homes, extra care housing and communities, particularly following discharge from hospital.	(68)		(68)
PEO13	Older People's Accommodation Programme As the Older People's Accommodation Programme matures and the full range of developments and repositioning is realised across the city, the additional investment made should deliver a saving as more placements will be made at the agreed cost of care.	(236)		(236)
PEO14	Adult Social Care Customer Income An inflationary increase in customer income. Higher income due to the assumed increase in benefit rates in 2021/22.	(224)	(224)	(448)
PEO15	Continuing Health Care (CHC) Income Improve the Continuing Health Care and Section 117 Mental Health Aftercare processes and increase the income generated on customers' behalf.	(500)		(500)
PEO16	External Social Care To support customers through Talking Points and other measures so that the number of residents requiring formal social care is reduced.	(106)		(106)

Annex 2 2021/22 Savings Proposals

Ref	Proposal Description	2021/22 Impact £000	2022/23 Impact £000	Total Saving Impact £000
PEO17	Better Care Fund The Better Care Fund sets aside a proportion of non-recurring funds to address in year pressures which are anticipated each year, and which remain important in the context of the pandemic. This set aside sum could be used to fund existing pressures that fall within the remit of the fund, such as where the council needs to support local providers by paying above the standard council rate.	(350)		(350)
PEO18	Out of Area Placements Delivering care closer to home rather than expensive out of area placements.	(83)		(83)
PEO19	Independent Living Schemes Employ a telecare practitioner to work alongside the social worker embedded in the Adult Commissioning Team and target a reduction in the cost of Independent Living Scheme placements through increased use of technology to support customers' needs.	(20)	(20)	(41)
PEO20	Supported Living Appoint two experienced and established social workers to ensure that people in Supported Living Schemes are receiving the appropriate level of support..	(86)	(286)	(371)
PEO21	Residential and Nursing Care Care Homes in York usually operate at 98% occupancy levels, currently the figures are significantly lower due to fewer placements both from the Council and self-funders and the ongoing effect of the pandemic. This gives an opportunity to test the market and seek the appetite for providers to enter into guaranteed contracts with the Council and to explore the options to commission placements at lower fee levels than the Council currently pays in return for guaranteed levels of business.	(260)	(260)	(520)
PEO22	Community Support Work to enhance community capacity and individual strengths and combat isolation will build resilience and reduce pressures on frontline services.	(194)	(194)	(388)
PEO23	Use of Technology in Adult Social Care Enhance and develop the offer to residents around using technological and digital solutions to achieve better outcomes.	(194)	(194)	(388)
PEO24	Reablement Review the service and service specification to increase the amount of time spent on providing care.	(47)	(85)	(132)
PEO25	Commissioning & Contracts A small restructure of the Commissioning & Contracts team that removes some currently vacant posts.	(20)		(20)
PH1	Health Trainers Restructure the service to operate more efficiently	(35)		(35)
PH2	Health Checks Review the delivery model for carrying out health checks resulting in lower costs, eg room bookings	(15)		(15)
PH3	Healthy Child Service Restructure of the Healthy Child Service reviewing career grading structure and administrative support to the service without impacting service delivery.	(100)		(100)
PH4	Public Health Team Restructure the service to operate more efficiently	(33)		(33)
Total Savings - People Directorate		(4,244)	(1,967)	(6,211)

Customer & Corporate Services Directorate

CCS1	Commercial Property Income growth from Commercial Portfolio	(75)		(75)
CCS2	Commercial Property Reduction in budget requirement to maintain surplus property assets held by the council.	(50)		(50)
CCS3	Internal Audit Improved efficiency and ways of working to reduce charges paid to Veritau	(20)		(20)
CCS4	Finance Team A restructure of the finance function will provide improved ways of working to generate an ongoing efficiency saving through staff reductions	(50)		(50)
CCS5	Training Reduce council wide training budget by moving more training online and deleted budgets which are no longer required	(70)		(70)
CCS6	Legal Services Savings will be delivered from staffing efficiencies and reduced external legal fees	(15)		(15)

Annex 2 2021/22 Savings Proposals

Ref	Proposal Description	2021/22 Impact £000	2022/23 Impact £000	Total Saving Impact £000
CCS7	Business Support and Payroll A review of staffing structures, including vacancy management and a reduction in the stationery budget.	(300)		(300)
CCS8	Facilities Management Increase in partner rental income through annual rent reviews and additional income target on cleaning services	(55)		(55)
CCS9	Commissioning & Design, Facilities Management A restructure of the service will provide improved ways of working to generate an ongoing efficiency saving through staff reductions	(137)		(137)
CCS10	Business Intelligence Continuing the consolidation of statutory data and reporting activity across the organisation as well as: <ul style="list-style-type: none"> • Increased income from external sources; • Automation of existing processes allowing staff reduction; • Using Innovation grant funding; • Small reduction in staff on-costs; • Possible reduction within 4 year period of ASC/health statutory returns to NHS digital and support to schools, both of which allow for reduction in staffing 	(44)		(44)
CCS11	Health & Safety Negotiate a reduced contribution to the Shared Service.	(8)		(8)
CCS12	ICT A restructure of the ICT function will provide improved ways of working to generate an ongoing efficiency saving through staff reductions	(250)		(250)
CCS13	Registrars and Bereavement Services Increased income from additional non-statutory Income generation opportunities	(10)		(10)
CCS14	Customer Services Ensuring that it is easy for customers to access services in the ways that best suit them will deliver efficiencies in service operation	(25)		(25)
CCS15	Mansion House Review staffing at Mansion House	(72)		(72)
Total Savings - Customer & Corporate Services Directorate		(1,181)	0	(1,181)

Place Directorate

PLA1	Public Protection Increase in fees and charges	(5)		(5)
PLA2	Waste Collection Forecast saving from increased recycling	(100)		(100)
PLA3	Commercial Waste Introduce new charge to owners of holiday lets. The proposed charge is £180 per annum.	(25)		(25)
PLA4	Household Waste Recycling Centres (HWRC) Increase in fees for trade waste, bulky waste and HWRC Charges	(5)		(5)
PLA5	Highway Regulation Increase in fees Highway Development and Network Management fees and charges	(15)		(15)
PLA6	Emergency Planning Cost reduction in supplies and service budgets (c25%). Increased use of digital information.	(5)		(5)
PLA7	Licensing Proposed general increase in fees and charges	(5)		(5)
PLA8	Hostel Rents Inflationary increase in Hostel rents	(8)		(8)
PLA9	Homelessness Support Maximising additional external grant funding streams	(50)		(50)
PLA10	Supporting People Recharge from the General Fund to Housing Revenue Account	(33)		(33)
PLA11	Hostels Additional income arising from conversion of 5x double rooms to 10x single rooms at Howe Hill hostel	(35)		(35)
PLA12	Yorhome Yorhome to fully fund support services recharge	(18)		(18)
PLA13	Traveller Sites Inflationary Increase in Traveller rents as governed by Mobile Homes Act	(2)		(2)

Annex 2 2021/22 Savings Proposals

Ref	Proposal Description	2021/22 Impact £000	2022/23 Impact £000	Total Saving Impact £000
PLA14	Private Sector Housing Additional income arising from a review of the charging mechanism for Disabled Facility Grants.	(36)		(36)
PLA15	Strategy and Enabling Saving arising from the reduction in management staffing resource across the function with associated supplies and services budget	(18)		(18)
PLA16	Community Safety Efficiencies achieved following a review of administrative support	(7)		(7)
Total Savings - Place Directorate		(367)	0	(367)

Corporate

CORP1	Treasury Management Saving on the cost of borrowing by reviewing the way charges are calculated and ensuring they reflect the life of the asset	(850)		(850)
CORP2	Cross Cutting Management Review Council wide management review to restructure posts	(125)		(125)
CORP3	HR Policies Introduce a range of flexible HR policies such as offering flexible approach to contracted hours, buy back of annual leave	(250)		(250)
CORP4	Office Accommodation Following the extended working from home period during Covid-19, take the opportunity to consult with staff to consider different ways of working in the longer term	(375)		(375)
CORP5	HR Cost Control Measures Continuation of council wide cost control measures including vacancy management, reduction in agency and other temporary staff, overtime and additional hours.	(500)		(500)
Total Savings - Corporate		(2,100)	0	(2,100)
TOTAL SAVINGS		(7,892)	(1,967)	(9,859)

STANDARD CHARGES FOR SHORT BREAKS CARE HOMES

With the completion of the Beehive in 2020 any charges to other LA's for placements will be agreed at the specific based on the support required

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From 1st April 2021

Annex 3b

Weekly Child Allowance (including Delegated Authority)

Age	National Weekly Allowance 2020/21 £	Delegated Authority 2020/21 £	Total Weekly Allowance 2020/21 £	National Weekly Allowance 2021/22 £	Delegated Authority 2021/22 £	Total Weekly Allowance 2021/22 £	Percentage Increase %
0-4	£135.03		£135.03	£137.76		£137.76	2.0%
5-10	£149.03	£14.42	£163.45	£152.04	£14.42	£166.46	1.8%
11-15	£170.31	£16.35	£186.66	£173.74	£16.35	£190.09	1.8%
16-17	£198.03	£17.31	£215.34	£202.02	£17.31	£219.33	1.9%

2021/22 Includes a 2% uplift on the national weekly allowance payment, we will pay the national weekly minimum amount when
The Delegated authority fee may vary

Foster Carer Fees and Capacity Payments

Grade	Fee £	Capacity - Total payments	
		2 £	3+ £
Level 1	65.08	32.54	65.08
		50%	100%
Level 2	173.55	43.39	86.78
		25%	50%
Level 3	496.61	99.32	198.64
		20%	40%

The foster carer grade fee may vary following a review
Capacity payments are based on the grade fee payments

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Placement Review: Fees and Allowances 2021/22



Contents:

- 1: Child Allowance (pg2)
- 2: Delegated Authority Allowance (pg3)
- 3: Birthday, Christmas and Festival allowance (pg3)
- 4: Holiday Allowance (pg4)
- 5: Holiday Supplement Allowance (pg5)
- 6: Clothing Allowance (pg5)
- 7: Tuition (pg6)
- 8: School Trips (pg6)
- 9: Nursery Fees (pg6)
- 10: Pocket Money (pg 6)
- 11: Health Care (pg7)
- 12: Household Related Costs (pg7)
- 13: Transport (pg8)
- 14: Public Transport and Bus Passes (pg8)
- 15: Foster Carer Fees (pg9)
- 16: Long Service Awards (pg10)
- 17: Multiple Placement Payment (pg10)
- 18: Emergency Placement Additional Fee (pg10)

1: Child Allowance

This allowance will be reviewed annually and updated based on Government guidance.

The Foster Carer weekly child allowance is allocated to cover the average costs of looking after a child as part of the Foster Carer's family. The amounts are below.

Age	Proposed Weekly 2021/22 Allowance	Annual Delegated Authority Allowance (paid weekly)
0-4	£137.76	On request
5-10	£152.04	£750 per child per year
11-15	£173.74	£850 per child per year
16-17	£202.02	£900 per child per year

It is recommended that the child's weekly allowance covers the following costs:

- General care costs including food, accommodation and contribution towards utility related household costs
- Normal replacement of clothing
- Pocket Money and child savings
- Normal transport associated with any child living within a family including to and from local school and out of school activities
- The basic costs associated with contact e.g. telephone costs and the child's drinks and food
- Attendance at child care review meetings
- Participation in clubs and activities
- Keeping record of events and memories about the child for the child
- Repayment scheme for a computer / I pad required for school

The Fostering Network recommended breakdown of the child allowance is below.

Age	Food	Clothing	Transport	Personal	Household	Total
0-4	34%	22%	8%	6%	30%	100%
5-10	32%	26%	7%	8%	27%	100%
11-15	32%	26%	11%	10%	21%	100%
16+	30%	26%	9%	17%	18%	100%

2: Delegated Authority allowance (see rates on page 1)

In additional to child allowance, holiday, birthday and Christmas allowance, an annual Delegated Authority amount will be paid to Foster Carers (for each child). This is to be combined with the weekly child allowance, and to be spent on the child or young person at the carer's discretion, thereby working towards the principle of normalising decision making for the child.

(Some of these decisions may be taking in conjunction with the Fostering Social Worker and child's Social Worker, taking the views of the child / young person into consideration)

It is anticipated that the Delegated Authority allowance will be used to pay for:

- Additional leisure activities
- Hobbies
- Music lessons
- Out of school clubs
- Holiday clubs
- Clothing for a special event
- Duke of Edinburgh, Scout and Guides expenses

Receipts will not need to be submitted for Delegated Authority expenditure. However Foster Carers must retain their receipts and these may be reviewed during visits made by the Fostering Social Worker. At annual review, the Foster Carer will be requested to evidence how the Delegated Authority allowance was spent on the child or young person.

The additional payment will be made weekly along with the usual child allowance. If a child moves placement the additional payment will move with the child.

The weekly Delegated Authority payment can be saved up by Foster Carer or in the child / young person's bank account in order to pay for a more expensive item or activity.

3: Birthday and Christmas / Festival allowances

It is accepted that there are important events which incur additional costs for Foster Carers. Accordingly, a payment equivalent to one week's fostering allowance is automatically paid prior to the child's birthday and Christmas period.

A Foster Carer can request that the allowance is paid to cover another major religious festival instead of Christmas. Any new placement will receive these allowances if children are placed shortly before these occasions.

For any placement ending before the child/young person's birthday, this money will normally be recovered from the carers unless the carers provide the gifts they have purchased to the child.

Christmas payments are made approximately four weeks before Christmas falls. For any placement ending three weeks before Christmas Day, the allowance will normally be recovered.

Age	Proposed Birthday Allowance 2021/22	Proposed Christmas/ Allowance 2021/22	Festival
0-4	£137.76	£137.76	
5-10	£152.04	£152.04	
11-15	£173.74	£173.74	
16-17	£202.02	£202.02	

4: Holiday allowances

Each Foster Carer household is entitled to 3 weeks holiday allowance; this is equivalent to 3 week's child allowance per year for each child living with them. The payment relates to each financial year (1st April to 31st March) and the amount to be paid is in accordance with the age of the child.

The holiday allowance is paid to support a carer to take a child on holiday or to be used for holiday activities such as day trips or outings. Foster Carers are advised to retain receipts for this expenditure. The holiday allowance is to be paid proportionately to the length of time the child is in placement subject to the discretion of the Fostering Service Manager.

Foster Carers should claim the holiday allowance at the time it is needed. It can be claimed in units of one weeks allowance up to the maximum of three weeks. The payment is not generated automatically. Foster Carers need to ensure that holiday allowances are spent on holidays or appropriate activities as agreed with their Fostering Social Worker.

Where a child changes placement during the financial year and the holiday allowance has already been claimed, the payment of additional holiday allowance to the new carers is at the discretion of the Fostering Service Manager and will only be paid in exceptional circumstances.

A 'Stay Over Foster Carer may request holiday allowance for a specific child over and above the three weeks allowance If the 'Stay Over' Foster Carer is taking the child away on holiday. This is at the discretion of the Fostering Service manager.

Age	Holiday allowance week 1 2021/22	Holiday allowance week 2 2021/22	Holiday allowance week 3 2021/22
0-4	£137.76	£137.76	£137.76
5-10	£152.04	£152.04	£152.04
11-15	£173.74	£173.74	£173.74
16-17	£202.02	£202.02	£202.02

5: Holiday supplement allowance

A Foster Carer, in common with other parents and carers, must ensure that all children in care attend school during the school term. In recognition of the increased cost of holidays in the school holidays a supplement is available for each child up to a maximum of £300 per year.

The holiday supplement allowance is only payable if agreed in advance with the Fostering Service Manager prior to booking the holiday.

A request for payment of the holiday supplement will need to include evidence that the cost of the holiday for each child is greater than the 3 weeks holiday allowance.

The Local Authority will pay for any costs incurred in purchasing a passport for a child and any Visa which may be required for holiday travel. **6: Clothing Allowance**

Start up

Children and young people may come into care needing additional clothing. A Foster Carer can claim a clothing allowance at the beginning of a placement up to a maximum of 3x the child's weekly allowance. School uniform

Foster Carers may request a school uniform grant for a child or young person who needs to change school. For planned changes in school uniform, for example in moving from lower to upper school, it is expected that Foster Carers will budget accordingly.

Work clothing and equipment

On an ongoing basis the weekly allowance should enable Foster Carers to maintain and increase the level of clothing over time.

A Foster Carer may request a one off grant towards the cost of work clothing that a young person requires at the beginning of training or employment

Where a child is changing placement, it is expected that they will move with a reasonable amount of clothing that fits and is in good condition and appropriate for seasonal conditions.

Children should also be provided with a suitcase or bag for transporting clothes. Children may want to keep clothes they have grown out of as they have come from their family. Foster carers need to ensure they check with the child and social worker before disposing of clothing.

7: Tuition

Private tuition will not be funded and should be discussed in the child/ young persons Personal Education Plan.

8: School trips

The Delegated Authority payment can be used to fund school trips.

Requests for exceptional residential school trips e.g. skiing need to be made in advance to the Service Manager of the child and will be considered on a case by case basis.

9: Nursery fees

Foster carers can apply for age related free nursery hours.

Requests for a financial contribution towards additional hours can be made via the Service Manager of the child to the Fostering Service Manager. This will be considered on a case by case basis, if the nursery provision is felt to be in the best interest of the child.

10: Pocket Money

There are two basic principles, which apply to pocket money:

- There needs to be some measure of equality between children within the foster household. Therefore, carers need to take into account the pocket money paid to other children in the household.
- The pocket money should be realistic depending on the age of the child. Children can be encouraged to 'save' their pocket money to buy special items as well as for treats such as sweets, CD's, or games.

Pocket money should be given to children and young people for their own use and not to pay for regular entertainment, clothes or personal toiletries as this should come out of the fostering allowance. Any deviations from this need to be discussed with the child's social worker.

The amount of pocket money must be clarified at the start of a placement and discussed and recorded at the placement agreement meeting. The amount arrived at must be compatible with the foster carers' birth children still living in the home and other foster children.

Where there are concerns that it may be risky for a child or young person to have their pocket money directly, this should be agreed with the supervising social worker and the child's social worker and clearly recorded.

If a child or young person has to spend time in a respite care there is an expectation that the respite carer will pay the child or young person's pocket money.

It is not expected that pocket money is paid to children under the age of five. They can have occasional treats instead of pocket money.

It is recommended that an increase in pocket money is linked to the child or young person's birthday to mark their increasing age and maturity

11: Health care expenses

Health care expenses for children are generally exempt from charges under the NHS. Children / young people with diagnosed conditions may be eligible to claim Disability Living Allowance. In exceptional circumstances, Foster Carers may request the reimbursement of unavoidable costs for items which may not have been exempt from NHS charges or payable through DLA payment. E.g.: glasses, immunisations for holidays.

12: Household related costs

Furniture and equipment

At the point of Foster Carers initial assessment, the basic equipment needed will be discussed, at this point certain items may be provided at the discretion of the Fostering Service Manager. From that point it is the expectation that Foster Carers are responsible for the overall condition and furnishing of the foster home to an acceptable standard, including the security and maintenance of any garden or outside area. It is an expectation that carers take out household insurance.

It is expected that the need for additional furniture, equipment and the replacement of any equipment, furniture or furnishings, will be assessed during supervision visits and if any replacement is required, agreement will need to be sought from the Fostering Service Manager prior to any purchase. Receipts must be retained and passed to the Supervising Social Worker for payment.

Replacements items must be purchased by CYC from agreed suppliers, i.e. Beds, mattresses

Any specialist equipment or adaptations needed will be subject to a needs assessment based on the young person's requirement.

On commencement of a placement basic equipment should include a bed, storage space for children's clothing and personal items, 2 sets of bedding, pillows, mattress protector or cover as required. For babies and younger children basic equipment will include a cot, buggy, car seat, high chair, changing equipment, sterilising/bottle equipment, 3 sets of cot bedding. It is expected that replacement bedding for longer term placements will be funded out of the child's weekly allowance.

In addition, specific items might be identified i.e.: stair gates, cooker guards, smoke alarms, pond covers, gate and window locks etc, for which loan of equipment or assistance with purchase may be negotiated with the Fostering Service Manager on a case by case basis.

In some circumstances, in order for a placement to proceed, more specific equipment may need to be provided i.e. bunk beds, a double buggy or car seat. These items would be classed as equipment provided for a carer and would not belong to specific children. However, any specifically modified equipment for the child/young person could move with them.

Equipment purchased by the fostering service remains the property of City of York Council. As a result should equipment be in a good condition but not required by the original Foster Carer, then it may be provided to others who need that equipment. Foster carers should not sell unwanted equipment purchased by CYC unless this is agreed and they are using the proceeds towards other equipment.

13: Transport

There is an expectation that children and young people will undertake most journeys in their day-to-day lives, by walking, cycling, and using public transport or in the foster family's car.

The child weekly allowance includes an element / percentage to cover the travelling expenses for a child. For example;

- Local trips for medical / health appointments
- Transport to and from local school
- Taking and collecting from local leisure and social activities
- Transport to contact, where contact is local to the foster home
- Attendance at reviews, case conferences, and child protection meetings

Local travel costs are covered within the child's weekly allowance, therefore it is expected that the first 200 miles driven by carers each month will not be claimed for.

Any mileage over 200 miles per month can be claimed. Mileage claims should be submitted to the Supervising Social Worker, when they are processed the first 200 miles will be discounted. Claims must be submitted within 3 months of the journey.

14: Public transport and bus passes

Young people over the aged 12 will be encouraged to make use of public transport where necessary for school and leisure activities. All young people are now eligible for an all-day bus pass for First York within the City of York area.

For young people placed outside the York area, corresponding arrangements will be made to cover bus pass provision/reimbursement.

□ Bicycles

Young people are eligible to reclaim the purchase of a bicycle with safety equipment, if this will enable them to cycle safely to school and for they request it for their leisure time. Any proposed bicycle purchase should be fully considered and costs agreed by the Fostering Service Manager prior to any Foster Carer committing to a purchase. Provision of a bicycle should be considered in the context of the child's travel/transport plan.

A bicycle and safety equipment can be purchased up to the £350 .Additional amounts can be contributed from the Delegated Authority payment.

□ Driving and moped lessons

The purchase of provisional car / moped licence and starter pack of up to 10 driving lessons may be considered on an individual basis by both the Fostering and Child's Service Manager as part of a wider plan of supporting a young person's independence.

15: Foster Carer Fees

Foster carer fees will be paid in line with agreed skill levels

- Level one
- Level two
- Level three

Grade	Weekly Skill Fee	Capacity fee Second placement	Capacity fee Third placement
Level 1	£65.08	£32.54	£65.08
Level 2	£173.55	£43.39	£86.78
Level 3	£496.61	£99.32	£198.64

Each Foster Carer will be assessed and reviewed to determine their level within the fee structure.

All Foster Carers on Level one to three will be paid a skill fee when they have a child or young person in placement.

Payments of the fee may continue if a Foster Carer is without children in the following circumstances

- i) When a Foster Carer does not have a child in placement -up to 14 days in total

- ii) A foster carer who has a named placement may request to take a holiday break without the foster children - up to 14 days in total. Foster carers are expected to give a minimum of 1 months notice to allow an alternative placement to be arranged.
- iii) When a Foster Carer is sick, up to 14 days in total
- iv) A maximum of 28 days in total in any year will be covered by these payments.

The Fostering Service Manager's may use discretion to continue to pay a fee to Foster Carers who are undergoing an investigation or who are being re assessed. This will be time limited and subject to review.

16: Long Service Awards

In acknowledgement of long service of Foster Carers. The following will be paid

- | | |
|--|-------|
| <input type="checkbox"/> 5 years' service | £250 |
| <input type="checkbox"/> 10 years' service | £500 |
| <input type="checkbox"/> 15 years' service | £750 |
| <input type="checkbox"/> 20 years' service | £1000 |

A Foster Carer's length of service will be identified by the Supervising Social Worker and noted in the foster carer annual review. Appropriate payment will be authorised by the Fostering Service Manager.

17: Multiple placements payment

For Level 2 and 3 carers this will be increased from 12.5% to 20% for a second child and from 25% to 40% for a third child.

Level 1 carers will continue to be paid 25% for second child and 50% for third.

18: Emergency payment

Foster Carers may be asked to take a placement in an emergency situation, they will be offered an additional payment, and this is in recognition of the disruption caused to the household. The usual fees and allowance for the child will also be paid.

Emergency placements are defined as a same day placement that needs to take place without any pre planning. The additional payment will be £50 a day for up to 6 days to allow the Local Authority to plan for the child.

Exceptions

All exceptions to the Fees and Allowances Policy will need to be agreed in writing by the Fostering Service Manager.

Adoption, SGO & CAO
Allowances
PAYABLE FROM 1st APRIL 2021

Age	Weekly Allowance 2020/21 £	Weekly Allowance 2021/22 £	Percentage Increase %
0-4	£135.03	£137.76	2.0%
5-10	£149.03	£152.04	2.0%
11-15	£170.31	£173.74	2.0%
16-17	£198.03	£202.02	2.0%

Note: An amount equivalent to the Child Benefit entitlement will be deducted from this allowance.

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SHORT BREAKS ALLOWANCES**PAYABLE FROM 1st APRIL 2021**

Time Band	Standard Sharing Care Current Weekly Allowance 2020/21 £	Standard Sharing Care Updated Weekly Allowance 2021/22 £	Allowance paid to carer of child with additional health needs (i.e.std allow. + 70% enhancement) Proposed Weekly Allowance 2021/22 £	Allowance paid to carer of child with more complex care needs (i.e.std allow. + 60% enhancement) Proposed Weekly Allowance 2021/22 £
0-4 hours	18.13	18.13	30.81 (i.e. 18.13 + 12.68)	29.00 (i.e. 18.13 + 10.87)
4-8 hours	27.13	27.13	46.12 (i.e. 27.13 + 18.99)	43.41 (i.e. 27.13 + 16.28)
8-12 hours	36.19	36.19	61.52 (i.e. 36.19 + 25.33)	57.90 (i.e. 36.19 + 21.71)
12-24 hours	54.24	54.24	92.21 (i.e. 54.24 + 37.97)	86.79 (i.e. 54.24 + 32.55)

Contract Care Scheme

	Weekly Allowance 2020/21 £	Weekly Allowance 2021/22 £
Contract Carers	368.28	368.28

These charges may change following a review

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ENVIRONMENTAL HEALTH	2019/20	Current	2021/22	
	Charge (Before VAT)	Charge (Before VAT)	Charge (Before VAT)	Percentage Increase
	£	£	£	£
HEALTH & SAFETY				
SKIN PIERCERS				
a) Tattooists	191.00	191.00	193.00	1.0%
b) Skin Piercers	191.00	191.00	193.00	1.0%
c) Premises	191.00	191.00	193.00	1.0%
¼ly payment available by Standing Order				
FOOD & SAFETY UNIT				
Export Certificate - Paper Certificate	70.69	70.69	71.20	0.7%
Export Certificate - Electronic Certificate	50.00	50.00	50.36	0.7%
ANIMAL HEALTH				
Animal Boarding / Dog Breeding / Pet Shop:				
- grant (yearly)	330.00	330.00	330.00	0.0%
- renewal (2 year licence)	520.00	520.00	520.00	
- renewal (3 year licence)	567.00	567.00	567.00	0.0%
- request for re-inspection for re-rating purposes	100.00	100.00	104.00	4.0%
Additional Activity (1 year)	n/a	n/a	164.00	n/a
Additional Activity (2 years)	n/a	n/a	273.00	n/a
Additional Activity (3 years)	n/a	n/a	273.00	n/a
Home Boarding / Day Creche:				
- grant (yearly)	216.00	216.00	216.00	0.0%
- renewal (2 year licence)	348.00	348.00	348.00	
- renewal (3 year licence)	395.00	395.00	395.00	0.0%
- request for re-inspection for re-rating purposes	74.00	74.00	74.00	0.0%
Additional Activity (1 year)	n/a	n/a	55.00	n/a
Additional Activity (2 years)	n/a	n/a	109.00	n/a
Additional Activity (3 years)	n/a	n/a	109.00	n/a
Home Boarding Franchises:				
- grant (yearly)	n/a	n/a	122.00	n/a
- renewal (2 year licence)	n/a	n/a	176.00	n/a
- renewal (3 year licence)	n/a	n/a	229.00	n/a
Dangerous Wild Animals - valid for 2 years (excluding vet fees)	265.00	265.00	278.00	4.9%
Riding Establishments ~ 1-10 horses (excluding vet fees):				
- grant (yearly) - with inspection	330.00	330.00	330.00	0.0%
- grant (yearly) - without inspection	187.00	187.00	187.00	0.0%
- renewal (2 year licence) - with inspection	n/a	n/a	500.00	n/a
- renewal (2 year licence) - without inspection	n/a	n/a	365.00	n/a
- renewal (3 year licence) - with inspection	567.00	567.00	567.00	0.0%
- renewal (3 year licence) - without inspection	424.00	424.00	424.00	0.0%
- request for re-inspection for re-rating purposes	100.00	100.00	104.00	4.0%
Riding Establishments ~ 11-20 horses (excluding vet fees):				
- grant (yearly) - with inspection	416.00	416.00	416.00	0.0%
- grant (yearly) - without inspection	216.00	216.00	216.00	0.0%
- renewal (2 year licence) - with inspection	n/a	n/a	635.00	n/a
- renewal (2 year licence) - without inspection	n/a	n/a	445.00	n/a
- renewal (3 year licence) - with inspection	709.00	709.00	709.00	0.0%
- renewal (3 year licence) - without inspection	509.00	509.00	509.00	0.0%
- request for re-inspection for re-rating purposes	129.00	129.00	130.00	0.8%
Riding Establishments ~ 21 or more horses (excluding vet fees):				
- grant (yearly) - with inspection	502.00	502.00	502.00	0.0%
- grant (yearly) - without inspection	245.00	245.00	245.00	0.0%

- renewal (2 year licence) - with inspection	n/a	n/a	719.00	n/a
- renewal (2 year licence) - without inspection	n/a	n/a	475.00	n/a
- renewal (3 year licence) - with inspection	852.00	852.00	852.00	0.0%
- renewal (3 year licence) - without inspection	595.00	595.00	595.00	0.0%
- request for re-inspection for re-rating purposes	157.00	157.00	162.00	3.2%
Performing /Exhibition of Animals:				
- Grant and renewal (3 yr licence)	355.00	355.00	355.00	0.0%
- Request for re-inspection for re-rating purposes	71.00	71.00	72.00	1.4%
Zoos Licence Grant (4 year licence)	282.00	282.00	335.00	18.8%
Zoos Licence Renewal (6 year licence)	378.00	378.00	415.00	9.8%

PUBLIC PROTECTION (Excluding Licensing)	2020/21	2021/22	
	Charge (Before VAT)	Charge (Before VAT)	Percentage Increase
	£	£	£
FEES FOR THE TESTING AND VERIFICATION OF WEIGHING AND MEASURING INSTRUMENTS			
Standard Hourly Charge	70.69	71.20	0.7%
<u>Consultancy and Court Cases (per hour)</u>			
Officer (Grade 8)	58.40	58.52	0.2%
Officer (Grade 9)	64.04	64.34	0.5%
Officer (Grade 10)	70.69	71.20	0.7%
Officer (Grade 11)	79.24	80.02	1.0%
Officer (Grade 12)	87.54	88.58	1.2%

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REGULATORY SERVICES (Licensing)	2020/21	2021/22	
	Charge (Before VAT) £	Charge (Before VAT) £	Percentage Increase %
<u>STREET TRADING CONSENTS</u>			
INSIDE CITY WALLS			
Ice Cream			
Food			
Non Food			
Artists			
Buskers 1 day			
Buskers 5 days			
Buskers 10 days			
Buskers 1 month			
OUTSIDE CITY WALLS			
Ice Cream			
Food			
Non Food			
OCCASIONAL			
Food			
Non Food			
Charities			
<u>CAR BOOT SALES (commercial)</u>			
Less than 15 traders			
15 - 50 traders			
50 - 100 traders			
More than 100 traders			
*if the operator is paying rent for using private land the fees are reduced by half			
Charities			
<u>SEX ESTABLISHMENTS *</u>			
Grant sex shop/cinema - application fee			
Grant sex shop/cinema licence fee - grant			
Grant sexual entertainment venue - application fee			
Grant sex entertainment venue licence fee - grant			
Renewal sex shop/cinema *			
Renewal sexual entertainment venue *			
Trans/Vary sex shop/cinema			
Trans/Vary sexual entertainment venue			
* Where inspections have not been undertaken in 2020/21 fees to be reduced for renewals at discretion of Head of Public Protection			
<u>Scrap Metal Dealers - renewable 3 yearly</u>			
Grant / renewal site licence			
Grant / renewal site licence (2 sites)			
Grant / renewal site licence (3 sites)			
Grant / renewal collectors licence			
Variation			
Variation change of name / address			
<u>Miscellaneous</u>			
Hypnotism Licence			
Film Classification			
Replacement Charitable Collection Permit			
<u>Consultancy and Court Cases (per hour) - Licensing</u>			
Officer (Grade 5)			
Officer (Grade 6)			
Officer (Grade 7)			
Officer (Grade 8)			
Officer (Grade 9)			
Officer (Grade 10)			

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TAXI LICENSING	2020/21	2021/22	
	Charge	Charge	Percentage Increase
	£	£	%
PRIVATE HIRE LICENCE FEES			
Driver's licence - new application (3 Year Licence) application fee	152.00	154.00	1.3%
Driver's licence - new application (3 Year Licence) grant fee	153.00	154.00	0.7%
Driver's licence - renewal (3 Year Licence) and (applications over 3 months late charged at new app fee)	227.00	232.00	2.2%
Vehicle licence - new application	216.00	216.00	0.0%
Vehicle licence - renewal (applications over 3 months late charged at new app fee)	183.00	189.00	3.3%
Vehicle licence - new plate renewal (change every 3 years)			
Vehicle inspection (including admin fee)	64.00	70.50	10.2%
Vehicle re-test (including admin fee)	35.00	35.25	0.7%
Change of vehicle fee	36.00	40.00	11.1%
Drivers badge - replacement charge	14.50	15.00	3.4%
Internal vehicle plate - replacement charge	9.00	10.00	11.1%
Vehicle plates - cost to new apps (includes internal plate)	46.00	48.00	4.3%
Vehicle plates - replacement charge (set of 2)	37.00	40.00	8.1%
Operator's licence - 1 - 10 vehicles (5 Year Licence)	178.00	181.00	1.7%
11 - 50 vehicles (5 year licence)	310.00	317.00	2.3%
51 - 90 vehicles (5 year licence)	443.00	454.00	2.5%
90+ vehicles (5 Year Licence)	509.00	522.00	2.6%
change of company name	25.00	31.00	24.0%
transfer of licence	25.00	31.00	24.0%
Change of Operator Name	25.00	26.00	4.0%
Transfer of Operator Licence	25.00	26.00	4.0%
Vehicle licence transfer fee	25.00	29.00	16.0%
Plates and signage exemption	45.00	50.00	11.1%
Duplicate licence fee	15.00	17.00	13.3%
Change of name or address	15.00	17.00	13.3%
Administration charge for various activities including bounced cheques	31.00	31.00	0.0%
HACKNEY CARRIAGE LICENCE FEES			
Driver's licence - new application (3 Year Licence) - application fee	152.00	154.00	1.3%
Driver's licence - new application (3 Year Licence) - grant fee	153.00	154.00	0.7%
Driver's licence - renewal (3 Year Licence)	227.00	232.00	2.2%
Vehicle licence - new application	187.00	227.00	21.4%
Vehicle licence - renewal (applications over 3 months late charged at new app fee)	193.00	195.00	1.0%
Horse drawn hackney carriage vehicle licence	167.00	181.00	8.4%
Vehicle inspection (including admin fee)	64.00	70.50	10.2%
Vehicle re-test (including admin fee)	35.00	35.25	0.7%
Change of vehicle fee	36.00	40.00	11.1%
Driver's badge - replacement charge	14.50	15.00	3.4%
Internal vehicle plate - replacement charge	9.00	10.00	11.1%
Vehicle plate - replacement charge	30.00	32.00	6.7%
Vehicle Crest	15.00	16.00	6.7%
Vehicle licence transfer fee	25.00	29.00	16.0%
Duplicate licence fee	15.00	17.00	13.3%
Change of name or address	15.00	17.00	13.3%
Administration charge for various activities including bounced cheques	31.00	31.00	0.0%

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Housing & Community Safety Fees & Charges 2021-22

HOUSING - HRA		2020/21 Charge	2021/22 Charge	% Increase since last increase
		£	£	
Garages				
Normal	Council tenant	7.68	7.89	2.7%
	Private **	9.22	9.47	2.7%
High Demand	Council tenant	9.24	9.49	2.7%
	Private (local connection) **	21.59	22.17	2.7%
Low Demand	Private (no local connection) **	27.15	27.88	2.7%
	All tenures	3.88	3.98	2.7%
Cookers*				
Charges are based on current prices plus a %.		charge plus		
No new cookers are rented to tenants		2.7%	0	0%

* it is proposed to end the policy of charging for cookers from 1st April 2021

** Charges include VAT

HOUSING - GENERAL FUND		2020/21 Charge	2021/22 Charge	% Increase since last increase
		£	£	
Houses in Multiple Occupation Fees & Charges				
New Licence Applications*				
	Band A	1,095	1,150	5.0%
	Band B	1,275	1,340	5.1%
	Band C	1,395	1,465	5.0%
	Band D	1,575	1,650	4.8%
Licence Renewals				
	Band A	795	835	5.0%
	Band B	855	895	4.7%
	Band C	885	930	5.1%
	Band D	975	1,025	5.1%
Other HMO Charges				
	Penalty fee**	210	220	4.8%
	Letters of Advice	105	110	4.8%
	Immigration Inspection	155	165	6.5%
	Copy of Register	500	500	

Notes

*Discount of £75 for HMO licence holders with a relevant HMO qualification

**Penalty fee where the Council identifies that a HMO should be licensed

Mobile Homes Licensing (Mobile Homes Act 2013)				
	New Licence Application	770	790	2.6%
	Transfer of Licence (no variations)	260	270	3.8%
	Variation to Licence	560	575	2.7%
	Annual Inspection - 50 units or more	560	575	2.7%
	Annual Inspection - 49 units or fewer	440	450	2.3%
Landlord Training Fees				
	1 x 3 hour Landlord Training course per person (Not related to HMO qualification)	100	105	5.0%
	2 x 3 hour Landlord Training course per person (Not related to HMO qualification)	125	130	4.0%
	New online training course (Not related to HMO qualification)	75	75	0%

HOUSING - GENERAL FUND		2020/21 Charge	2021/22 Charge	% Increase since last increase
		£	£	
Charging for Notices				
Housing Notices	Officer's hourly rate up to maximum of £300			
Works in default	Officer's Hourly rate			
Hourly Rates	Grade 8	58.40	58.52	0.2%
	Grade 9	64.04	64.34	0.5%
	Grade 10	70.69	71.20	0.7%
	Grade 11	79.24	80.02	1.0%
	Grade 12	87.54	88.58	1.2%
Administration of Private Sector grants/loans				
	Home Safety Loan (Includes VAT)	200	200	0%
	DFG (as % of eligible works)***	15%	0	0%
	Home Appreciation Loan (as % of eligible work	12%	12%	0%
	Energy Repayment Loan (as % of eligible work	12%	12%	0%
	Empty Property Loans (as % of eligible works)	12%	12%	0%

** charge inclusive of VAT

*** The charging mechanism for this grant has changed to a recharge directly to the capital grant

Yorkshire Handyperson Service Hourly rate (includes VAT)	22.50	23.00	2.2%
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COMMUNITY SAFETY	2020/21 Charge	2021/22 Charge	% Increase since last increase
	£	£	
Fixed Penalty Notices			
Littering Fine	100	100	0%
Littering Fine early payment	75	75	0%
Reclaim Fee (Statutory fee)	60	60	0%
Kennels Fees - Statute only allows the local authority to	10	10	0%
Failure to comply with a Community Protection Notice	100	100	0%
Failure to comply with a Community Protection Notice (early payment)	75	75	0%
Breach of Public Space Protection Order	100	100	0%
Breach of Public Space Protection Order (early payment)	75	75	0%
Advertising 2 or more vehicles for sale on the highway	100	100	0%
Advertising 2 or more vehicles for sale on the highway (early payment)	75	75	0%
Repairing a motor vehicle on the highway for commercial gain	100	100	0%
Repairing a motor vehicle on the highway for commercial	75	75	0%
Failure to produce evidence of authority to transport	300	300	0%
Failure to produce evidence of authority to transport	180	180	0%
Dog Fouling (no early payment discount)	75	75	0%
Small-scale fly-tipping (less than a small van load)	400	400	0%
Small-scale fly-tipping (less than a small van load) - early payment	240	240	0%
Failure to provide an authorised officer with written waste information	400	400	0%
Failure to provide an authorised officer with written waste information (early payment)	240	240	0%
Failure to comply with the requirement to provide adequate waste receptacles (no early payment discount)	100	100	0%
Inappropriate presentation of domestic waste	60	60	0%
Failure to comply with domestic waste duty of care	250	250	0%
Failure to comply with domestic waste duty of care requirement (early payment)	150	150	0%

* Early payment requires penalty notice to be paid within 10 days

TRANSPORT	2020/21	2021/22	
	Charge (exc VAT) £	Proposed Charge (exc VAT) £	Percentage Increase %
Bus Stop			
Installation & removal of temporary bus stop	99.00	99.00	0.0%
Removal of permanent bus stop during work	184.00	184.00	0.0%
Damage to bus stop or unauthorised removal	184.00	184.00	0.0%
Road Safety*			
Local Authority School Children: (cost per child)			
Pre Basic Cycle Training Level 1	4.20	4.20	0.0%
Basic Cycle Training Level 2	18.00	18.00	0.0%
Cycle Training Level 1 and 2 combined	21.00	21.00	0.0%
Advanced Cycle Training Level 3	9.00	9.00	0.0%
Adults (cost per person):			
1:1 adult training (first hour)	33.50	33.50	0.0%
1:1 adult training (90 minutes)	50.00	50.00	0.0%
Pedestrian Training:			
School training by class (2 x 1.5hr class)	100.00	100.00	0.0%
*Road Safety training charges only levied if costs cannot be covered by grant funding			
Replacement charge for YOzone card & ENCTS cards	10.00	10.00	0.0%
Monks Cross parking charge	5.00	5.00	0.0%
Highways Section 278 and Section 38 - Design checking and site supervision fees (minimum fee £2,500)	8% of scheme costs + 2% of estimated works +£500*	10% of scheme costs+£500*	n/a
White Bar Markings			
Application and Initial Placement	128.00	130.00	1.6%
Refreshment (to new and existing)	81.00	85.00	4.9%
Scaffold & Hoarding licences			
Initial consent and 1 month permission	120.00	150.00	25.0%
Each additional month or part thereof	60.00	75.00	25.0%
Late notification fee (less than 5 working days)	37.00	45.00	21.6%
Failure to comply with terms of licence	77.00	90.00	16.9%
Retrospective Application /Additional fee for dealing with unlicensed scaffold/hoarding	n/a	300.00	
Skip/ Container/ Building Materials licence for 14 days	55.00	55.00	0.0%
Late notification fee (less than 3 working days)	37.00	40.00	8.1%
Failure to comply with terms of licence	26.00	55.00	111.5%
Additional fee for dealing with unlicensed skips/ scaffolding	99.00	200.00	102.0%
Cherry picker licence - up to 1 day	80.00	80.00	0.0%
Cherry picker licence - more than 1 day	109.00	150.00	37.6%
Crane - up to 1 week	120.00	150.00	25.0%
Crane - per additional week	150.00	150.00	0.0%
Retrospective Application /Additional fee for dealing with unlicensed cherry picker/crane	n/a	300.00	
*excludes costs associated with specialist areas e.g. highway structures, street lighting, traffic signals (full cost)			
Vehicle Crossing Fees (Assessment & Inspection Fee)	143.00	180.00	25.9%
Refused Application Admin Charge	n/a	48.00	
Change to Permanent Traffic Regulation Order - removal from Res Park zone		3,000.00	
Change to Permanent Traffic Regulation Order - other changes		6,000.00	
Road Closures, dependant on scale (exc VAT and advertising costs) (Non-Commercial/ Charitable Events may be exempt or reduced,	min £483 max £1,452	2,000.00	
Temporary Waiting Restrictions (exc cost of work, coning & advertising)	177.00	200.00	13.0%
Authority to contravene Moving Traffic Order	25.00	50.00	100.0%
Annual Parking Waiver	85.00	90.00	5.9%
Waiver to contravene a Parking Order			

TRANSPORT	2020/21	2021/22	
	Charge (exc VAT) £	Proposed Charge (exc VAT) £	Percentage Increase %
1 day	25.00	25.00	0.0%
2 - 7 days	59.00	59.00	0.0%
8 - 14 days	118.00	118.00	0.0%
Brown Sign Applications			
1 sign	316.00	316.00	0.0%
2 signs	526.00	526.00	0.0%
Charge per sign for each additional sign over 2 signs	105.00	105.00	0.0%
Additional charge for signs on the trunk road network	789.00	789.00	0.0%
Any additional works costs per sign	per application	per application	n/a
Noticeboard/structure (in highway)	263.00	263.00	0.0%
Licence to plant	263.00	263.00	0.0%
Approval consent for House Builder signs			
4 signs or less	371.00	371.00	0.0%
5 to 8 signs	433.00	433.00	0.0%
9 signs or more	494.00	494.00	0.0%
Retrospective Application /Additional fee for dealing with unlicensed House Builder signs			
4 signs or less	n/a	742.00	
5 to 8 signs	n/a	866.00	
9 signs or more	n/a	988.00	
Pavement Cafe Licences	660.00	660.00	0.0%
General Solicitor Highway and PRoW Simple	85.00	90.00	5.9%
Complex (including legal documents)	225.00	230.00	2.2%
PRoW - Public Path Orders (diversions, creations and extinguishments - indicative charge as cost depends on complexity, excluding advertising costs)	2,500.00	2,500.00	0.0%
PRoW - Highways Act 1980 s31(6) declarations	210.00	210.00	0.0%
NRSWA (Set Nationally)			
Section 50 Licence Fee (Including Site Meeting - applicable for up to 200m)	307.00	381.00	24.1%
- Additional S50 licence fee for larger site (per additional 200m)	n/a	150.00	New
- Permit Application Fee	n/a	48.00	New
- Inspection Fees	n/a	142.50	New
- Traffic light and lane closure Application	n/a	150.00	New
- Variation fee (i.e. change of dates for TM)	n/a	48.00	New
- Defect fee (per defect identified post completion, including joint site meeting where required)	n/a	80.00	New
Section 171 Excavation of the Highway (incl Permit Application)	307.00	309.00	0.7%
- Joint Site Meeting (Priority Routes)	n/a	68.00	New
- Traffic light and lane closure Application	n/a	150.00	New
- Variation fee (i.e. change of dates for TM)	n/a	48.00	New
- Defect fee (per defect identified post completion)	n/a	80.00	New
Inspection fees			
- Category A, B, C Defect Inspection	47.50	47.50	0.0%
- Investigatory inspection / Third Party	68.00	68.00	0.0%
- Sample inspection	51.00	51.00	0.0%
Administration Fees (incl letters/searches/re-issuing of licences)	n/a	48.00	New
Non-compliance - working in the public highway with HA authorisation	n/a	250.00	New
Special Permissions	£800 or 6%	£800 or 6%	n/a
Charges for Casualty Accident Data			
Statistic Only Requests - Up to 10 years Statistics			
Single Junction and/or up to 200m	43.00	44.00	2.3%
Single Junction and/or up to 600m	75.00	77.00	2.7%
Roundabouts up to 6 arms and 200m	105.00	107.00	1.9%
Roundabouts up to 6 arms and 1.6km	136.00	139.00	2.2%
Up to 16km e.g. A1237	211.00	215.00	1.9%
Up to 32km e.g. A64	272.00	278.00	2.2%
Whole of York	346.00	354.00	2.3%
Extra Plan by vehicle type or pedestrian	43.00	44.00	2.3%
Standard Collision Requests			
Accident Request - up to 5 years			
Single Junction and/or up to 200m	87.00	89.00	2.3%

TRANSPORT	2020/21	2021/22	
	Charge (exc VAT) £	Proposed Charge (exc VAT) £	Percentage Increase %
Single Junction and/or up to 600m	118.00	121.00	2.5%
Roundabouts up to 6 arms and 200m	160.00	163.00	1.9%
Roundabouts up to 6 arms and 1.6km	211.00	215.00	1.9%
Up to 16km e.g. A1237	272.00	278.00	2.2%
Up to 32km e.g. A64	346.00	353.00	2.0%
Whole of York	408.00	417.00	2.2%
Extra Plan by vehicle type or pedestrian	75.00	77.00	2.7%
Accident Request - up to 10 years			
Single Junction and/or up to 200m	136.00	139.00	2.2%
Single Junction and/or up to 600m	211.00	215.00	1.9%
Roundabouts up to 6 arms and 200m	272.00	278.00	2.2%
Roundabouts up to 6 arms and 1.6km	346.00	353.00	2.0%
Up to 16km e.g. A1237	408.00	417.00	2.2%
Up to 32km e.g. A64	482.00	491.00	1.9%
Whole of York	544.00	555.00	2.0%
Extra Plan by vehicle type or pedestrian	136.00	139.00	2.2%
Traffic Survey Data			
Automatic traffic count data (ATC): per site for 1 years	112.00	114.00	1.8%
Classified count data	50% of the survey cost	50% of the survey cost	0.0%

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WASTE SERVICES	2020/21	2021/22	
	Charge (inc VAT if applicable)	Proposed Charge (inc VAT if applicable)	Percentage Increase
	£	£	£
Charges for Replacement Bins/Containers			
180L	44.00	45.00	2.3%
240L	49.00	50.00	2.0%
360L	55.00	56.00	1.8%
Recycling box	0.00	0.00	n/a
Garden Waste (additional bin collection charge)	39.00	40.00	2.6%
Bulky Household Collections			
10 items	22.00	23.00	4.5%
White Goods - Fridges/Freezers only (domestic collections)	13.00	14.00	7.7%
Bonded Asbestos Collections for quantities up to 200 kg, including assessment visit (incs VAT)	105.00	108.00	2.9%
Bonded Asbestos Collections greater than 200 kg, price quoted on application (excluding VAT)	n/a	n/a	n/a
Hazel Court - Household Waste Recycling Centre			
Material Charges:			
Brick/rubble per bag	2.00	2.50	25.0%
Bonded Asbestos per sheet (less than 1.8m by 0.6m)	6.00	7.00	16.7%
Bonded Asbestos per sheet (more than 1.8m by 0.6m)	14.00	15.00	7.1%
Bonded Asbestos per bag (able to be lifted by one person)	6.00	7.00	16.7%
Plasterboard per bag	6.00	7.00	16.7%
Gas bottles up to 10Kg	8.00	9.00	12.5%
Gas bottles up to 20Kg	14.00	15.00	7.1%
Gas bottles large (over 20kg) or specialised	41.00	42.00	2.4%
Trade Waste Charges			
Waste to be charged per tonne or part thereof :-			
Residual Waste to Landfill per tonne	161.00	165.00	2.5%
Minimum Charge	83.00	85.00	2.4%
Recycling or Waste for Composting per tonne	83.00	85.00	2.4%
Minimum Charge	42.00	43.00	2.4%
Minimum percentage of waste be recycable to qualify for charge for recycling or waste for composting rate = 85%			
Commercial Waste			
Commercial Collection		Subject to service required/customer requirements	-

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DEVELOPMENT MANAGEMENT**Section A - Advice as to whether permission / consent is required**

Category	Current Fee (excluding VAT) 2020/21 £	Proposed (excluding VAT) 2021/22 £	Percentage Increase %
Householder Enquiry (ie house extensions, garages/sheds, etc)	69.70	72.00	3.3%
Other Commercial Development (to establish if "development" or whether "permitted development" or not)	69.70	72.00	3.3%

Note 1 - All fees above are subject to VAT

Section B - Advice in relation to the prospects of permission / consent being granted**Category - Minor Development**

Proposed Development Type	Current Fee (excluding VAT) 2020/21 £	Proposed (excluding VAT) 2021/22 £	Percentage Increase %
Householder (see note 4)	69.70	72.00	3.3%
Advertisements (see note 4)	69.70	72.00	3.3%
Commercial - where no new floorspace (see note 4)	102.50	106.00	3.4%
Change of Use - with no building works (see note 4)	102.50	106.00	3.4%
Telecommunications (see note 4)	141.45	146.00	3.2%
Other (See note 3 & 4)	141.45	146.00	3.2%
Small Scale Commercial Development (Incl shops offices, other commercial uses)			
* Upto 500m2	358.75	369.00	2.9%
* 500-999m2	717.50	738.00	2.9%
Small Scale Residential			
* less than 4 Dwellings - fee per dwelling	141.45	146.00	3.2%
* 4-9 Dwellings	717.50	738.00	2.9%

Note 1 - All fees above are subject to VAT

Note 2 - With site visit and meeting if Development Management Officer considered to be required

Note 3 - Includes all other minor development proposals not falling within any of the categories such as variation or

Note 4 - Additional £100 fee + vat when the site is a listed building or in the curtilage of a listed building, and building construction works or engineering operations are proposed

Category - Major Developments

Proposed Development Type	Current Fee (excluding VAT) 2020/21 £	Proposed (excluding VAT) 2021/22 £	Percentage Increase %
Major new residential			
Student accommodation developments (10 or more students)			
* 10-25 Dwellings	1,250.50	1,288.00	3.0%
* 26-199 Dwellings - additional fee per dwelling	49.20	51.00	3.7%
Small Scale Commercial Development (inc shops, offices, other commercial uses)			
* 1,000 m2 to 3,000m2	2,162.75	2,225.00	2.9%

Note 1 - All fees above are subject to VAT

Note 2 - With site visit and meeting if Development Management Officer considered to be required

DEVELOPMENT MANAGEMENT**Category - Very Large Scale Developments**

Proposed Development Type	Current Fee (excluding VAT) 2020/21 £	Proposed (excluding VAT) 2021/22 £	Percentage Increase %
* Development of over 200 dwellings (A further bespoke charge may be required depending on complexity of the development & the range of issues that need	Minimum fee of £49.20 per dwelling	Minimum fee of £51.00 per dwelling	3.7%
* Single use or mixed use developments involving sites of 1.5 ha or above * Development of over 3,000m2 of commercial floorspace * Planning briefs / Masterplans	Fee to be negotiated with a minimum fee of £3,895	Fee to be negotiated with a minimum fee of £4,000	2.7%

Note 1 - All fees above are subject to VAT

Note 2 - With multiple meetings including a lead officer together with Development Management case officer and

Note 3 - The fee for pre-application advise expected to be not less than 20% of anticipated planning fee for a full

Exemptions

Advice sought in the following categories is free

- * Where the enquiry is made by a Parish Council or Town Council
- * Where the development is for a specific accommodation/facilities for a registered disabled
- * Advice on how to submit a planning application
- * Enquiries relating to Planning Enforcement

Section C - Section 106

Category	Current Fee (excluding VAT) 2020/21 £	Proposed (excluding VAT) 2021/22 £	Percentage Increase %
Section 106 Confirmation Letter (Simple) (ie does not require site visit or document retrieval)	31.78	33.00	3.8%
Section 106 Confirmation Letter (Complex) (ie requires site visit and/or document retrieval)	107.63	111.00	3.1%
Copies of S106 Agreements	55.35	57.00	3.0%

Note 1 - All fees above are subject to and include VAT

Section D - Building Control

Category	Current Fee (excluding VAT) 2020/21 £	Proposed (excluding VAT) 2021/22 £	Percentage Increase %
Letter of confirmation } Completion Certificates } Approvals }	49.00	50.50	3.1%

Note 1 - All fees above are subject to and include VAT

DEVELOPMENT MANAGEMENT**Section E - Land Charges**

Category	Current Fee (excluding VAT) 2020/21 £	Proposed (excluding VAT) 2021/22 £	Percentage Increase %
Basic search - over the counter	100.00	103.00	3.0%
Basic search - electronic	100.00	103.00	3.0%
Business search	195.00	201.00	3.1%
Optional enquiries	55.00	57.00	3.6%
Additional enquiries	30.00	31.00	3.3%

Section F - Naming & Numbering

Category	Current Fee 2020/21 £	Proposed 2021/22 £	Percentage Increase %
Renaming of property	40.00	50.00	25.0%
Naming of new property	85.00	100.00	17.6%
New developments up to 10 units	225.00	250.00	11.1%
New developments over 10 units (per additional unit)	40.00	50.00	25.0%
Confirmation of address	40.00	50.00	25.0%

Section G - Commons Registration

Category	Current Fee 2020/21 £	Proposed 2021/22 £	Percentage Increase %
Processing & Registration under section 15A(1) of the Commons Act 2006	360.00	370.00	2.8%
Processing & Registration of the Highway Statement & Highway Declaration under section 31(6) of the Highways Act 1980 (Other fees are available on request)	320.00	329.00	2.8%
Tree Preservation Orders	46.00	47.00	2.2%

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PARKING SERVICES		2020/21	2020/21	2020/21	2021/22		2021/22		2021/22	
		Standard Charge	Discounted Rate*	Premium Rate**	Standard Charge		Discounted Rate*		Premium Rate**	
Note : VAT is chargeable at the appropriate rate		Charge £	Charge £	Charge £	Proposed Charge £	% Increase %	Proposed Charge £	% Increase %	Proposed Charge £	% Increase %
Household Permit	-Standard *	99.95	49.98	139.00	99.95	0.0%	49.98	0.0%	139.00	0.0%
	Quarterly charge *	30.50	15.25	42.00	30.50	0.0%	15.25	0.0%	42.00	0.0%
	-Second	187.50			192.50	2.7%				
	Quarterly charge	57.50			58.75	2.2%				
	-Third	380.00			390.00	2.6%				
	Quarterly charge	100.00			102.00	2.0%				
	-Fourth	775.00			800.00	3.2%				
	Quarterly charge	200.00			205.00	2.5%				
Visitor	-Standard	1.25			1.25	0.0%				
	-Concessionary	0.30			0.30	0.0%				
Special Control Permit	-Standard *	112.00	56.00	143.00	115.00	2.7%	57.50	2.7%	146.00	2.1%
	Quarterly charge *	33.00	16.50	43.00	33.80	2.4%	16.90	2.4%	44.00	2.3%
Special Additional Permit	-Standard *	112.00	56.00	143.00	115.00	2.7%	57.50	2.7%	146.00	2.1%
	Quarterly charge	33.00	16.50	44.00	33.80	2.4%	16.90	2.4%	45.00	2.3%
Business Permit *		430.00	215.00		440.00	2.3%	220.00	2.3%		
Guest House Authorisation Card		430.00			440.00	2.3%	220.00			
Multiple Occupancy Permit *	-Standard *	170.00	85.00		175.00	2.9%	87.50	2.9%		
	Quarterly charge *	47.00	22.50		48.00	2.1%	22.50	0.0%		
Landlord's Permit *		170.00	85.00		175.00	2.9%	87.50	2.9%		
Community Permit *		55.50	27.75		57.00	2.7%	28.50	2.7%		
Day use Community Permit	- Standard	1.35			1.35	0.0%	0.68			
	- Charities	0.30			0.30	0.0%	0.15			
Authorisation Card without Permit		3.20			3.20	0.0%				
Property Renovation Permit	- Quarterly *	122.50	61.25		125.00	2.0%	62.50	2.0%		
	- Daily *	3.30	1.65		3.40	3.0%	1.70	3.0%		
Commercial Permit *		620.00	310.00		640.00	3.2%	320.00	3.2%		
	- Quarterly	152.50	76.25		157.50	3.3%	78.75	3.3%		
Commercial Permit (Specific Zone) *		157.50	78.75		162.50	3.2%	81.25	3.2%		
	- Quarterly	41.00	20.50		42.25	3.0%	21.13	3.0%		
Penalty Charge Notice (PCN) Full (Higher/ Lower)		70.00 / 50.00			70.00 / 50.00	0.0%				
PCN Discounted (Higher/ Lower)		35.00 / 25.00			35.00 / 25.00	0.0%				
PCN Enforced (Higher/ Lower)		105.00 / 75.00			105.00 / 75.00	0.0%				
Vehicle Removal Charge		112.50			115.00	2.2%				
Vehicle Storage Charge	Daily	12.80			13.20	3.1%				
Vehicle Disposal Charge		26.50			27.00	1.9%				
Admin Fee		50.00			50.00	0.0%				
Replacement Permit Respark	First Replacement									
	Second Replacement	187.50			187.50	0.0%				
Regular User Discount Permit (2 Year)		20.00			30.00	50.0%				

* discount available for vehicles 2.7m or less in length or a low emission vehicle within Ultra Low Emission Definition

** additional charge for high emission vehicles within DVLA band J,K,L or M.

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PARKING SERVICES - SCHEDULE OF SEASON TICKET CHARGES

		2020/21	2021/22	
		Current	Proposed	Increase
		Charge	Charge	
		£	£	%
Annual Season Ticket*	Standard Car Parks	1,200.00	1,260.00	5.00%
	Discount vehicle rate	600.00	630.00	5.00%
Monthly Season Tickets				
Standard Stay car parks	Standard rate	160.00	168.00	5.00%
	Discount vehicle rate	80.00	84.00	5.00%
Weekly Season Tickets				
Preferential phone rate only				
Standard Stay car parks	Standard rate	65.50	68.50	4.58%
	Discount vehicle rate	32.75	34.25	4.58%
Contract Parking (Bulk) *				
Foss Bank - Annual		585.00	610.00	4.27%
Hotel Scratchcards				
Standard Stay Car Parks	Per Book of 30	265.00	300.00	13.21%
Contract Parking (City Centre Resident 24 hour)				
Foss Bank - Monthly	Standard rate	84.00	87.00	3.57%
	Discount vehicle rate	38.25	40.00	4.58%
Foss Bank - Annual	Standard rate	870.00	900.00	3.45%
	Discount vehicle rate	400.00	415.00	3.75%
Surface - Monthly	Standard rate	77.50	80.00	3.23%
	Discount vehicle rate	33.00	34.00	3.03%
Surface - Annual	Standard rate	855.00	885.00	3.51%
	Discount vehicle rate	356.00	370.00	3.93%

Note

Standard Car Parks exclude use of Castle, Bootham Row, Piccadilly and Esplanade

* discount available for vehicles 2.7m or less in length or a low emission vehicle within

Ultra Low Emission Definition

* ie 10 or more purchased at the same time

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Proposed Parking Tariffs from April 2021

a) Off-Street Car Parks

Note			Daytime Charges (0800 - 18:00)							Evening Note 4	24 hour	
			< 30 Mins	Upto 1 hr	1-2 Hours	2-3 Hours	3-4 Hours	4-5 Hours	Over 5 hours	6.00pm to 08.00am	Charge using mobile phone	
Short Stay	1	Discounted	Mob Phone	N/A	£2.40	£4.80	£7.20	£9.60	£12.00	£2.40 per addnl hour	free	
		Standard		N/A	£2.70	£5.40	£8.10	£10.80	£13.50	£2.70 per addnl hour	£3.00	
		Standard		N/A	£2.60	£5.20	£7.80	£10.40	£13.00	£2.60 per addnl hour	£3.00	
Standard Stay	2/4	Discounted	Mob Phone	N/A	£1.80	£3.60	£5.40	£7.20	£9.00	£13.50	free	£14.50
		Standard		N/A	£2.40	£4.80	£7.20	£9.60	£12.00	£13.50	£3.00	£14.50
		Standard		N/A	£2.30	£4.60	£6.90	£9.20	£11.50	£13.50	£3.00	£14.50
Foss Bank	3			£1.50 per hour								
			Mob Phone	£1.40 per hour								
Bishopthorpe Rd	3			N/A	£0.50	£1.20	£3.00	Maximum stay of 3 hours			free	
East Parade	3			£0.40	£0.80	£4.80	£7.20	Parking for over 2 hours is only allowed after 3pm.			free	
Moor Lane	5	Discounted		£3.50 all day charge							n/a	
		Standard		£4.00 all day charge							n/a	

Note 1 - Bootham Row, Castle, Esplanade and Piccadilly (Piccadilly closes at 6:30pm and so there is no evening charge)

Note 2 - Marygate, Monk Bar, Nunnery Lane, St. Georges, Union Terrace. The £13.00 (over 5 hours fee) allows parking until 8am the next day.

Note 3 - There are no discounts or evening charges at Foss Bank, Bishopthorpe Road or East Parade. The charges only apply until 18:00 except at Foss Bank where they apply until 20:00.

Note 4 - Evening parking charges for Regular Discount User Permit Holders on Fridays and Saturdays in Standard Stay Car Parks to commence at 5pm

Note 5 - Flat charge to cover full day

b) Coach Parking

	Peak (1/4/21 - 31/12/21)			Off Peak (1/01/22 - 31/3/22)	
	<1 Hour	<3 Hours	Over 3 hrs	<1 Hour	Over 1 Hr
Union Terrace and St George's Field Coach Parks	£7.00	£11.60	£14.00	£7.00	£10.00

c) On Street Parking

				Daytime Charges				Evening	Streets Included
				< 30mins	<1 Hour	1-2 Hours	2-3 Hours	6.00pm to 08.00am	
Standard Rate	6	Discounted	Mob Phone	N/A	£2.40	£4.80	£7.20	free	Carmelite St, Lawrence Street, Lord Mayor's Walk, North Street, Palmer Lane, Piccadilly, Skeldergate, Tanner's Moat, Toft Green, Walmgate.
		Standard		N/A	£2.40	£4.80	£7.20	£3.00	
		Standard		N/A	£2.30	£4.60	£6.90	£3.00	
Micklegate	6 & 7	Discounted	Mob Phone	£0.50	£1.00	£4.80	£7.20	free	
		Standard		£0.50	£1.00	£4.80	£7.20	£3.00	
		Standard		£0.50	£1.00	£4.60	£6.90	£3.00	
Priory Street	6 & 7	Discounted	Mob Phone	N/A	£2.40	£4.80	£7.20	free	
		Standard		N/A	£2.40	£4.80	£7.20	£3.00	
		Standard		N/A	£2.30	£4.60	£6.90	£3.00	
City Centre Footstreets		Discounted						free	Fossgate, Piccadilly, St Deny's Road, The Stonebow, Walmgate.
		Standard						£3.00	
Respark Shared Use Areas		Non-Permit Holders		N/A	£1.00			Charges Apply 8am - 8pm	Bishophill Senior, Clifton, Cromwell Rd, Cumberland St, Garden St, George St, Huntington Rd, Lawrence St, Lead Mill Lane, Lower Friargate, Lower Priory St, Lowther St, Margaret St, Marygate, Park Grove, Penleys Grove St, Queen Anne's Rd, The Crescent, The Mount, Townend St, Union Terrace, Walmgate.

Note 6 - There is no discount available on-street except that parking after 6pm is free at discounted rate. Parking for over 2 Hours is only allowed after 3pm

Note 7 - No charges on Sundays between 8am and 1pm in Micklegate and Priory Street

d) On-Street Parking for large vehicles

	< 2 Hours	2- 5 Hours	5-12 Hrs	Market Traders with Permit
Foss Islands Road	£4.30	£6.50	£10.80	£2.30

Adult Social Care fees and charges

	2020/21	2021/22		Explanation
	Actual Charge	Proposed Charge	Percentage Change	
	£	£	%	
Residential Care				
Older Person's Homes (per week)	713.55	742.36	4.0%	Customers are financially assessed and only pay what they can afford.
22 The Avenue & 38 Evelyn Crescent (Mental Health residential care) -emergency respite (per week)	853.48	881.59	3.3%	Customers attending 22 The Avenue & 38 Evelyn Crescent on an emergency basis are financially assessed under fairer charging and only pay as much as they can afford.
22 The Avenue & 38 Evelyn Crescent (Mental Health residential care) - planned placement (per week)	186.48	190.89	2.4%	Customers residing at 22 The Avenue & 38 Evelyn Crescent on a planned basis are able to claim Housing Benefit. The major element of the weekly charge is rent.
Community Support				
Home care support in CYC Extra care schemes (per hr)	18.12	20.71	14.3%	Charge reflects the estimated average external home care hourly rate for 2021/22. Although this is a large year on year increase reflecting the current market price, customers are financially assessed and only pay what they can afford.
Home care support provided by the overnight team (per hr)	27.18	31.07	14.3%	The principle is that overnight care is charged at one and a half times the average hourly home care day rate above.
Day Support provided in CYC small day services (per hr)	15.47	16.81	8.7%	Charge reflects the estimated average external day support hourly rate for 2021/22

Adult Social Care fees and charges

	2020/21	2021/22		Explanation
	Actual Charge	Proposed Charge	Percentage Change	
Income Services Team charges				
Full fee payers administration charge (per annum)	501.00	522.00	4.2%	Customers who can afford to pay the full cost of their care but choose to have it organised by the Local Authority can now be charged for this service under the Care Act 2014. The charge comprises a £469 annual set up charge and an ongoing £53 administration charge.
Additional reconciliation charge for full fee payers (per reconciliation)	6.40	6.70	4.7%	Income Services can charge full fee payers for any reconciliations of their account they request above the annual reconciliation.
Deferred Payment Agreements additional costs:				
Deferred Payment set up charge (one off) - made up of the following as a minimum:	753.50	800.00	6.2%	The Care Act permits customers to defer payment for the cost of their care. The local authority can recover their costs for setting up this arrangement. Additional legal disbursements will be charged in line with charges levied by the Land Registry for registration of charge, which is dependent upon whether the property is already registered, and the valuation of the property. These costs will be passed to the customer at the rate charged.
Legal Costs	450.00	475.00	5.6%	
Income Services Administration Charge - set-up	153.50	175.00	14.0%	Increase to reflect the actual work undertaken on admin duties
Initial Professional Valuation	150.00	150.00	0.0%	
Letter of Undertaking	100.00	110.00	10.0%	A letter of undertaking may be accepted in place of a DPA if there is an imminent sale of the property. As a form of security the Solicitors promise on behalf of their client that the outstanding care fees and associated costs will be paid from the proceeds of sale.

Adult Social Care fees and charges

	2020/21	2021/22		Explanation
	Actual Charge	Proposed Charge	Percentage Change	
Monthly invoice generation and distribution	1.00	1.10	10.0%	The Care Act allows local authorities to recover the costs of activities associated with administering deferred payments.
Monthly management, monitoring and application of interest	2.50	2.60	4.0%	
Half yearly statement of account	2.50	2.60	4.0%	
Legal team costs de-registration and file closure	30.00	30.00	0.0%	
Final account preparation and account closure	8.00	8.50	6.3%	
Revaluation Costs	subject to actual cost of valuation			
Court of Protection				
Appointment of Deputy Fee	745.00	745.00	0.0%	Cost of administering financial affairs for those who the authority has responsibility for under the Court of Protection. The majority of these rates are set by the Office of the Public Guardian and the authority cannot charge more than this.
Year 1 Management Fee	775.00	775.00	0.0%	
Year 2 Management Fee	650.00	650.00	0.0%	
Year 3 Management Fee	650.00	650.00	0.0%	
Property Sale Fee	300.00	300.00	0.0%	
Estate Administration Fee	360.60	367.75	2.0%	
Annual Report Fee	216.00	216.00	0.0%	
Assets less than £16k	3.5%	3.5%	0.0%	
Basic HMRC Return	70.00	70.00	0.0%	
Complex HMRC Return	140.00	140.00	0.0%	
Travel rates ph	40.00	40.00	0.0%	
Corporate Appointee Charge	3.5% or £5.50 per week	3.5% or £5.60 per week		

Adult Social Care fees and charges

	2020/21	2021/22		Explanation
	Actual Charge	Proposed Charge	Percentage Change	
Be Independent				Be Independent will be carrying out a review of charges and pricing policy early in the new financial year. A report will be brought with the proposed 2021/22 charges once this review has been completed.
Monthly Charges excluding VAT where applicable				
Friends & Family Service	18.00	18.40	2.2%	
Friends & Family Service Additional Person	9.00	9.20	2.2%	
Premium Response Service	35.00	35.70	2.0%	
Premium Plus Response Service	48.00	49.00	2.1%	
Second Resident Charge	17.00	17.30	1.8%	
1 additional safety sensor	2.50	2.50	0.0%	
Further additional sensors (50p per additional sensor up to 4 in total)	0.50	0.50	0.0%	
Hardwire top -up	12.50	12.75	2.0%	
SIM GSM Connection	8.33	8.50	2.0%	
One Off Charges excluding VAT where applicable				
Installation Charge	30.00	30.60	2.0%	
Key Safe Installation	45.83	46.67	1.8%	
Key Safe Charge police approved	66.67	67.92	1.9%	
Stand Alone				
Just Checking Monitoring Kit	65.00	66.30	2.0%	
Canary - Charge	38.40	39.20	2.1%	
Stand Alone (not monitored by Be Independent)	18.00	18.40	2.2%	
Damaged/Lost Equipment Charges				
Replacement Pendant	35.00	35.70	2.0%	
Smoke Detector	50.00	51.00	2.0%	
Carbon Monoxide Detector	99.00	101.00	2.0%	

REGISTRAR OF BIRTHS, DEATHS AND MARRIAGES	1st Apr 2020	1st Apr 2021		% Increase over 2020
	Charge (inc VAT if applicable)	Proposed Charge (inc VAT if applicable)	Increase	
	£	£	£	
Certificates				
Copy certificate - issued within 10 days 2nd class	11.00	11.00	0.00	0.00
Copy certificate - collect/post 1st class next working day	35.00	35.00	0.00	0.00
Signed for postage	2.00	2.00	0.00	0.00
Overseas postage - per order (New)	10.00	10.00	0.00	0.00
Certificates issued at time of registration	11.00	11.00	0.00	0.00
Notice of marriage	35.00	35.00	0.00	0.00
Saturday room booking for Notice (Per Person) (New)	13.00	13.00	0.00	0.00
Certification of a venue for marriage ceremonies (valid for three years)				
Large Venue (Capacity over 200)	3,250.00	3,331.00	81.00	2.49
Medium Venue (Capacity over 75)	1,500.00	1,538.00	38.00	2.53
Small Venue (Capacity 75 or less)	1,000.00	1,025.00	25.00	2.50
Civil Funeral	175.00	175.00	0.00	0.00
Civil Partnerships				
Attendance of Registration Staff at Approved premises				
Large marriage room at Register Office Mon-Thurs	256.00	262.00	6.00	2.34
Large marriage room at Register Office Fri-Sat	348.00	357.00	9.00	2.59
Small room at Register Office Mon - Thurs	149.00	153.00	4.00	2.68
Small room at Register Office Fri - Sat	205.00	210.00	5.00	2.44
Approved Premises (venues) Mon-Thurs	530.00	543.00	13.00	2.45
Approved Premises (venues) Fri - Sat	615.00	630.00	15.00	2.44
Approved Premises (venues) Sun / Bank Holidays	665.00	682.00	17.00	2.56
Statutory Register Office CP	57.00	57.00	0.00	0.00
Marriage				
Attendance of Registration Staff at Approved premises				
Large marriage room at Register Office Mon-Thurs	256.00	262.00	6.00	2.34
Large marriage room at Register Office Fri-Sat	348.00	357.00	9.00	2.59
Small room at Register Office Mon - Thurs	149.00	153.00	4.00	2.68
Small room at Register Office Fri - Sat	205.00	210.00	5.00	2.44
Approved Premises (venues) Mon-Thurs	530.00	543.00	13.00	2.45
Approved Premises (venues) Fri - Sat	615.00	630.00	15.00	2.44
Approved Premises (venues) Sun / Bank Holidays	665.00	682.00	17.00	2.56
Statutory Register Office Wedding	57.00	57.00	0.00	0.00
Pre-ceremony Consultation (New)				
Converting a civil partnership into a marriage (1 stage procedure)	40.00	40.00	0.00	0.00
Converting a civil partnership into a marriage (2 stage procedure: stage 1)	45.00	45.00	0.00	0.00
Converting a civil partnership into a marriage: ceremony at the York Register Office (2 stage procedure: stage 2)	27.00	27.00	0.00	0.00
Converting a civil partnership into a marriage: ceremony at an approved venue (2 stage procedure: stage 2)	TBA	TBA		
	TBA	TBA		
Citizenship Ceremonies (Private)	148.00	152.00	4.00	2.70
GRO fees*				
Correction by Superintendent Registrar (SR)	75.00	75.00	0.00	0.00
Correction by Registrar General (GRO)	90.00	90.00	0.00	0.00
Consideration of divorce/dissolution docs outside British Isles by SR	50.00	50.00	0.00	0.00
Consideration of divorce/dissolution docs outside British Isles by GRO	75.00	75.00	0.00	0.00
Consideration of reducing the 28 day waiting period	60.00	60.00	0.00	0.00
Addition of forename within 12 months of registration	40.00	40.00	0.00	0.00
Registrar General's Licence	15.00	15.00	0.00	0.00
Baby Naming Ceremonies				
At Register Office	236.00	242.00	6.00	2.54
Approved Premises (venues)	261.00	268.00	7.00	2.68
Renewal of Vows				
At Register Office	236.00	242.00	6.00	2.54
Approved Premises (venues)	261.00	268.00	7.00	2.68
Change of name deed (New)		TBA		
Additional copy of deed (New)		TBA		
Sale of Goods and Miscellaneous Charges :-				
Baby Folders (suggested donation)	2.00	2.00	0.00	0.00
Commemorative Script (New)	35.00	35.00	0.00	0.00
Certificate box (New)	10.00	10.00	0.00	0.00

* Collected in part on behalf of the General Register Office (GRO)

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BEREAVEMENT SERVICES	1st Apr 2020	1st April 2021	
	Charge (Inc VAT if applicable)	Proposed Charge (Inc VAT if applicable)	Increase
	£	£	£
CREMATORIUM			
CREMATIONS (VAT EXEMPT)			
Adult (including medical referee fee)*	895.00	920.00	25.00
Drop off only (NEW)	550.00	550.00	0.00
Still Born	0.00	0.00	0.00
Up to Six Months	0.00	0.00	0.00
Six Months to Sixteen Years	0.00	0.00	0.00
* Temporarily reduced to £720			
INTERMENT (VAT EXEMPT)			
Interment of Ashes	49.00	50.00	1.00
SCATTERING OF ASHES (VAT EXEMPT)			
Ashes received from external sources	82.00	85.00	3.00
Ashes forward to other places	0.00		0.00
Additional Service Time	110.00	120.00	10.00
EXHUMATIONS			
Exhumation fee	195.00	200.00	5.00
BEARING SERVICE	25.00	26.00	1.00
FUNERAL SERVICE	175.00	175.00	0.00
RECORDINGS			
CD recording	48.00	50.00	2.00
DVD recording	60.00	62.00	2.00
Webcast	60.00	62.00	2.00
MEMORIALS AND PLAQUES			
PLAQUES			
60 letter inscription 10 years	390.00	399.00	9.00
60 letter inscription 20 years	540.00	553.00	13.00
Display for a further 5 years	122.00	122.00	0.00
MEMORIALS			
Memorial Plaque with Rose tree 10 yrs	447.00	458.00	11.00
Memorial Plaque with rose tree 20 yr	592.00	600.00	8.00
Memorial seat with plaque (10 yrs)	1,262.00	1,290.00	28.00
Memorial seat plaque renewal (5yrs)	212.00	217.00	5.00
Granite Seat (10 yrs) - new fee	1,346.00	1,379.00	33.00
Granite vase Block 10years	645.00	661.00	16.00
Granite vase Block 20years	1,048.00	1,074.00	26.00
Vase Block Plaque	175.00	179.00	4.00
Bronze rose memorial plaque on stake (10 yr)	545.00	558.00	13.00
Bronze rose memorial plaque on stake (20 yr)	689.00	706.00	17.00
Circular bench memorial plaque (10 yrs)	464.00	475.00	11.00
Circular bench memorial plaque (20 yrs)	642.00	658.00	16.00
Babies garden memorial plaque (10yrs)	359.00	365.00	6.00
Memorial Disc	446.00	458.00	12.00
Granite Shaped Planter	529.00	540.00	11.00
Summer House Memorial Plaque	421.00	430.00	9.00
URNS			
Cardboard Box	15.50	16.00	0.50
Polytainer	18.00	19.00	1.00
Baby Urn	36.50	37.00	0.50
Urn	49.50	50.00	0.50

BEREAVEMENT SERVICES	1st Apr 2020	1st April 2021	
	Charge (Inc VAT if applicable)	Proposed Charge (Inc VAT if applicable)	Increase
Casket	70.50	71.00	0.50
NICHES			
Niche 10 years	800.00	820.00	20.00
Niche 20 years	1,350.00	1,380.00	30.00
Sanctum 2000 (Average Charge)	1,085.00	1,110.00	25.00
Second Plaque on Sanctum 2000	408.00	408.00	0.00
Inscription (second Plaque/Renewals)	351.00	360.00	9.00
Additional inscription p/letter over 80 letters	4.50	4.50	0.00
BOOK OF REMEMBRANCE			
2 line entry	86.00	88.00	2.00
5 line entry	133.00	136.00	3.00
5 line entry with floral emblem	185.00	189.00	4.00
5 line entry with badge, bird, crest & shield	212.00	218.00	6.00
8 line entry	164.00	168.00	4.00
8 line entry with floral emblem	223.00	228.00	5.00
8 line entry with badge, bird, crest & shield	253.00	259.00	6.00
8 line entry with coat of arms	295.00	300.00	5.00
FOLDED BOOK OF REMEMBRANCE CARDS			
5 line entry with floral emblem	143.00	146.00	3.00
5 line entry with badge, bird, crest & shield	180.00	185.00	5.00
8 line entry with floral emblem	198.00	202.00	4.00
8 line entry with badge, bird, crest & shield	217.00	222.00	5.00
8 line entry with coat of arms	263.00	268.00	5.00
Regimental Badge Etc			
MEMORIAL CARDS			
2 line card	59.00	60.00	1.00
5 line card	77.00	78.00	1.00
8 line card	91.00	93.00	2.00
Regimental Badge			
<u>DRINGHOUSES CEMETERY</u>			
INTERMENT (VAT EXEMPT)			
Adult (4ft 6" grave)	825.00	846.00	21.00
Child up to 12 years	0.00	0.00	0.00
Interment of Ashes	238.00	250.00	12.00
Exhumation (negotiated at cost)	at cost		
Exhumation of Cremated Remains	195.00	200.00	5.00
MEMORIALS			
Headstones	163.00	166.00	3.00
Add Inscription	89.00	90.00	1.00
Marking out grave	22.00	23.00	1.00
Removal of grave memorial by stonemason prior to interment	98.00	100.00	2.00
Cremation plot with exclusive Right of Burial for period of 50 yrs.	442.00	453.00	11.00

MANSION HOUSE	1st Jan 2020	1st Apr 2021	
	Charge (inc VAT if applicable)	Proposed Charge (inc VAT if applicable)	Increase
	£	£	£
Admission charges			
Adult	6.50	6.50	0.00
Concessions	5.00	5.00	0.00
Child (under 16; babes in arm go free)	3.50	3.50	0.00
Family (2 adults and 2 children)	17.00	17.00	0.00
York resident - 50% Discount			
Resident annual tickets		Paused	
Adult	9.00	n/a	
Concessions	8.00	n/a	
1 Child (free with adult)	0.00	n/a	
Family	15.00	n/a	
Non resident annual tickets		Paused	
Adult	0.00	n/a	
Concessions	0.00	n/a	
Child (free with adult)	0.00	n/a	
Family	0.00	n/a	
Tours - Guide provided			
Adult	6.00	6.00	0.00
After hours	10.00	10.00	0.00
Group Rate: Self-Guided			
Groups of 10 or more (with a max group size TBD): Cost per adult	0.00	5.00	
As above: Cost per child	0.00	2.00	
As above: Cost per concession	0.00	4.00	
Educational visits			
1 hours tour	3.50	3.50	0.00
1.5 hours	4.00	3.50	-0.50
2 hour tour	4.50	3.50	-1.00
Weddings			
Ceremony only	350.00	350.00	0.00
Reception only (3.5 hours)	490.00	490.00	0.00
Ceremony and reception (7 hours)	950.00	950.00	0.00
Hire of the House			
Full House hire			
Half day (3.5 hours)	490.00	490.00	0.00
Full day (7 hours)	950.00	950.00	0.00
Single room hire			
Half day (3.5 hours)	325.00	300.00	-25.00
Full day (7 hours)	600.00	550.00	-50.00
Ancillary costs	0.00	Variable	
Filming (full day)	800.00	800.00	0.00
Catering charge - per person	12.00	12.00	0.00
Delegate rate - per person		25.00	
Mansion House own events	Variable	Variable	

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City of York Council



Budget Consultation 2021/22

The online Budget Consultation 2021/22 opened on 15/12/2020 and closed on 31/01/2021. Additionally, a paper version of the survey was sent to households inside the Local Link publication, also with a closing date of 31/01/2021.

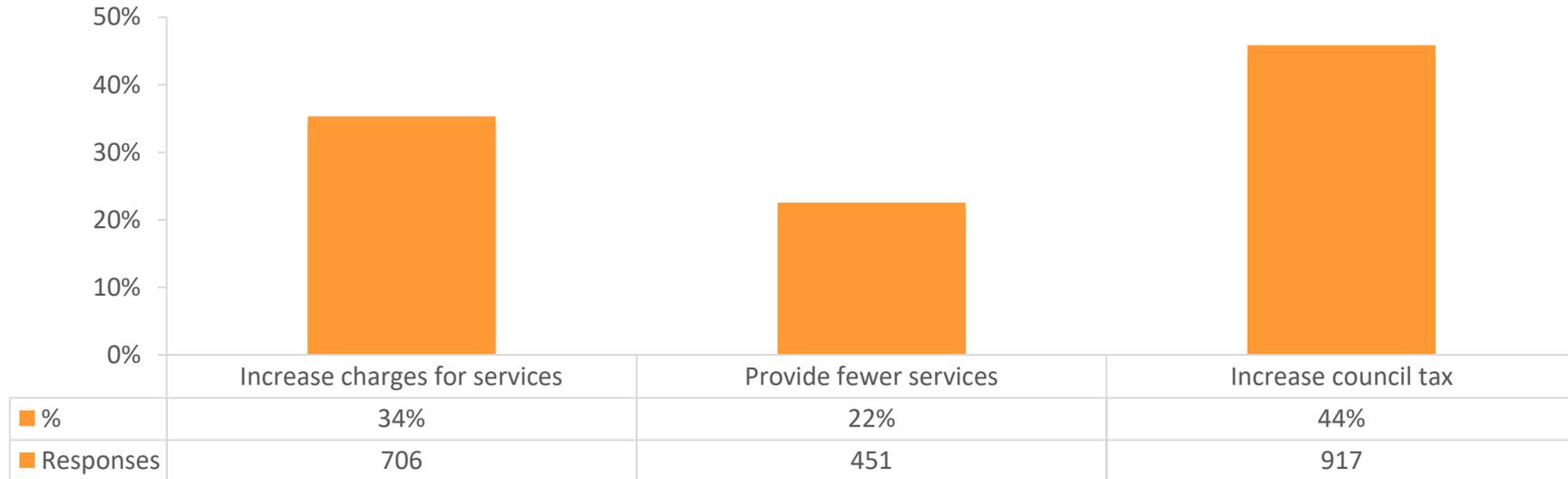
The consultation gave residents and businesses of York the opportunity to put forward their views to help the council make decisions and deliver the budget for 2021/22.

A total of 2251 residents and businesses participated in the consultation. 1292 respondents completed the survey online and 959 returned a paper copy.

The consultation results and the raw data will be made available on the council open data platform www.yorkopendata.org.

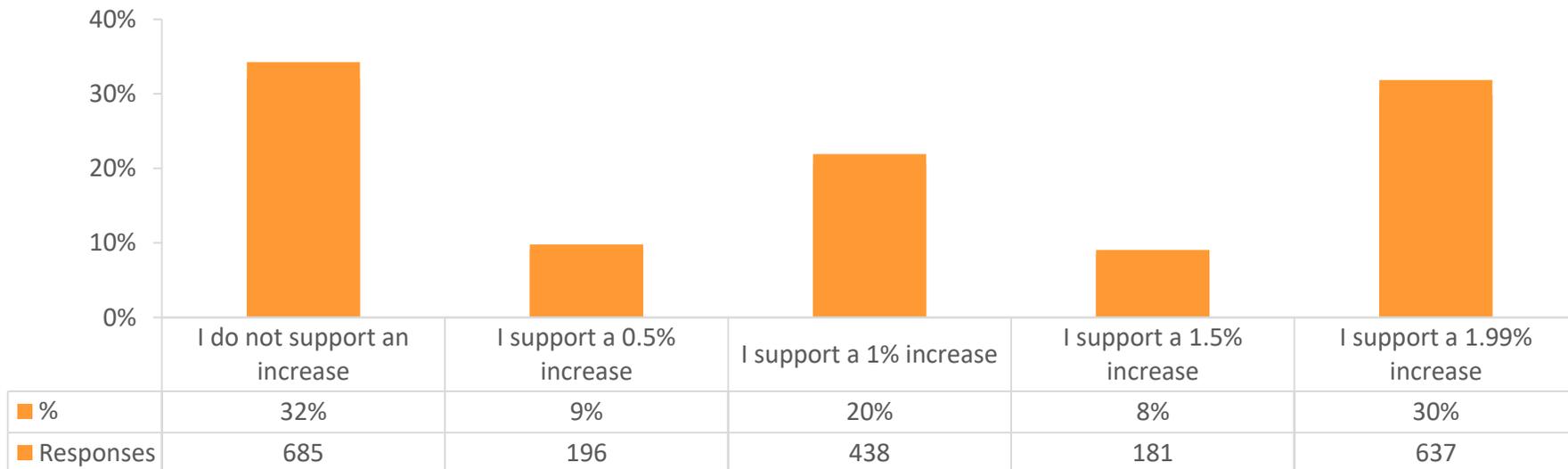
Council Tax

To accelerate recovery and balance the budget, would you rather we; Please select all that apply



(n=2072)

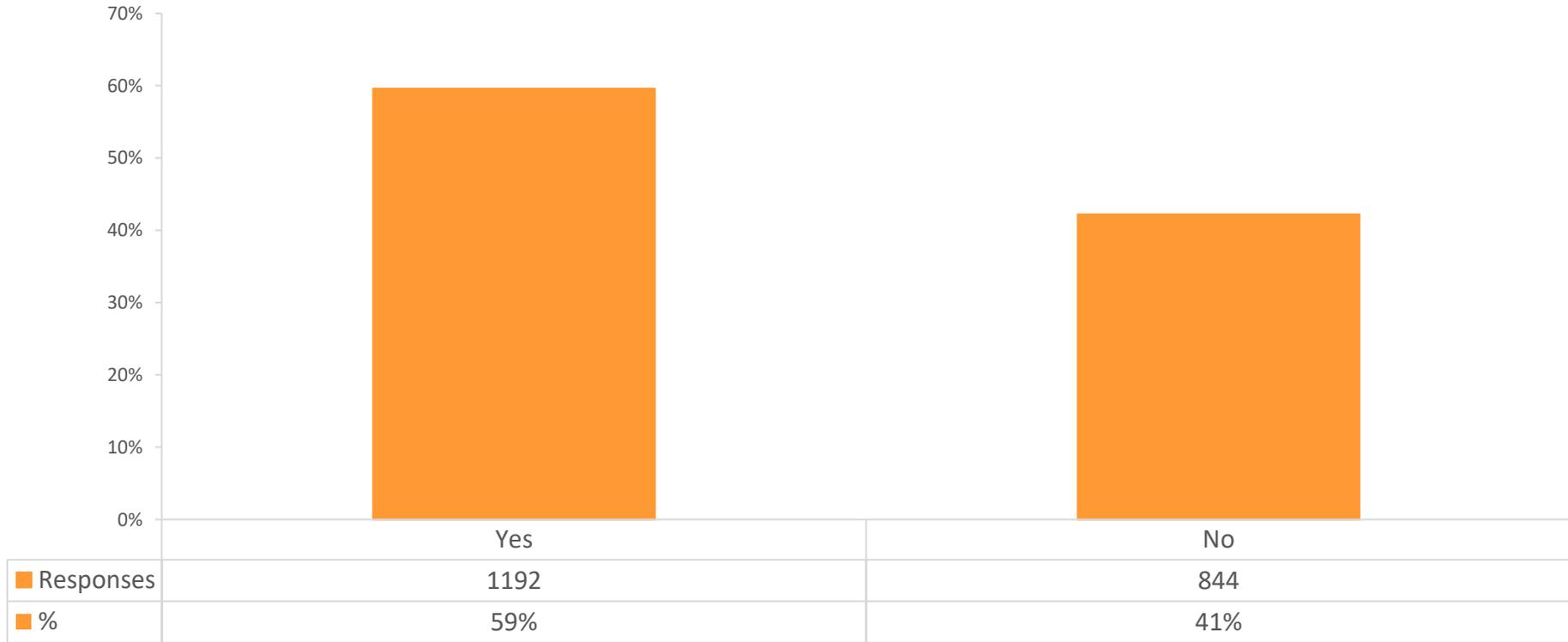
Do you support an increase in council tax to balance the budget and if so by how much?



(n=2137)

Social Care Precept

Do you support taking the full social care precept of 3%?



(n=2036)

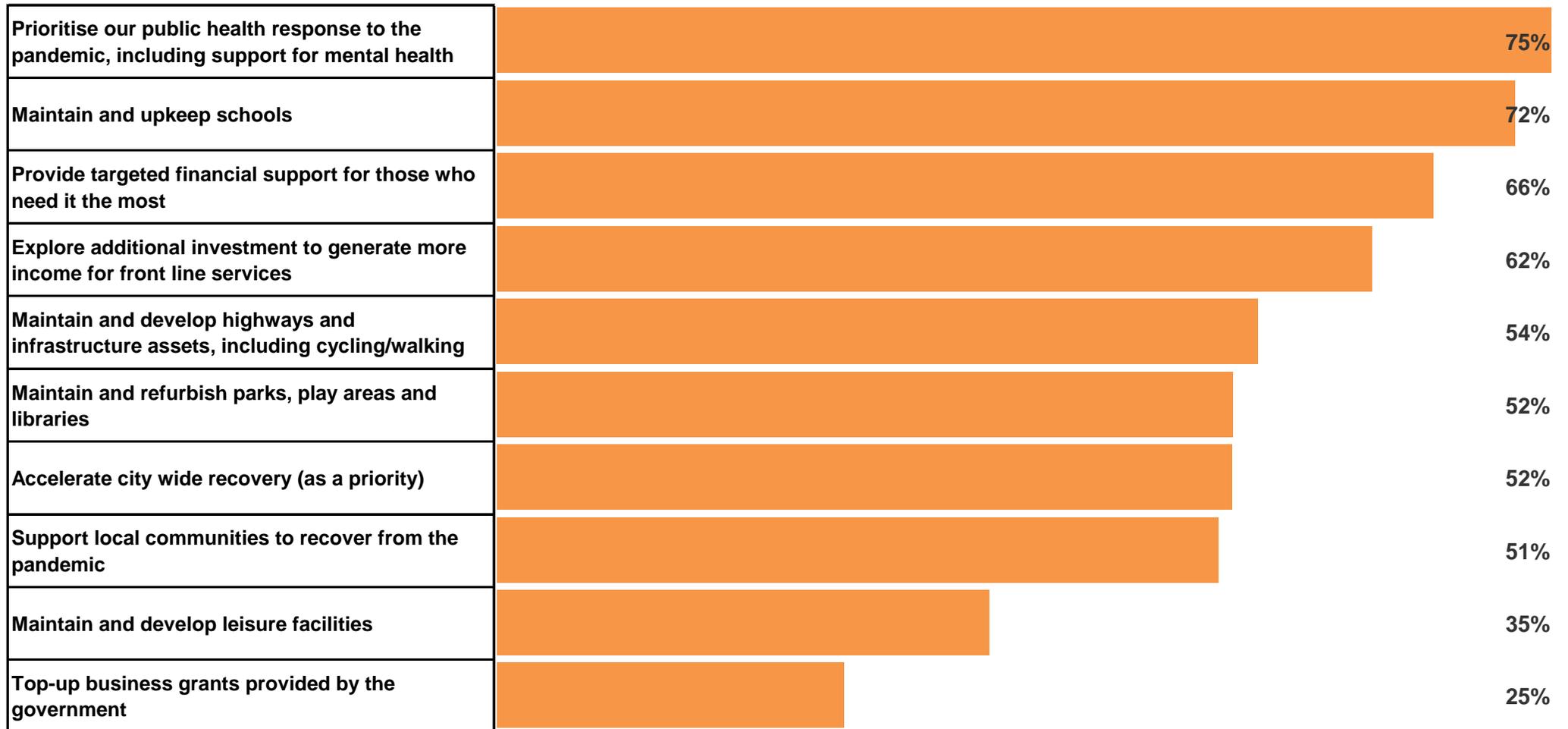
Budget Priorities

Do you agree or disagree that we should prioritise:

	Disagree	Disagree (%)	Agree	Agree (%)	Neither	Neither (%)
Accelerate city wide recovery (as a priority)	352	16.97%	1,078	51.98%	644	31.05%
Prioritise our public health response to the pandemic, including support for mental health	216	10.21%	1,578	74.57%	322	15.22%
Top-up business grants provided by the government	879	42.06%	513	24.55%	698	33.40%
Provide targeted financial support for those who need it the most	290	13.71%	1,401	66.21%	425	20.09%
Support local communities to recover from the pandemic	368	17.57%	1,068	51.00%	658	31.42%
Maintain and develop highways and infrastructure assets, including cycling/walking	466	22.16%	1,132	53.83%	505	24.01%
Maintain and refurbish parks, play areas and libraries	456	21.58%	1,100	52.06%	557	26.36%
Maintain and develop leisure facilities	643	30.77%	727	34.78%	720	34.45%
Maintain and upkeep schools	204	9.69%	1,516	71.98%	386	18.33%
Explore additional investment to generate more income for front line services	326	15.62%	1,292	61.91%	469	22.47%

Budget Priorities

Areas respondents agree should be prioritised



Answering this survey:

Ward	Responses
As a resident	2182
On behalf of a business	6
On behalf of a public sector organisation	6
On behalf of a charity that covers the York area	0
On behalf of a community group in York	0
Other (please specify)	12
Total	2206

Overall response to survey by ward (please note that ward data was only collected from online responses)

Ward	Responses	Responses (%)
Acomb Ward	43	1.91%
Bishopthorpe Ward	33	1.47%
Clifton Ward	54	2.40%
Copmanthorpe Ward	37	1.64%
Dringhouses & Woodthorpe Ward	78	3.47%
Fishergate Ward	53	2.35%
Fulford & Heslington Ward	23	1.02%
Guildhall Ward	57	2.53%
Haxby & Wigginton Ward	102	4.53%
Heworth Ward	42	1.87%
Heworth Without Ward	26	1.16%
Holgate Ward	68	3.02%
Hull Road Ward	35	1.55%
Huntington & New Earswick Ward	63	2.80%
Micklegate Ward	122	5.42%
Osbalwick & Derwent Ward	74	3.29%
Rawcliffe & Clifton Without Ward	61	2.71%
Rural West York Ward	57	2.53%
Strensall Ward	74	3.29%
Westfield Ward	55	2.44%
Wheldrake Ward	36	1.60%
Unknown	1,058	47.00%

Results can be split by ward but due to low numbers may not be statistically significant

Demographics

Age

Answer choices	Responses	Percentage of total response
Under 16	0	0%
16-24	31	3%
25-39	210	18%
40-55	281	24%
56-59	87	7%
60-64	128	11%
65+	401	34%
Prefer not to say	54	5%
Total	1192	

Carer

Answer Choices	Responses	Percentage of total response
Yes	107	9%
No	1032	87%
Prefer not to say	46	4%
Total	1185	

Disability

Answer choices	Responses	Percentage of total response
Yes	105	9%
No	1024	86%
Prefer not to say	62	5%
Total	1191	

Disability type (select all that apply)

Answer choices	Responses	Percentage of total response
Physical impairment	48	4%
Sensory impairment	17	1%
Mental health condition	30	3%
Learning disability	5	0%
Long-standing illness or health condition	60	5%
Total	1191	

Served in the Armed Forces

Answer Choices	Responses	Percentage of total response
Yes	91	8%
No	1055	89%
Prefer not to say	40	3%
Total	1186	

Gender

Answer choices	Responses	Percentage of total response
Male	670	56%
Female	421	35%
Gender variant / Non binary	7	1%
Prefer not to say	92	8%
Total	1190	

*Please note that demographic questions were only included on the online form

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Annex 6 2021/22 HRA Savings Proposals

Ref	Proposal Description	2021/22 Impact £000	2022/23 Impact £000	Total Saving Impact £'000
HRA01	Building Repairs - Trade Services Increased productivity in the Joiners team	(35)		(35)
HRA02	Building Repairs - Support Services Having strengthened front line service processes it allows a revision of Service Level Agreement for supplementary external H&S support.	(25)		(25)
HRA03	Building Repairs - General Repairs Targeted 3% saving from review of implementation of the building repairs policy while maintaining current standards for tenants.	(200)		(200)
HRA04	Building Repairs - Transport More efficient use of available fleet across the Council	(18)		(18)
HRA05	Building Repairs - Efficient Procurement Undertake regular review of core product set on £1m building supplies budget to ensure best value for money while maintaining service standards	(15)	(50)	(65)
HRA06	Building Repairs - Leaseholder Income Maximising income from leaseholders on repairs & major works	(10)		(10)
HRA07	Building Repairs - Void Income Recharge for works to bring void properties back to a lettable standard	(25)		(25)
HRA08	Housing Management Service Restructure of Housing Management Service to improve service delivery (full budget £1.6m)	(60)	(60)	(120)
HRA09	Housing Management - Management Management efficiencies arising from a more focused structure.	(61)		(61)
HRA10	Housing Management - Streets Ahead Reduced printing & distribution costs	(5)		(5)
HRA11	Housing Management - Subscriptions Reduce cost of unused subscriptions and access of data sets which will in future be incorporated in to the new of ICT system	(23)		(23)
HRA12	Housing Services - Efficiencies from ICT Programme The additional investment in ICT across service will support the delivery of additional efficiencies across Building Services and Housing Management. These will be delivered over a 2-3 year period with a target of £250-£300k per annum. This will be updated in 2022-23 budget.		(250)	(250)

(477)**(360)****(837)**

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BUDGET 2020/21 £'000	Expenditure:	BUDGET 2021/22 £'000
	Repairs & Maintenance	
5,811	Jobs General	5,849
1,676	Projects	1,642
32	Estate Improvements	33
50	Decoration Allowance	35
30	Rechargeable Repairs	30
7,599		7,589
	General Management	
49	Tenant Support and Information	44
2,516	Recharges	2,414
155	AD Housing and Public Protection	137
2,954	Landlord Services	2,487
1,242	Building Services	1,319
114	Housing Delivery Project	131
60	HRA Training	61
7,090		6,593
	Special Services	
946	Sheltered Housing	1,034
83	Energy Costs	87
854	Temporary Accommodation	750
411	Grounds Maintenance	419
298	Caretaking Costs	298
27	Cleaning Costs	28
45	Lifts	46
6	Contribution to Energy Efficiency	6
2,670		2,668
	Rents etc.	
111	Rent & Rates	118
255	Insurance	270
1	RTB Legal Fees	1
367		389
	Provision for Bad and Doubtful Debts	
465	Council Housing	468
465		468
	Capital Charges	
8,271	Depreciation	8,449
56	Debt Management	57
8,327		8,506
26,518	TOTAL EXPENDITURE	26,213

BUDGET 2020/21		BUDGET 2021/22
	Income:	
	Rents	
-30,619	Council Housing	-30,997
-536	Temporary Accommodation	-608
-61	Shared Ownership	-128
<u>-31,216</u>		<u>-31,733</u>
	Non Dwellings Rents	
-348	Council Garages	-334
-95	General Rents	-95
<u>-443</u>		<u>-429</u>
	Charges for Services and Facilities	
-74	Fees & Charges - Council Housing	-74
-84	- Legal Fees	-84
-1,036	- Sheltered Housing	-1,044
-1	- Temporary Accommodation	-1
-10	Cookers	0
-126	Leaseholder Admin Charge	-126
<u>-1,331</u>		<u>-1,329</u>
	Contribution Towards Expenditure	
-12	- Sheltered Housing	-12
-25	- Rechargeable Repairs	-25
0	- Affordable Homes	-10
<u>-37</u>		<u>-47</u>
	Supporting People Income	
-313	- Temporary Accommodation	-313
<u>-313</u>		<u>-313</u>
<u><u>-33,340</u></u>	TOTAL INCOME	<u><u>-33,851</u></u>
<u><u>-6,822</u></u>	NET COST OF SERVICE	<u><u>-7,638</u></u>
4,850	Loan Interest Paid	4,846
-211	Revenue Cash Interest Received	-211
3,073	Capital Expenditure financed from Revenue	1,848
-65	Capital Receipt Allowable Disposal Costs	-65
0	Contribution to/(from) MRR	0
0	Contribution to/(from) Earmarked Reserves	0
<u>825</u>	(SURPLUS) / DEFICIT IN YEAR	<u><u>-1,220</u></u>
-26,400	(SURPLUS) / DEFICIT BROUGHT FORWARD	-25,575
825	(SURPLUS) / DEFICIT IN YEAR	-1,220
-25,575	(SURPLUS) / DEFICIT CARRIED FORWARD	-26,795

HOUSING REVENUE ACCOUNT PROJECTIONS
City of York Council

Year	2020.21	2021.22	2022.23	2023.24	2024.25	2025.26	2026.27	2027.28	2028.29	2029.30	2030.31	2031.32	2032.33	2033.34	2034.35	2035.36
£'000	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
INCOME:																
Rental Income	31,434	31,460	32,271	33,032	33,804	34,464	35,146	35,887	36,608	37,260	37,737	38,219	38,705	39,196	39,690	40,189
Void Losses	-279	-281	-288	-295	-302	-308	-314	-321	-327	-333	-337	-342	-346	-350	-355	-359
Service Charges	1,331	1,355	1,382	1,410	1,438	1,467	1,496	1,526	1,556	1,588	1,619	1,652	1,685	1,718	1,753	1,788
Non-Dwelling Income	504	452	491	554	614	705	780	936	955	974	993	1,013	1,034	1,054	1,075	1,097
Grants & Other Income	415	415	415	415	415	415	415	415	415	415	415	415	415	415	415	415
Total Income	33,405	33,401	34,270	35,115	35,969	36,743	37,523	38,444	39,207	39,903	40,428	40,958	41,493	42,033	42,578	43,129
EXPENDITURE:																
General Management	-6,935	-6,443	-6,386	-6,524	-6,661	-6,797	-6,934	-7,073	-7,214	-7,359	-7,506	-7,656	-7,809	-7,965	-8,125	-8,287
Special Management	-2,670	-2,337	-2,384	-2,432	-2,480	-2,530	-2,581	-2,632	-2,685	-2,739	-2,793	-2,849	-2,906	-2,964	-3,024	-3,084
Other Management	-480	-353	-360	-368	-375	-382	-390	-398	-406	-414	-422	-431	-439	-448	-457	-466
Rent Rebates	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bad Debt Provision	-465	-468	-480	-492	-503	-513	-523	-534	-545	-555	-562	-569	-576	-584	-591	-599
Responsive & Cyclical Repairs	-7,599	-7,538	-7,600	-7,828	-7,984	-8,144	-8,307	-8,473	-8,643	-8,816	-8,992	-9,172	-9,355	-9,542	-9,733	-9,928
Total Revenue Expenditure	-18,149	-17,140	-17,211	-17,643	-18,004	-18,367	-18,735	-19,111	-19,493	-19,882	-20,275	-20,677	-21,086	-21,504	-21,929	-22,364
Interest Paid & Administration	-4,906	-4,903	-5,019	-5,092	-5,163	-5,061	-4,892	-4,800	-4,651	-5,336	-5,173	-4,995	-4,797	-4,599	-4,402	-4,184
Interest Received	211	201	280	294	274	225	201	203	205	204	206	207	205	205	207	206
Depreciation	-8,270	-8,448	-8,609	-8,737	-8,881	-9,040	-9,191	-9,381	-9,525	-9,651	-9,778	-9,907	-10,036	-10,167	-10,299	-10,432
Net Operating Income	2,290	3,111	3,711	3,938	4,195	4,500	4,906	5,356	5,744	5,238	5,408	5,587	5,779	5,969	6,156	6,356
APPROPRIATIONS:	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FRS 17 /Other HRA Reserve Adj	-42	-43	-43	-44	-45	-46	-47	-48	-49	-50	-51	-52	-53	-54	-55	-56
HRA CFR Revenue Provision	0	0	0	-1,900	-8,400	-8,500	-4,000	-4,000	-5,000	-4,500	-4,000	-5,000	-5,000	-5,000	-5,000	-6,000
Revenue Contribution to Capital	-3,073	-1,848	-1,355	-1,040	-800	-810	-820	-820	-820	-820	-820	-820	-820	-820	-820	-820
Total Appropriations	-3,115	-1,891	-1,398	-2,984	-9,245	-9,356	-4,867	-4,868	-5,869	-5,370	-4,871	-5,872	-5,873	-5,874	-5,875	-6,876
ANNUAL CASHFLOW	-825	1,220	2,313	954	-5,051	-4,856	39	488	-125	-132	537	-285	-94	95	281	-521
Opening Balance	26,400	25,576	26,796	29,109	30,063	25,012	20,156	20,195	20,682	20,557	20,425	20,962	20,677	20,582	20,677	20,958
Closing Balance	25,575	26,796	29,109	30,063	25,012	20,156	20,195	20,682	20,557	20,425	20,962	20,677	20,582	20,677	20,958	20,437
Other HRA Reserve Balance	1,109	319	0													

HOUSING REVENUE ACCOUNT PROJE
City of York Council

Year	2036.37	2037.38	2038.39	2039.40	2040.41	2041.42	2042.43	2043.44	2044.45	2045.46	2046.47	2047.48	2048.49	2049.50	2050.51
£'000	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
INCOME:															
Rental Income	40,691	41,198	41,709	42,224	42,742	43,265	43,791	44,321	44,855	45,393	45,934	46,478	47,027	47,578	47,936
Void Losses	-364	-368	-373	-377	-382	-387	-391	-396	-401	-406	-411	-415	-420	-425	-428
Service Charges	1,824	1,860	1,897	1,935	1,974	2,013	2,054	2,095	2,137	2,179	2,223	2,267	2,313	2,359	2,406
Non-Dwelling Income	1,119	1,141	1,164	1,187	1,211	1,235	1,260	1,285	1,311	1,337	1,364	1,391	1,419	1,447	1,476
Grants & Other Income	415	415	415	415	415	415	417	417	417	417	417	417	417	417	417
Total Income	43,685	44,246	44,812	45,384	45,960	46,542	47,130	47,722	48,319	48,920	49,527	50,138	50,755	51,376	51,807
EXPENDITURE:															
General Management	-8,453	-8,622	-8,794	-8,970	-9,150	-9,333	-9,519	-9,710	-9,904	-10,102	-10,304	-10,510	-10,720	-10,935	-11,153
Special Management	-3,146	-3,209	-3,273	-3,338	-3,405	-3,473	-3,543	-3,613	-3,686	-3,759	-3,835	-3,911	-3,990	-4,069	-4,151
Other Management	-475	-485	-495	-505	-515	-525	-535	-546	-557	-568	-580	-591	-603	-615	-627
Rent Rebates	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bad Debt Provision	-606	-614	-621	-629	-637	-644	-652	-660	-668	-676	-684	-692	-701	-709	-714
Responsive & Cyclical Repairs	-10,126	-10,329	-10,535	-10,746	-10,961	-11,180	-11,404	-11,632	-11,865	-12,102	-12,344	-12,591	-12,843	-13,099	-13,361
Total Revenue Expenditure	-22,806	-23,258	-23,718	-24,188	-24,667	-25,155	-25,653	-26,161	-26,679	-27,208	-27,746	-28,296	-28,856	-29,427	-30,007
Interest Paid & Administration	-3,966	-3,749	-3,512	-3,254	-2,997	-2,740	-2,463	-2,185	-1,888	-1,592	-1,295	-978	-324	-125	-104
Interest Received	207	209	209	206	205	206	204	205	202	202	204	204	207	206	237
Depreciation	-10,566	-10,702	-10,839	-10,977	-11,116	-11,256	-11,398	-11,540	-11,684	-11,829	-11,975	-12,122	-12,516	-12,766	-13,021
Net Operating Income	6,553	6,747	6,953	7,171	7,385	7,597	7,821	8,040	8,269	8,495	8,716	8,947	9,265	9,264	8,912
APPROPRIATIONS:	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FRS 17 /Other HRA Reserve Adj	-57	-59	-60	-61	-62	-63	-65	-66	-67	-69	-70	-37	-37	-37	-37
HRA CFR Revenue Provision	-5,000	-6,000	-6,000	-7,000	-6,000	-7,000	-7,000	-7,000	-8,000	-7,000	-8,000	-8,000	-8,000	-9,000	-1,134
Revenue Contribution to Capital	-820	-820	-820	-820	-820	-820	-820	-820	-820	-820	-820	-820	-820	-820	-820
Total Appropriations	-5,877	-6,879	-6,880	-7,881	-6,882	-7,883	-7,885	-7,886	-8,887	-7,889	-8,890	-8,857	-8,857	-9,857	-1,991
ANNUAL CASHFLOW	675	-132	73	-710	503	-287	-64	154	-618	606	-174	90	408	-593	6,921
Opening Balance	20,437	21,112	20,981	21,054	20,344	20,847	20,560	20,497	20,650	20,033	20,639	20,464	20,554	20,963	20,370
Closing Balance	21,112	20,981	21,054	20,344	20,847	20,560	20,497	20,650	20,033	20,639	20,464	20,554	20,963	20,370	27,290
Other HRA Reserve Balance	0														

The 'Better Decision Making' tool has been designed to help you consider the impact of your proposal on the health and wellbeing of communities, the environment, and local economy. It draws upon the priorities set out in our Council Plan and will help us to provide inclusive and discrimination-free services by considering the equalities and human rights implications of the decisions we make. The purpose of this tool is to avoid decisions being made in isolation, and to encourage evidence-based decision making that carefully balances social, economic and environmental factors, helping us to become a more responsive and resilient organisation.

The Better Decision Making tool should be used when proposing new projects, services, policies or strategies, or significant amendments to them. The tool should be completed at the earliest opportunity, ideally when you are just beginning to develop a proposal. However, it can be completed at any stage of the decision-making process. If the tool is completed just prior to the Executive, it can still help to guide future courses of action as the proposal is implemented.

The Better Decision Making tool must be attached as an annex to Executive reports. A brief summary of your findings should be reported in the One Planet Council / Equalities section of the report itself.

Guidance to help you complete the assessment can be obtained by hovering over the relevant question.

Please complete all fields. If you wish to enter multiple paragraphs in any of the boxes, hold down 'Alt' before hitting 'Enter'.

Introduction

Service submitting the proposal:	Corporate Finance
Name of person completing the assessment:	Sarah Kirby/ Janie Berry
Job title:	Principal Accountant/ Director of Governance and Monitoring Officer
Directorate:	Customer and Corporate Services
Date Completed:	01/12/20
Date Approved (form to be checked by head of service):	

Section 1: What is the proposal?

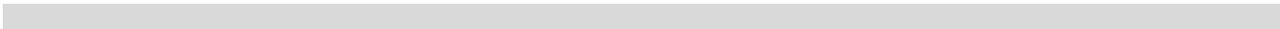
1.1	Name of the service, project, programme, policy or strategy being assessed? Financial Strategy 2021/22 to 2025/26
1.2	What are the main aims of the proposal? The Strategy sets out the revenue and capital expenditure plans for the period 2021/22 to 2025/26. The revenue budget includes proposals for 2021/22 and sets out savings/ efficiencies of £7.9m in order to set a legally balanced budget.
1.3	What are the key outcomes? 1. Confirm the council tax increase for 2021/22 2. Identify revenue savings for 2021/22 3. Ensure a financially prudent budget is set, addressing known pressures, including pay awards and inflationary pressures 4. confirm changes (increase/decrease) to fees and charges 5. Confirm the HRA budget and HRA rents 6. Confirm capital expenditure plans for 2021/22 to 2025/26

Section 2: Evidence

2.1	What data / evidence is available to support the proposal and understand its likely impact? (e.g. hate crime figures, obesity levels, recycling statistics) There were 2251 respondents to the budget consultation referred to below in 2.2. Individual savings proposals are too numerous to comment on but are based on service specific customer data. Each individual saving proposal will undergo an assessment of the impact based on details bespoke to that specific service area/ identified saving
	What public / stakeholder consultation has been undertaken and what were the findings?

2.2	The budget consultation was launched in December and closed on 31 January. Further details are included in the main body of the budget report. All views and data gathered during the consultation will be published on the York open data platform www.yorkopendata.org and the summary will also be appended to the financial strategy report. During January 2021, a series of Executive Member decision sessions were held and served as an additional opportunity for members of the public to raise concerns, comment and observations in respect of the various budget proposals.
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2.3	<p>Are there any other initiatives that may produce a combined impact with this proposal? (e.g. will the same individuals / communities of identity also be impacted by a different project or policy?)</p> <p>The Capital Strategy 2021/22 to 2025/26 report proposals will produce a combined impact with the Financial Strategy and therefore both are covered within this assessment.</p>
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Section 3: Impact on One Planet principles

Please summarise any potential positive and negative impacts that may arise from your proposal on residents or staff. This section relates to the impact of your proposal on the ten One Planet principles.

For 'Impact', please select from the options in the drop-down menu.
If you wish to enter multiple paragraphs in any of the boxes, hold down 'Alt' before hitting 'Enter'.

Equity and Local Economy

Does your proposal?		Impact	What are the impacts and how do you know?
3.1	Impact positively on the business community in York?	Positive	The Council has a statutory duty to consult with businesses on the council's budget. The survey was launched in December and closed on 31 January. This was undertaken as part of the consultation referred to in the Financial Strategy report the council's priority is to support economic growth to increase business rates and create jobs. The Capital Strategy includes major capital schemes that will benefit the economy and are expected to have a positive impact.
3.2	Provide additional employment or training opportunities in the city?	Positive	As above.
3.3	Help improve the lives of individuals from disadvantaged backgrounds or underrepresented groups?	Mixed	For the 2021/22 budget a saving target of £7.9m was required. This included assessment of options, risks and links with priorities to ensure that savings proposals would minimise any impact to disadvantaged or under represented groups. Significant growth is included in the budget for Adult Social Care and one off investments for improvements to the services for children and young people. Service areas have produced individual assessments on the likely impact on individuals from these groups.

Health & Happiness

Does your proposal?		Impact	What are the impacts and how do you know?
3.4	Improve the physical health or emotional wellbeing of residents or staff?	Neutral	Although savings proposals are included in relation to some adult social care and children's services. Many of these proposals are expected to be achieved through realignment of the budget (ie take advantage of grants or underspends) with no impact on service provision or by new operating models and therefore are not likely to have a negative impact. However these service areas will remain alive to any risk of impact in their areas should the need arise, will address this via the completion of an impact assessment.

3.5	Help reduce health inequalities?	Positive	The changes within the new operating model for adult social care seek to reduce dependencies on social care support through the provision of information and advice and earlier intervention to support, maintain or regain independence for those who are able. These changes are designed to improve outcomes for customers including those with one or more protected characteristic (particularly age and disability) and are expected to have a positive impact. For those who require ongoing support, the offer will be made more flexible and tailored to their needs. The service will be required to complete a more detailed impact assessment as the changes in the operating model are progressed.
3.6	Encourage residents to be more responsible for their own health?	Neutral	All services have assessed the impact on resident's health as part of their respective savings proposals.
3.7	Reduce crime or fear of crime?	Neutral	There are no specific proposals included within the Financial Strategy which are likely to impact in this area.
3.8	Help to give children and young people a good start in life?	Positive	As stated in 3.4 the savings proposals are unlikely to have a negative impact and significant growth has been included to address pressures in Children's social care. As noted earlier, services will remain alive to any risk of impact in their areas should the need arise, will address this via the completion of an impact assessment.

Culture & Community

Does your proposal?		Impact	What are the impacts and how do you know?
3.9	Help bring communities together?	Positive	Growth included in the Covid-19 recovery fund, specifically aimed at community cohesion and supporting the most vulnerable is anticipated to have a positive impact in this area.
3.10	Improve access to services for residents, especially those most in need?	Positive	As already mentioned, the changes within the new operating model for adult social care seek to reduce dependencies on social care support through the provision of information and advice and earlier intervention to support, maintain or regain independence for those who are able. This is anticipated to have a positive impact.
3.11	Improve the cultural offerings of York?	Neutral	Despite the significant pressures due to Covid-19, savings have not been taken from this service area.
3.12	Encourage residents to be more socially responsible?	Positive	The significant investment in the climate change delivery programme will include programmes to encourage residents to be more socially responsible in relation to climate change.

Zero Carbon and Sustainable Water

Does your proposal?		Impact	What are the impacts and how do you know?
3.13	Minimise the amount of energy we use and / or reduce the amount of energy we pay for? E.g. through the use of low or zero carbon sources of energy?	Positive	The capital scheme includes an energy efficiency fund, the purpose of which is to complement existing/ new capital schemes, to enable the schemes to deliver higher environmental benefits. Significant revenue investment in the climate change delivery programme and it is anticipated to see a positive impact in this area.

3.14	Minimise the amount of water we use and/or reduce the amount of water we pay for?	Positive	See 3.13
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Zero Waste

Does your proposal?		Impact	What are the impacts and how do you know?
3.15	Reduce waste and the amount of money we pay to dispose of waste by maximising reuse and/or recycling of materials?	Positive	See 3.13. In addition additional growth in waste services including a review of waste collection, plastics and food waste.

Sustainable Transport

Does your proposal?		Impact	What are the impacts and how do you know?
3.16	Encourage the use of sustainable transport, such as walking, cycling, ultra low emission vehicles and public transport?	Positive	The Capital Strategy includes increased investment in sustainable transport schemes such as electric bus scheme, increase in electric vehicle charging points, Haxby Station and the national cycle network. One off growth is included to deliver a transport plan refresh which will consider how to maximise the use of sustainable transport in conjunction with the climate change delivery programme. Individual schemes will undergo an individual impact assessment.
3.17	Help improve the quality of the air we breathe?	Positive	As mentioned above there are sustainable transport schemes included in the budget which will have positive benefits on air quality but the overall impact on air quality is unknown as this will depend on other factors such as potential increase in traffic or congestion. However taken together with the significant investment in the climate change delivery programme it is anticipated this will result in positive outcomes.

Sustainable Materials

Does your proposal?		Impact	What are the impacts and how do you know?
3.18	Minimise the environmental impact of the goods and services used?	Unsure	The significant investment in the climate change delivery programme will consider what can be put in place to achieve this.

Local and Sustainable Food

Does your proposal?		Impact	What are the impacts and how do you know?
3.19	Maximise opportunities to support local and sustainable food initiatives?	Unsure	The significant investment in the climate change delivery programme will consider what can be put in place to achieve this.

Land Use and Wildlife

Does your proposal?		Impact	What are the impacts and how do you know?
3.20	Maximise opportunities to conserve or enhance the natural environment?	Unsure	There are no specific proposals included within the Financial Strategy which are likely to impact in this area. However ongoing capital schemes (eg Castle Gateway, York Central) are likely to have an impact in this area and all capital schemes within the capital strategy will be subject to significant programmes of work including the assessment of impact on new and future users. The significant investment in the climate change delivery programme will also consider what can be put into place to achieve this

3.21	Improve the quality of the built environment?	Unsure	As above
3.22	Preserve the character and setting of the historic city of York?	Unsure	As above
3.23	Enable residents to enjoy public spaces?	Unsure	As above
3.40	Additional space to comment on the impacts		



Section 4: Impact on Equalities and Human Rights

Please summarise any potential positive and negative impacts that may arise from your proposal on staff or residents. This section relates to the impact of your proposal on **advancing equalities and human rights** and should build on the impacts you identified in the previous section.

For 'Impact', please select from the options in the drop-down menu.
If you wish to enter multiple paragraphs in any of the boxes, hold down 'Alt' before hitting 'Enter'

Equalities

Will the proposal **adversely impact** upon 'communities of identity'?
Will it **help advance equality** or **foster good relations** between people in '**communities of identity**'?

		Impact	What are the impacts and how do you know?
4.1	Age	Mixed	<p>Older People: A redesign of how the Council operates within Adult Social Care could impact on customers and staff. This are expected to have a positive impact as resources are targeted to priority areas. As the project progresses a specific assessment will continue to take place. Continued investment in Adult Social Care, Telecare, Extra Care Sheltered Housing and Disability Support are expected to have a positive impact on older people. Any increase in fees and charges could adversely impact on older people and their standard of living. Financial assessments are completed for Adult Social Care customers to ensure that people only contribute what they can afford.</p> <p>As these projects progress assessments will continue to take place. There will be further detailed impact assessments by the respective service areas and it is expected that these will give further clarity based on evidence available as to likely impacts.</p>
4.2	Disability	Mixed	<p>A redesign of how the Council operates within Adult Social Care could impact on customers and staff. This are expected to have a positive impact as resources are targeted to priority areas. As the project progresses a specific assessment will continue to take place. Continued investment in Adult Social Care , Telecare, Extra Care Sheltered Housing and Disability Support are expected to have a positive impact on disabled people. Any increase in fees and charges could adversely impact on disabled people and their standard of living. Financial assessments are completed for Adult Social Care customers to ensure that people only contribute an amount they can afford.</p>
4.3	Gender	Mixed	<p>Customer data shows that a higher proportion of females use social care services, and that a higher proportion of carers are also female. Some of these carers will be council staff. Therefore proposed investment is expected to have a positive impact. However, this also means that females will be more adversely affected by any savings in these areas. The impacts identified under 'older people' will apply.</p>
4.4	Gender Reassignment	Neutral	It is not expected that there will be any impact.
4.5	Marriage and civil partnership	Neutral	It is not expected that there will be any impact.
4.6	Pregnancy and maternity	Neutral	It is not expected that there will be any impact.

4.7	Race	Neutral	It is not expected that there will be any impact.
4.8	Religion or belief	Neutral	It is not expected that there will be any impact.
4.9	Sexual orientation	Neutral	It is not expected that there will be any impact.
4.10	Carer	Mixed	A redesign of how the Council operates within Adult Social Care could impact on customers and staff. This should have a positive impact as resources are targeted to priority areas. As the project progresses a specific assessment will continue to take place. Continued investment in Adult Social Care , Telecare, Extra Care Sheltered Housing and Disability Support should have a positive impact on disabled people. Any increase in fees and charges could adversely impact on disabled people and their standard of living. Financial assessments are completed for Adult Social Care customers to ensure that people only contribute an amount they can afford. Additional support is provided to carers through the Covid-19 recovery fund.
4.11	Lowest income groups	Mixed	Although there are increases in council fees and charges, the Financial Strategy includes a provision for a York living wage to council staff and additional investment in the York Financial Assistance Scheme
4.12	Veterans, Armed forces community	Neutral	It is not expected that there will be any impact.

Human Rights	
Consider how a human rights approach is evident in the proposal	

	Impact	What are the impacts and how do you know?
4.13	Right to education	Neutral It is not expected that there will be any impact.
4.14	Right not to be subjected to torture, degrading treatment or punishment	Neutral It is not expected that there will be any impact.
4.15	Right to a fair and public hearing	Neutral It is not expected that there will be any impact.
4.16	Right to respect for private and family life, home and correspondence	Neutral It is not expected that there will be any impact.
4.17	Freedom of expression	Neutral It is not expected that there will be any impact.
4.18	Right not to be subject to discrimination	Neutral It is not expected that there will be any impact.
4.19	Other Rights	Neutral It is not expected that there will be any impact.

4.20	Additional space to comment on the impacts



Section 5: Planning for Improvement

	<p>What have you changed in order to improve the impact of the proposal on the One Planet principles? (please consider the questions you marked either mixed or negative, as well as any additional positive impacts that may be achievable)</p>
5.1	<p>Due to the financial constraints of reduced government funding, there is no option but to implement savings or efficiencies. The Financial Strategy will impact on all residents and has carefully considered the local demand for services whilst also ensuring the budget is set is prudent, protects vulnerable people and has capacity to invest. The Strategy could have a negative impact on individuals from disadvantaged backgrounds or under represented groups. This negative impact can be mitigated by investment targeted to those same communities. At this stage there is an impact assessment for each saving proposal and these will continue to be reviewed as work towards acheiving the saving progresses. The key approaches to achieving savings whilst avoiding impacts on communities of identity include:</p> <ul style="list-style-type: none"> * Ensuring that savings are made from back office functions and universal services * Protecting statutory devices and other key services for vulnerable residents * Increasing community involvement in service design and delivery * Making services self financing wherever practicable, including external trading * Maximising the return from externalised service provision * Redesign of existing services and external contracts * Placing a focus on prevention and ceasing service provision only where this is least impact * Streamlining services to provide focussed support and reduce areas of duplication * Supporting Carers * Integrated working with health * Focusing growth where it is expected to have a positive effect on older and disabled people and their carers * Integrated working with health * Focusing growth where it is expected to have a positive effect on older or disabled people and their carers <p>Specific positive impacts within the Financial Strategy include investment in key priority front line services, (including growth in adult and children's services) and significant investment in the climate change delivery programme.</p>

	<p>What have you changed in order to improve the impact of the proposal on equalities and human rights? (please consider the questions you marked either mixed or negative, as well as any additional positive impacts that may be achievable)</p>
5.2	<p>As above</p>

	<p>Going forward, what further evidence or consultation is needed to ensure the proposal delivers its intended benefits? e.g. consultation with specific vulnerable groups, additional data)</p>
5.3	<p>As above</p>

5.4	<p>Please record any outstanding actions needed to maximise benefits or minimise negative impacts in relation to this proposal? (Expand / insert more rows if needed)</p>
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Action	Person(s)	Due date
See response to 5.3	Capital Scheme Managers	Ongoing

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In the One Planet / Equalities section of your Executive report, please briefly summarise the changes you have made (or intend to make) in order to improve the social, economic and environmental impact of your proposal.

RISK ASSESSMENT

Risk	Likelihood	Seriousness	How we will manage the risk
Budgets across the Council are overspent due to external pressures eg increased clients in adult care (KCR 1, 3 and 4) and Covid-19	Medium/ High	High	<ul style="list-style-type: none"> • regular monitoring with corrective action • robust financial management/prudent budget setting
Budgets across the Council are overspent due to mitigations not being delivered as outlined in monitoring reports (KCR1)	Medium/ High	High	<ul style="list-style-type: none"> • regular monitoring with corrective action
All Savings are not achieved, or delayed, due to reduced management and support services capacity to deliver (KCR1)	High	High	<ul style="list-style-type: none"> • regular budget monitoring focused on high risk areas to identify issues at an early stage • where savings are not achieved ensure alternative savings identified • regular monitoring with corrective action at DMTs • effective project management
Delays in implementing new operating models mean that savings are not delivered in the timescales forecast (KCR 1)	High	Medium	<ul style="list-style-type: none"> • regular monitoring with corrective action at relevant DMTs and CMT • effective project management

Underperformance of Better Care Fund schemes results in additional costs for Adult Social Care. (KCR 3)	High	High	<ul style="list-style-type: none"> • regular monitoring with corrective action • effective project management
Continued pressure on income and grant budgets (KCR1)	Medium/High	Medium	<ul style="list-style-type: none"> • regular budget monitoring to identify trends
Potential for reserves to go below minimum levels due to budgets being exceeded (KCR1)	Medium/High	High	<ul style="list-style-type: none"> • ensure minimum levels are maintained • robust financial management/prudent budget setting
Costs of redundancy/retirement as a result of service changes exceed budget (KCR1)	Low	Medium	<ul style="list-style-type: none"> • provision made for costs of retirement/redundancy in budgets
Capital costs may have to be charged to revenue, should a scheme not progress to completion. (KCR7)	Medium	High	<ul style="list-style-type: none"> • ensure adequate levels of reserves maintained • effective project management
Increased costs of borrowing due to increase in the capital programme (KCR7)	Medium	High	<ul style="list-style-type: none"> • ensure adequate levels of reserves maintained • robust financial management/prudent budget setting

Short or medium term cashflow impact due to increase in the capital programme (KCR7)	Medium	High	<ul style="list-style-type: none"> • ensure adequate levels of reserves maintained
Implications of Brexit (KCR 13)	Medium	Medium	<ul style="list-style-type: none"> • Regular monitoring

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Executive

11 February 2021

Report of the Chief Finance Officer
Portfolio of the Executive Member for Finance and Performance

Capital Budget 2021/22 to 2025/26

Summary

1. This report sets out the capital programme for 2021/22 to 2025/26, and in particular sets out proposals to continue the Council's approach to prioritise investment in the economy, housing, transport and to invest to save including energy efficiency.
2. Schemes funded by borrowing have an associated revenue impact. In order to minimise the additional growth required in future years and, mindful of the Council's current financial position in light of both the ongoing pressures in social care and the uncertainty regarding the COVID-19 pandemic, the Council has reviewed the level of capital investment needed. It has been possible to reprioritise some areas of the existing capital budget to invest in the Council's priorities and to support the city's recovery from the impacts of Covid-19. The Council's main focus is to build back better from the pandemic. The schemes outlined in this report continue the transformational capital programme to drive regeneration and accelerate the city's economic recovery.
3. As part of this budget process over £41m of new capital funding will be added to the 5 year capital programme to continue to support the objectives outlined in the Council Plan, including a further £8.8m on highways schemes, £5.3m on fleet infrastructure and vehicles to deliver as many electric vehicles as possible and £3.3m on flood alleviation schemes including Germany Beck. A summary of this new funding can be found at Annex A, and specific examples of capital investment include:
 - **Good Health & Wellbeing** – additional capital investment of over £3m on a range of schemes employing the latest technology to enable people to live in their own homes for longer, including £200k to trial the use of robotics to

improve the quality of social care and to support adult social services, and over £3m on assistance to older & disabled people schemes, disabled facilities grants, telecare equipment, and major items of disability equipment to support vulnerable residents.

- **Safe Communities and Culture for all** – capital investment of £200k to fund the development of a Multi Use Games Area at Westfield.
- **A Greener and Cleaner City** – capital investment of over £5m to develop new initiatives to reduce carbon emissions, including £5m to support the Council’s vehicle and infrastructure policy to deliver as many electric vehicles as possible and a further £250k on carbon reduction schemes to fit carbon reduction technology on Council assets.
- **Getting around sustainably** - capital investment of over £18m including over £12m for a range of highways schemes including repairs and improvement to the highways network, investment in gully repair and drainage works and further investment in the Bar Walls, and £3.3m investment in flood alleviation schemes including Germany Beck.
- **Creating homes and world class infrastructure** – capital investment of nearly £12m, including over £10 million to increase the scale of modernisation works to Council housing stock.
- **An Open and effective Council** - capital investment of over £3m to support the Council’s digital programme and support change in a range of front line services.
- **Well Paid Jobs and an Inclusive economy** – capital investment of £1m in a Covid Recovery Fund to ensure that capacity is available within the 2021/22 programme to respond to any capital investment needed to ensure a strong recovery for the city.

4. Further details on the schemes referred to above can be found in the body of this report.

5. As set out within this report and the Financial Strategy report also on this agenda, the budget reflects significant investment in a number of critical areas, with a focus on meeting the continuing pressures on adult social care and children’s services and to support the Council’s response to the Covid-19 pandemic and maintain progress on the objectives outlined in the Council Plan. This report sets out **£41.037m of new investment over the 5 year period**, of which £8.500m is externally funded, £11.954m is met from the

Housing Revenue Account, with **£20.433m** to be funded by Council borrowing.

6. It should be noted that a number of other major schemes not considered in detail within this report will be brought forward as individual reports to members, including York Central, Castle Gateway, York Station frontage and York outer ring road and dualling as set out at paragraphs 111 – 123.

Recommendations

7. The Executive is requested to recommend that Council:
 - Agree to the revised capital programme of **£546.880m** that reflects a net overall increase of **£41.037m** (as set out in table 2 and in Annex A). Key elements of this include:
 - New schemes funded by prudential borrowing totalling £7.513m as set out in tables 3;
 - New schemes funded by a combination of both prudential borrowing and external funds of £3.300m as set out in table 4 and summarised in table 5;
 - New schemes funded by a combination of prudential borrowing and other internal funds of £200k as set out in table 6;
 - Extension of prudential borrowing funded Rolling Programme schemes totalling £10.870m as set out in table 5 and summarised in table 7;
 - Extension of externally funded Rolling Programme schemes totalling £7.200m as set out in table 9;
 - An increase in HRA funded schemes totalling £11.954m funded from a combination HRA balances/Right to Buy receipts as set out in table 10;
 - Note the total increase in Council borrowing as a result of new schemes being recommended for approval is £20.483m the details of which are considered within this report and the financial strategy report
 - Approve the full restated programme as summarised in Annex B totalling **£546.880m** covering financial years 2021/22 to 2025/26 as set out in table 14 and Annex B

Background

8. The current 2020/21 – 2024/25 capital programme was approved by Council on 27 February 2020. Since then a number of amendments have taken place as reported to the Executive up to and including the 2020/21 Capital Monitor 3 report also on this agenda. The changes made as a result of the above reports have resulted in a current approved capital programme for 2020/21 – 2024/25 of £628.552m, financed by £270.380m of external funding and Council controlled resources of £358.172m. Table 1 illustrates the current approved capital programme profile from 2020/21 – 2024/25 as of capital monitor 3 2020/21.

	20/21	21/22	22/23	23/24	24/25	Total
	£m	£m	£m	£m	£m	£m
Gross Capital Programme	119.859	190.412	175.002	119.225	24.054	628.552
Funded by:						
External Funding	28.277	65.283	111.621	59.899	5.300	270.380
Council Controlled Resources	91.582	125.129	63.381	59.326	18.754	358.172
Total Funding	119.859	190.412	175.002	119.225	24.054	628.552

Table 1 – Funding Position of approved 2020/21 – 2024/25 Capital programme per Monitor 3

9. The majority of external funding is comprised of Government Grants, including those from the Department for Transport and Department for Education and Skills. Council controlled resources comprise of Housing Revenue Account (HRA) funds, prudential borrowing and capital receipts. There are some specific earmarked receipts that are critical, in particular in relation to the older persons programme. Additionally Members decided to ultimately finance the purchase of property at Hospital Fields Road and Swinegate from capital receipts. Therefore all future capital receipts are assumed to be used for this purpose in the medium term. This strategy will deliver significant revenue savings, and reduce the need for service savings within the revenue budget.

Options

10. This report sets out the new capital investment proposals for the 5 year period covering 2021/22 to 2025/26. Members can choose to approve or reject the recommendations made to Council as a result of the amendments contained in this report. It should be noted that it is a statutory requirement for the council to set a capital budget for the forthcoming year (2021/22) per Local Government Act 2003 (revised).

Summary of Proposed Capital Investment

11. The capital budget process invited proposals from the departments asking to submit requests for the Councils main capital priorities. Of the 27 proposals going forward 21 are asking for direct council funding, this is comprised of 13 proposals for extensions to existing schemes and 8 proposals for new schemes.
12. In total, proposals have been made that would increase the existing 2021/22 – 25/26 Capital Programme by **£41.037m**. The proposals are comprised as follows:
 - General Fund schemes requiring financing by Council borrowing **£20.483m** (of which £1.219m is self financing)
 - General Fund Schemes financed by external funds **£8.600m**
 - Housing Revenue Account schemes financed by HRA funds **£11.954m**

Key scheme proposals

13. The table below summarises the key proposals that result in an increase to the capital programme of £41.037m split by type. Further details of the individual schemes can be found later in the report at the following references:

Type	Total Value	Further Details
	£m	
New Schemes – Prudentially Borrowed	7.513	Table 3
New Schemes – Match Funded (Element of both External & CYC funding)	3.300	Table 5
New Schemes – Element of Corporate borrowing and other sources (contribution from HRA)	0.200	Table 6
Rolling Programme – Prudentially Borrowed	10.870	Table 7
Rolling Programme – Externally Funded	7.200	Table 9
Housing Revenue Account (HRA) Schemes – Funded by HRA resources	11.954	Table 10
Total Increase in Capital Programme	41.037	

Table 2 – Summary of New Proposals and Increase in Capital Programme

14. Overall this report proposes new capital schemes totalling **£41.037m** which result in a net increase to the Capital Programme of the same amount. Details of all schemes can be seen in the accompanying annex that sets out the purpose of each scheme and is summarised on table 13.

Detailed Consideration of Proposed Investment and Financial Implications

New Schemes – Prudential Borrowing

15. As part of this year's capital budget process a number of proposals have been received that require discretionary prudential borrowing. These are set out in **table 3** below.

Scheme Type / Description	Total Value	Financial Year
	£m	
Fleet - Electric Charging Infrastructure	1.800	21/22
Fleet - Replacement Vehicles & Plant	2.294	21/22
Fleet - Replacement Vehicles & Plant (self-financing element)	1.219	21/22
Access Barrier Review	0.100	21/22
Essential Bridge Maintenance	1.100	21/22
Covid Recovery Fund	1.000	21/22
New Proposals Requiring Prudential Borrowing	7.513	

Table 3 – Summary of New Proposals Requiring Prudential Borrowing Funding

16. An overview of each new scheme being proposed is set out in the following paragraphs:

Fleet Schemes:

17. As previously agreed by Executive, the council has a vehicle policy to deliver as many electric vehicles as possible. It is proposed that these schemes are funded by combining the Northern Forest and Carbon Reduction (formerly One Planet York) into one Climate Change scheme and releasing funds that are no longer needed since the Northern Forest will secure external funding.

This has the support of the Executive Member for Climate Change. The balance would need to be new borrowing, unless other alternatives can be identified.

Fleet Schemes	Total Value £m	Financial Year
Electric Charging Infrastructure	1.800	21/22
Replacement Vehicles & Plant	2.294	21/22
Replacement Vehicles & Plant (self-financing element)	1.219	21/22

Table 4 – Summary of new Fleet Schemes

18. The majority of this programme will need to be funded through Council borrowing, however a proportion of the fleet vehicles element will be able to be recharged to the HRA (building services vehicles) and capital schemes (Highways vehicles). External funding will also be sought and utilised where possible.
19. A vehicle policy has been developed and agreed by members to manage the replacement of vehicle and plant assets. The main purpose of this policy is to deliver electric vehicles to council's light commercial fleet and a select few HGV fleet assets with the aim to be carbon neutral by 2030 and to ensure that the investment made into the fleet (electric and fossil fuelled) and the charging infrastructure achieves an environmentally friendly fleet that is utilised and applied in the most effective way.
20. The purpose of this bid is to highlight the need for renewal of the expired CYC fleet within all services areas ensuring that all services have vehicles that maximises value for money and remains environmentally and energy efficient using electric vehicles where possible with the end goal to have a full electrified fleet and be carbon neutral by 2030 that will maintain service delivery for the council. This bid will be revisited in next year to ensure that the fleet replacement becomes part of the overall councils capital programme and ensure a continuous cycle of vehicles fit for purpose. Further work will be done on agreeing the list of vehicles for replacement to ensure full debate can take place with portfolio holders before purchases are made.

21. This funding will cover the fleet needs for both operational and support functions, maintaining cost-effective and timely processes for repair and maintenance, commissioning, decommissioning and disposal of fleet assets and to ensure statutory requirements are adhered to. A key element of the investment is to develop an electric charging infrastructure at the depot, satellite depots and home charging to ensure full charging capacity of all vehicles at all times can be met. There is significant investment required for this infrastructure but offset against fuel savings this cost can be recovered over time
22. **City-wide Access Barrier Review (£100k in 21/22)** – This scheme will comprise of several phases. The initial phase will be an audit of the walking and cycling networks to gather data on the types of access barrier currently in use across the city. The next phase will be an assessment of each of those designs against current national guidance on the use of access controls. Stakeholder groups, including those representing users such as people with disabilities, cyclists and pedestrians and the emergency services will then be asked to provide feedback on their particular needs and aspirations. That information will be used alongside national guidance to formulate a suite of standard design solutions which should be used in different scenarios. These will take into consideration requirements such as needing to keep livestock from escaping or to reduce or prevent anti-social abuse by moped or motorbike riders. The barrier sites will then be prioritised and the final phase will see barriers being removed or redesigned as appropriate subject to having been through relevant safety assessments
23. **Essential Bridge Maintenance (£1.100m in 21/22)** – This bid is for a refurbishment and future proofing of essential bridge maintenance, including Lendal Bridge within the city centre. The highway surfacing across this structure has been displaying signs of deterioration for some time. A failing road surface allows water to penetrate into the structure and cause deterioration of protective systems (paint) and structural elements. Water also appears to be getting into the structure via the footways and utility ducts. This scheme will aim to reduce these sources of ongoing deterioration. The protective coating system (paint) will be renewed or refurbished where required. Any necessary structural repairs will be undertaken as part of the works to the bridge
24. **Covid Recovery Fund (£1.000m in 21/22)** – It is recommended that a COVID response and recovery fund is created to ensure that capacity is available within the 2021/22 programme to respond to any capital investment

needed to ensure a strong recovery for the city. This can be funded by reprioritising the ICT capital budget and can be achieved by re profiling when systems are replaced. Any allocations from this fund could be agreed by members or delegated to the Chief Operating Officer and / or Exec Member for finance & performance as appropriate.

New Schemes – Match Funded

25. The table below sets out proposals which would be funded both externally and with a Council contribution.

Scheme Type / Description	Total External element	Total CYC element	Financial Year
	£m	£m	
Flood Alleviation Schemes including Germany Beck	1.300	2.000	21/22
Total New Match Funded Proposals	1.300	2.000	

Table 5 – Summary of new proposals funded by both external and CYC funding

26. **Flood Alleviation Schemes including Germany Beck** (£3.300m Total - £2.000m CYC funding, £1.300m externally funded) – Significant highway flooding occurred in Fulford during the 2015 flood event, further flooding occurred during February 2020 with flooding of properties avoided through operational interventions. City of York Council (CYC) have taken the lead in the development of a flood alleviation scheme in Fulford as it has the potential to deliver wider benefits than property and business protection alone. Consultants working on the wider Environment Agency (EA) led programme have developed a range of options that would better maintain a dry access to the Fordlands community, protect properties in this location and enhance the existing flood protection works on the A19. Consultants working on the wider EA flood programme have been used and have prepared an options appraisal report that has identified a preferred option that isolates high river levels in the River Ouse from Germany Beck and Tunnel Drain, a pumping station would maintain lower river levels in these watercourse protecting the local roads and properties from flooding.

27. The design, construction and whole life maintenance costs of the preferred solution are £4.9m. £0.4m flood defence grant funding is available if the scheme is approved. Current CYC funding of £0.6m is available for works at this location. Additional EA funding of £0.9m is anticipated and £1m of existing CYC capital funding for flood scheme contributions could be targeted to support the works.
28. The works would provide protection to 43 properties in the Fordlands community and maintain access to wider housing in this area. No vehicular access is possible during significant events and residents are dependent on the provision of 4x4 vehicles to access school, work and buy essential provisions. The previous A19 works prevented the road closure in the February 2020 event, the planned works would add resilience and ensure the route remains open to 1,000's of vehicular journeys during future flood events.

New Schemes – Funded part borrowing part other internal sources

29. The table below sets out proposals which would be funded from both borrowing and other internal sources.

Scheme Type / Description	Total Value	Financial Year
	£m	
Westfield Multi Use Games Area (Borrowing element)	0.100	21/22
Westfield Multi Use Games Area (other sources – contribution from HRA)	0.100	21/22
Total Funded part borrowing part other internal sources	0.200	

Table 6 – Summary of new proposals funded by both borrowing and other sources

30. **Westfield Multi Use Games Area**– On 18 March 2019 Executive agreed to invest in the redevelopment of Lincoln Court and: "To note that in approving Option 1 a commitment is made for alternative recreational facilities following community consultation including Sport England within Westfield Ward in

mitigation for the loss of the Multi Use Games Area. The alternative facilities provided are to be agreed by Executive and will be subject to a further report and budget approval". This bid provides funding for the construction of a replacement multi-use games area at a total cost of £200k, half of which can be funded from the HRA

Rolling Programme Schemes – Prudential Borrowing

31. The 2020/21 – 2024/25 capital programme contained a number of rolling programme schemes that require funding on an ongoing basis. This report extends the rolling capital programme to 2025/26 and also proposals have been received to increase the level of currently approved rolling programme schemes by adding additional years across a number of financial years, these schemes are set out in the table below:

Scheme Type / Description	Total Value	Financial Year
	£m	
Highways Schemes	5.070	25/26
Street Lighting	0.550	25/26
Drainage	0.900	25/26
Bar Walls	0.300	25/26
Asset Maintenance	0.250	25/26
Climate Change Schemes including Northern Forest	0.250	25/26
Disabled Facilities Grant	0.475	25/26
Disability Support Budget	0.270	25/26
Major Items of Disability Equipment	0.152	25/26
Telecare Equipment	0.283	25/26
ICT Rolling Programme	2.170	25/26

Project Support Fund	0.200	25/26
Total Rolling Programme Schemes	10.870	

Table 7 – Summary of Rolling Programme Proposals Requiring Prudential Borrowing Funding

32. All of the £10.870m of rolling programme scheme bids will require revenue growth to fund (to support the prudential borrowing), the revenue implications are contained in the Financial Strategy 2021/22 – 2025/26 report also on this agenda.
33. An overview of each scheme being proposed is set out in the following paragraphs:
34. **Highways Schemes (Total £5.070m 25/26)** – The purpose of this budget is to deliver a range of additional highway schemes including carriageway, footway and traffic signal renewal targeted to deliver wholesale repair and renewal of areas of the network to prevent further deterioration in condition. The scheme will present an opportunity to address highway maintenance needs in a planned and proactive way and address the current bias towards reactive response and repair, this updates and addresses the network maintenance requirements evidenced by the Transport Asset Management Plan (TAMP) lifecycle analysis
35. The Council has invested significant sums in the Highways Network over the last number of years. The new administration added £1m investment for highways in June 2019 and further £12.83m in 2020/21 budget. Since that budget was agreed the council has been awarded further Government Grant for structural maintenance in 2020/21 (£1.8m) as well as £5m for Tadcaster Road. It is therefore proposed that the following additional Highways, Transport and flood alleviation investment (£3.2m) is funded from reductions in future years Highway allocations
- City Centre access barrier review & replacement £100k
 - Essential Bridge Maintenance £1.1m
 - Flood alleviation scheme – including Germany Beck £2m (total scheme cost £3.3m with £1.3m external funding)

36. The table below shows the five year Highways Investment that have been proposed over the last three budgets. This shows continued increases in Highways investment each year.

	5 Year Highway Investment*		
	CYC Fund £m	Externally Fund £m	Total £m
Budget 2019/20	16.118	9.439	25.557
July 2019 Supplement	+1.000	0	+1.000
Budget 2020/21	25.283	9.433	34.716
Budget 2021/22	24.604	15.544	40.148

Table 8 – Highway investment over last 3 budgets

*The budget includes Highways, Ward Committee Highways and Drainage repairs excluding notional £1.2m pa for Traffic Signal Asset Renewal

37. **Street Lighting (£550k 2025/26)** – Street lighting columns all have manufacturer’s recommended serviceable life in years at date of manufacture both concrete and steel.
38. City of York council have approx 19,000 street lights of various heights and construction of which approx 14,000 are steel and 1700 Concrete. The majority of the steel are age expired and all concrete are expired. Some of the steel have previously been repaired, which makes them unable to be structurally tested at points of the column which are prone to deteriorate.(i.e underground) Steel sign posts as per street lighting columns all have manufacturers recommended serviceable life in years at date of manufacture.
39. The rationale behind the bid is to continue to reduce energy costs, improve the carbon footprint and upgrade the older technology lighting to achieve energy savings on an annual basis through installation of new steel columns with a 35 year life expectancy and fitted with an energy efficient LED lantern.
40. **Drainage (£900k 2025/26)** – To continue funding the restoration of the Council’s drainage infrastructure supporting the findings of the Surface Water Management Plan. This funding reflects the amount of work that can

realistically be done using the available resources within the Council where there is extensive local knowledge

41. **Bar Walls (Total £300k 2025/26)** - The monitoring programme continues to identify locations where urgent repair and restoration works are required. The team have been working with structural engineers, employed to monitor the extent of the risk the direction and movement of the Bar Walls and Bar's in various locations across the monument. With the rolling programme approach we have taken we are now on an evidence-based programme for managing repair and restoration on York City Walls. Urgent repair and restoration works continue to be monitored and inspected to target identified structural failures within the Bar Walls and Tower Buildings. It includes schemes which have continuing monitoring to assess the level of movement.
42. York City Walls are a key symbol of the City and protecting the integrity of this asset for users and for the image of the City is a critical objective. Monitoring and inspections have identified the priority locations on York City Walls where there is a clear and urgent need for restoration works. These schemes will address service and Council Plan objectives of creating jobs and protecting the Environment. All schemes will require scheduled monument consent from Historic England
43. **Asset Maintenance (£250k 2025/26)** – There is currently a rolling programme capital scheme for health and safety repairs of £220k per annum with 4 years left to run. The previous year's allocations have been spent and the Council has a number of properties which have been identified as being retained for service delivery and/or delivering Council objectives, either directly or indirectly, through the Corporate and Community Asset Strategies and also individual service reviews.
44. A significant number of these properties have urgent health and safety repairs which will need to be carried out in the coming years to make them sustainable for future service delivery. The budget will also be used to cover the Council's responsibility for closed churchyards.
45. There will also need to be substantial other work to a proportion of these properties to refurbish or improve them to meet the service requirements but these works will be the subject of separate capital schemes as and when necessary. This scheme therefore is to increase the approved annual rolling programme by £30k and to extend it for a further year (£250k) to help fund these critical repairs to the retained buildings

46. **Climate Change Schemes including Northern Forest (£250k 2025/26)** – This scheme is intended to complement other new or existing capital schemes in order to enable those schemes to deliver higher environmental benefits than may otherwise be the case. This budget has been used in 2020/21 to fund additional environmental improvements at schemes including Guildhall, Lincoln Court as well as purchasing land for the new woodland at Rufforth. Schemes going forward could include building of new homes, carbon reductions schemes benefitting existing property assets or specific projects such as Castle Gateway and Northern Forest.
47. **Disabled Facilities Grant (£475k 2025/26)** – This bid is to continue to allow the payment of mandatory disabled facilities grants (DFGs) in line with statutory requirements (The Housing Grants, Regeneration and Construction Act 1996) and the Councils policies last reviewed in July 2017. The DFG rolling programme enables older and disabled persons to remain safely in their own home and maximise their independence. The funding also ensures the delivery of the falls prevention service aimed at providing early intervention in the residents home looking to reduce the risk of falling by assessing the home, the environment and the person. Both programmes directly contribute towards the Better Care Fund objectives by preventing, reducing and delaying the need for NHS and Adult Social Care Services.
48. **Disability Support budget (£270k 2025/26)** – This extension request is to continue to provide assistance for disabled vulnerable customers who need financial help. The help comes through the form of grants and top up loans to help disabled vulnerable adults and parents with disabled children to provide cost effective adaptations in their homes to ensure that they continue to live and maintain their independence. The help covers the shortfall between the cost of the eligible work and the mandatory disabled facilities grant, or to purchase a more suitable home where it is more cost effective than to adapt the current home and the relocation expenses. Given the increasing number of older people and the increasing life expectancy of children with complex needs there is a need to increase funding year on year.
49. The funding directly contributes the priorities of the Better Care Fund and the Council by preventing, reducing and delaying the need for NHS and Adult Social Care Services.
50. **Major Items of Disability Equipment (£152k 2025/26)** – This bid is to extend the current scheme whereby equipment is provided to vulnerable individuals which enables them to remain in their own homes and live in the

community. Timely supply of equipment is an essential component of prevention and enabling people to continue to live safely in their own homes. It also contributes to successful community re-ablement and is a key component of hospital discharge packages.

51. Keeping people at home, in their communities is crucial for the individual's long term wellbeing but also the financial sustainability of the authority as long term formal care is significantly more expensive than the one off investment in equipment
52. **Telecare equipment (£283k 2025/26)** – This scheme is to extend the current scheme funding Telecare equipment into 25/26. Keeping people at home, in their communities is crucial for the individual's long-term wellbeing but also the financial sustainability of the authority as long term formal care is significantly more expensive than the one off investment in equipment.
53. Under this scheme sensors will continue to be installed in vulnerable customers' homes to deal with specific assessed risks. The sensors will be linked to our Community Alarm system and trigger alerts automatically given a programmed set of circumstances, ensuring speedy response from the warden service. These pieces of equipment provide customers with peace of mind and 24 hour monitoring of their circumstances. In some cases, the provision of telecare equipment can prevent a move to residential care and can provide monitoring so that smaller care packages can be commissioned. Telecare allows more people to be looked after at a lower cost and several studies have shown its cost effectiveness.
54. **ICT Rolling Programme (£2.170m 2025/26)** – This scheme funds the design, development, procurement and deployment of evolving digital customer centric technologies to help improve and personalise the customer experience by supporting the delivery of the organisational transformation, the evolving Digital Service Programme and CYC's continual improvement programme. The scheme also supports the customer strategy and enables the delivery of accessible and effective council services for its residents, businesses and the city.
55. It also funds the maintenance, development and compliancy requirements of the key corporate enabling and supporting ICT infrastructure and application estate that is required to underpin the delivery, sustainability and security of these programme supporting technologies whilst also maintaining the organisations business as usual critical ICT services to staff and citizens.

56. **Project Support Fund (£200k 2025/26)** – To extend the existing funding into 2025/26 to allow the continuation of the capacity to provide professional advice (primarily legal but also including finance and asset management) to support the Capital programme, and in particular major complex regeneration/building schemes including York Central, Castle Gateway, York Outer ring road and the Older Persons Accommodation Programme to support the successful delivery of bringing new assets into operation.

Rolling programme - Externally Funded + HRA Funded

57. In addition to part funded rolling programme schemes, Schemes that are fully externally funded are proposed as part of this budget process. This table shows the level of external funding that is increasing existing schemes and which year the change takes effect in:

Scheme Type / Description	External Funding Value	Financial Year
	£m	
<u>Existing General Fund Schemes</u> <u>New External Funding</u>		
Highways schemes	3.730	25/26
Local Transport Plan - Integrated Transport	1.570	25/26
Disabled Facilities Grant	1.900	25/26
<u>Total Existing General Fund Schemes</u> <u>New External Funding</u>	7.200	

Table 9 – Summary of New External Funding

58. The funding for the schemes set out above have been updated to reflect the indicative funding settlements in 2025/26.

59. The latest Housing Revenue Account (HRA) Business plan 2020 to 2050 contained an overview of the HRA Business plan for the next 30 years and provides detail of the key priorities for the next five years, including the use of the investment fund to support the delivery of more affordable new homes.
60. Table 10 updates the capital investment strategy and shows the overall movement (growth) against the existing approved expenditure plans

Scheme Type / Description	Total Scheme Value HRA Funded	Financial Year
	£m	
<u>New Investment for the HRA</u>		
Major Repairs & Modernisation of Local Authority Homes	10.376	23/24 – 25/26
Housing ICT Programme	0.768	2021/22
Assistance to Older and Disabled People	0.640	2025/26
Housing Environmental Improvement Programme	0.170	2025/26
<u>New Investment for the HRA Total</u>	11.954	

Table 10 – Summary of HRA investment

61. The key investment areas are shown in table 8 and show new investment of £11.954m that will see key schemes delivered including:
62. **Major Repairs & Modernisation of LA Homes (£10,376 growth in 23/24 – 25/26)** - The focus of this area of investment is about ensuring the integrity external fabric of dwellings is maintained in terms of weather resistance, coupled with modernising key internal components of kitchens, bathrooms, heating and electrical wiring. This benefits tenants in a number of way (eg:

having modern facilities, improved safety and security, reduced energy costs etc) whilst ensuring the Council meets the Decent Homes standard. A breakdown of the type and value of works for 2021/22 is provided below

	2021/22 budget £m	Description of works 2021/22
Tenants Choice	2.800	Replacement kitchen, bathroom and rewire to 400 properties.
Modernisation of Void properties	1.285	Major repairs and modernisation of 70 void properties
Heating/Boilers	0.974	Replacement heating systems to 443 domestic properties per year.
Roof Replacements	0.340	Replacement roofs and removal of asbestos-containing fascias / soffits to 50 properties
External Doors	0.150	Replacement of 250 external & lobby doors
Window Replacements	0.065	Replacement of windows in 23 properties
Standing Water Project	1.236	Structural damp remediation works to c60 properties, with a further 240 properties requiring treatment over the life of the 5 year proposal
Structural and external works	0.265	Various programmes of repair to the external structure of dwellings, guttering & down pipes, soffits & fascias to 45 properties
Fire Remedial Works	0.500	Remedial works arising from Fire Risk Assessments – provision for work on c88 properties
Asbestos Removal	0.170	Remedial works following asbestos surveys
Bell Farm Bathroom Ext	0.620	Major works to existing defective pre-fabricated bathrooms that were added on in the 1970's. Several options being considered including a demolish/rebuild of the bathroom.
Other	1.094	Various projects including one- off kitchen and bathroom refurbishments, soundproofing, upgrading communal corridor lighting and entry door access, remedial work following electrical testing programme,

		security upgrades, electric storage heater replacements.
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Table 11 – Breakdown of Major Repairs & Modernisation of LA Homes 2020/21 Budget

63. The intention of these projects are to ensure the Council continues to upgrade the overall standard of the housing stock and in doing so meet/exceed customer expectations whilst ensuring legislative requirements are satisfied
64. **Assistance to Older and Disabled People (£640k 25/26)** – This will see continued investment in undertaking adaptations to properties following needs assessment of tenants and their dependants who have some sort of disability, ensuring they can remain in their property and lead as near normal life as possible.
65. **Housing Environmental Improvement Programme (£170k 25/26)** - The Housing Environment Improvement Programme gives the opportunity to link with other funding streams to deliver schemes which have an impact for all residents and realise economies of scale. Improvements include providing solutions for car parking, secure external storage facilities for tenants of flats, improving security by providing fencing and /or gates with keypads, improving external environments through landscaping. Tenants can suggest improvements through their Ward Councillor, Residents Association, Housing Management Officer or Community Involvement Officer, all suggestions are discussed and agreed through the Ward Team.
66. **IT Infrastructure (£768k 21/22)** The ICT infrastructure improvements programme totals £2.8m over the period 2017/18 to 2021/22. A major review of the current systems has been undertaken and the current Housing systems is to be replaced by an integrated Housing and Building Services management system which incorporates housing management, asset management and building repairs.
67. The Housing ICT Programme suffered some delays as a result of Covid which impacted on the implementation both from the capacity of CYC and the Suppliers. The new system is being configured to the way that CYC wants it to work. Work continues on the business change and empowerment action plan to support the ICT changes.

68. **Local Authority Homes – New Build Project Phase 2 (No budget change - £120,484k 21/22- 24/25)** The Housing Delivery Programme made really significant progress during 2020. Construction work at Lowfields Green saw the completion and handover of Show Homes in December and Sales Reservations are in place on the majority of the first phase Market Sales properties which are scheduled for completion in March 2021.
69. Design work on the next 3 sites has progressed well and planning applications for Duncombe Barracks and Burnholme sites were submitted in September 2020. These sites will deliver the next 118 homes in the programme. In October 2020 Executive agreed the budget for delivery of these schemes, where all homes will be Passivhaus / net zero carbon and where 40% of the homes will be affordable. Design of the Ordnance Lane site has progressed with extensive community engagement and the planning application is being finalised and prepared for submission in early 2021.
70. Detail design work on the Duncombe and Burnholme schemes is now progressing and the procurement strategy is being finalised to select a contractor to build these exciting new homes.
71. When the Housing Delivery Programme was established it identified 8 sites within Programme. In addition to the 4 above: Clifton Without School, the former Askham Bar Park and Ride site, the former Manor School site and the former Woolnough House site, were included. These sites have been reviewed to ensure they are the right sites to achieve our housing objectives and at this stage Willow House and York Central have been added to, and prioritised in the programme, with Executive approving funds for feasibility work in 2021, to inform future programme decisions.

Funding Position – Council Prudential Borrowing

72. The budget proposals in terms of Council prudential borrowing adds to existing rolling programme schemes totalling £10.870m and adds new schemes totalling £9.613m. This results in a total increase in the level of debt (the underlying need to borrow for capital investment purposes only) of £20.483 over the 5 year programme. Table 9 shows the financial impact on a year by year basis and over the 5 year period.

	21/22 £000	22/23 £000	23/24 £000	24/25 £000	25/26 £000	Total £000
Rolling Programme	-	-	-	-	10.870	10.870
New Schemes	9.613	-	-	-	-	9.613
Net Increase in PB	9.613	-	-	-	10.870	20.483

Table 12 – Net Funding Position of Prudential Borrowing Schemes

73. The revenue costs of the new schemes funded by prudential borrowing is estimated at £1.434m over the 5 year budget period, assuming borrowing of £20.483m. Actual borrowing may be taken during 2021/22, although the costs are not incurred in revenue until the year following any capital expenditure. The Financial strategy report elsewhere on the agenda includes the revenue growth for previous year's capital investment.

Summary of Analysis

74. This table summarises the additions and amendments made as part of this report (outside of re-profiling) split by rolling programme schemes and new schemes (by funding type) showing an overall increase in the capital programme **of £41.037m** of which £26.080m relates to the extension of the programme to 2025/26.

	21/22 £m	22/23 £m	23/24 £m	24/25 £m	25/26 £m	Total £m
1) New CYC Schemes Funded by CYC PB (table 3)	7.513	-	-	-	-	7.513
2) New Match funded CYC Schemes Part funded by CYC part funded by External sources (table 4)	3.300	-	-	-	-	3.300
2) New CYC Schemes Part funded by CPB part funded by other internal sources (table 4)	0.200	-	-	-	-	0.200
4) Rolling Programme Schemes Funded by CYC Pru Brow (table 6)	-	-	-	-	10.870	10.870
5) Existing Schemes Funded Externally by External Grant (table 7)	0.380	0.380	0.380	0.380	5.680	7.200
6) HRA Schemes (table 8) Funded by HRA	0.768	-	0.428	1.228	9.530	11.954
Total Net Increase to Capital Programme	12.161	0.380	0.808	1.608	26.080	41.037

Table 13 – Summary of new expenditure by funding type 21/22 – 25/26

75. The outcome of the proposals outlined above if accepted are illustrated in the next table which sets out the proposed capital budget for each directorate over the next 5 years and in detail in Annex A.

Gross Capital Programme	2021/22	2022/23	2023/24	2024/25	2025/26	Total
	£m	£m	£m	£m	£m	£m
Children, Education & Communities	24.666	3.000	-	-	-	27.666
Health, Housing & Adult Social Care – Adult Social Care	1.129	0.638	0.660	0.682	0.705	3.814
Health, Housing & Adult Social Care – Housing & Community Safety	66.547	41.302	37.218	11.944	11.905	168.916
Economy & Place – Transport, Highways and Environment	76.449	46.722	27.765	8.316	10.600	169.852
Economy & Place – Regeneration & Asset Management	28.868	80.850	51.770	0.500	0.500	162.488
Corporate Schemes	1.854	0.200	0.200	0.200	0.200	2.654
IT development plan	2.810	2.420	2.420	1.670	2.170	11.490
Total Capital Programme	202.323	175.132	120.033	23.312	26.080	546.880

Table 14 – Proposed Capital Programme 2021/22 – 2025/26

Other Major Capital Projects

76. There are a range of other major schemes either already within the Capital programme, or which may come forward in the future, which will come through as individual reports during the year. Some of the key issues are referred to below, to give members a full picture of the scale of the Capital programme and some of the issues that will need to be considered during 2021.
77. **York Central** – 2020 was a really significant year for the York Central Project. Following the granting of the Outline Planning consent in 2019, the Reserved Matters application for the first phase of enabling infrastructure was submitted in April and approved in November. In August the Ministry of Housing, Communities and Local Government (MHCLG) awarded a £77.1m funding package to the landowner partners Homes England / Network Rail for delivery. Detailed Design work for the infrastructure was completed, benefitting from the outcomes of Early Contractor Involvement, and pricing is being confirmed by the contractor. In July delivery of an early phase of enabling works was approved by Executive with CYC / York North Yorkshire & East Riding Local Enterprise Partnerships (YNYER LEP) funding, ahead of the MHCLG announcement. This has now been contracted and starting on site this month to clear areas of the site ahead of the main works.
78. The information necessary to discharge the West Yorkshire Transport Fund Final Business Cases conditionality was submitted in December and formal approval and release of the £23.5 WYCA TF funding is anticipated by March 2021. We should therefore see delivery of the infrastructure commence later in the year to open up the site for development.
79. To ensure that the full potential of the York Central development to deliver wider social and environmental benefits is realised; Executive released £150k in November to undertake a Housing Feasibility study for the initial phase of development, working with the landowner partners. A YNYER LEP funded review has also examined the potential to deliver the standards of Environmental Performance necessary in commercial developments to accord with the Council's net zero carbon ambitions
80. **Guildhall** – The Guildhall project has made significant progress in delivery through 2020 despite the Covid 19 pandemic with the site has remaining open throughout. A number of project risks did manifest, however, and issues were encountered with; high river levels affecting river deliveries to

site, further structural problems being encountered in the existing buildings and archaeological finds affecting the substructure works. In combination these elements delayed the project and resulted in additional costs. These factors and the revised programme were reported to Executive in November 2020

81. As of January 2021 these issues are now mitigated and the project continues to make strong progress with completion of the construction contract now scheduled for Autumn 2021. November Executive also agreed to lease the Guildhall to University of York Science Park Limited, who will operate the serviced office and business club / events venue, as envisaged in the original project approval. This will ensure the availability of much needed office and business space in the City Centre to support the pandemic recovery. The project has also secured a £300k Grant from YNYER LEP to support the office fit-
82. **Castle Gateway** – There has been significant progress on the Castle Gateway project. Planning permission has been secured for both Castle Mills and the new St George's Field multi-storey car park which are the first key sites in the delivery of the masterplan. Procurement is under way to appoint a contractor to undertake the detailed design of Castle Mills and provide a tender price for construction. At that point a report will be brought to the Executive in the autumn of 2021 to approve the project and allocate the total construction budget, and to decide whether to proceed with the procurement of a contractor for St George's Field. This would provide the replacement car parking which would allow Castle Car Park to close to be replaced with new public realm. The design work for that public realm is underway, with a planning application due to be submitted in the summer, to create a shovel ready project to give the council the best opportunity of securing external or government funding
83. **York Outer Ring Road and Dualling** – During 2020/21 there has been a period of transition amalgamating the WYCA funded junction scheme and the DfT Major Road Network dualling proposals. The combined scheme of YORR Dualling Phase 1 is on course for a planning submission in late spring 2021. The project team are currently evaluating the public engagement process which finished in November 2020. It is also a key period to address the strategic and political challenges that lie ahead to arrive at the optimum scheme which will satisfy the requirements of the planning authority.

84. There has also been significant activity on the procurement front to get key suppliers in place for ground investigation, design, land acquisition and planning support. Through 2021/22 the project team will be working to enable a smooth transition from getting planning approval to the next key stages of land acquisition and preparing the final business case.
85. **York Station Frontage Scheme** – In November 2020, Council Executive approval was received allowing authority to begin the delivery of a package of enabling works, purchase land and proceed to detailed scheme design. Executive approval of the five-phase project Delivery and Procurement Strategy produced together with project partners Network Rail and LNER was also received.
86. Land negotiations are currently progressing well and a deal with Canada Life for an area of land in front of George Stephenson House is expected in the coming months. Meanwhile orders are to be placed with utility companies to deliver a scheme of diversionary works for services in Queen Street Bridge and the station frontage area to allow demolition of the bridge. This enabling package is valued at c£2m and is expected to begin on site in July 2021. Detailed design of the scheme will progress and a delivery contractor will be sought with an appointment expected in autumn 2021. The second package of highway works will then follow the enabling works package in early 2022. Meanwhile, the station works package (currently expected to be delivered by LNER under a development agreement with CYC) will begin in spring 2022

Council Plan

87. The Capital Budget process ensures that all bids received for capital funding address the aspirations of the Council Plan with each proposal addressing at least one corporate priority. The capital schemes put forward for consideration are derived from the service and area asset management plans which look at the capital needs and requirements of the service. All schemes that have progressed through for further consideration in this report have demonstrated through the Capital budget process that they directly contribute toward the achievement of the Council Plan, as referred to in paragraph 2.

Implications

Financial Implications

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

Human Resources Implications

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

Equalities Implications

90. An Equalities Impact Assessment (EIA) has been completed on the overall impact of the budget proposals and this is available as an annex to the Financial Strategy report elsewhere on this agenda. This assessment has been developed as a result of individual impact assessments for services which are undergoing changes. The impact assessment examines the benefits of recommended growth and capital investment alongside the risks associated with any savings proposals to ensure any negative impact for a particular group, sector or community is eliminated or counterbalanced. Where a screening of the potential implications has identified it appropriate, a full EIA will be completed for individual proposals. In addition, all capital schemes have considered any potential equalities implications prior to being included in this report.

Legal Implications

91. The Council is legally required to set a balanced 3 year capital programme but to assist with Medium Term Financial Planning sets a 5 year programme. In addition schemes within the capital programme will themselves will be in receipt of legal advice where necessary throughout the year.

Crime and Disorder

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

Information Technology

93. The information technology implications are contained in the main body of this report.

Property

94. The property implications of this paper are included in the main body of the report which covers the funding of the capital programme from the disposal of Council assets.

Risk Management

95. There are a number of risks inherent in the delivery of a large scale capital programme. To mitigate against these risks the capital programme is regularly monitored as part of the corporate monitoring process, and the project management framework. This is supplemented by internal and external audit reviews of major projects. In addition, the Major Projects all have regular monthly Board meetings to plan, monitor and review their capital schemes to ensure that all capital risks to the Council are monitored and where possible minimised.
96. Additional risk exists in relation to existing schemes in the Capital programme whereby costs are incurred in developing a project, however no asset is achieved. Such costs may then need to be written off to the revenue account. The risks in relation to this are referred to separately in the Revenue Budget Report also on this Agenda.

Author:	Chief Officer Responsible for the report:		
Emma Audrain Technical Accountant Corporate Finance emma.audrain@york.gov.uk	Debbie Mitchell Chief Finance Officer		
	Report Approved		Date
Wards Affected: <i>All</i>			

For further information please contact the author of the report

Specialist Implications:

Legal – Not Applicable

Property – Not Applicable

Information Technology – Not Applicable

Wards Affected:

All

For further information please contact the author of the report

Annexes

Annex A – Growth Summary 2021/22 – 2025/26

Annex B – Capital Programme 2021/22 – 2025/26

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Capital Budget Process 2021/22 - 2025/26

Growth Only

Table 1

Directorate	Portfolio	New Schemes - CYC Funded
E&P	THE	Electric Charging Infrastructure
E&P	THE	Replacement Vehicles and Plant (Corp Pru borrowing)
E&P	THE	Access Barrier Review
E&P	THE	Essential Bridge Maintenance
CCS	CCS	Covid Recovery Fund

TOTAL - Funded by CYC Prudential Borrowing

Incremental Revenue Growth

Table 2

Directorate	Portfolio	New Schemes - Funded through borrowing & other internal sources (contribution from HRA)
E&P	THE	Westfield MUGA (CYC CPB element)
E&P	THE	Westfield MUGA (Contribution from HRA)

TOTAL

CYC borrowing

Incremental Revenue Growth

Table 3

Directorate	Portfolio	New Schemes - Both CYC Funded & Externally Funded
E&P	THE	Flood Alleviation Schemes including Germany Beck (CYC ELEMENT)
E&P	THE	Flood Alleviation Schemes including Germany Beck (EXTERNAL ELEMENT)

TOTAL

CYC borrowing

Incremental Revenue Growth

Table 4

Directorate	Portfolio	New Schemes - Departmental Prudential Borrowing
E&P	THE	Replacement Vehicles and Plant (Departmental borrowing)

TOTAL

CYC borrowing

Table 5

Directorate	Portfolio	Rolling Programme Schemes - Additional Years/Amendments
E&P	THE	Highways Schemes
Place	THE	Street Lighting
Place	THE	Drainage
Place	THE	Bar Walls

Growth above existing approved budget

5 year rolling programme

21/22 £000	22/23 £000	23/24 £000	24/25 £000	25/26 £000	Total £000
1,800					1,800
2,294					2,294
100		-	-	-	100
1,100	-	-	-	-	1,100
1,000	-	-	-	-	1,000
6,294	-	-	-	-	6,294

441 - - - - 441

21/22 £000	22/23 £000	23/24 £000	24/25 £000	25/26 £000	Total £000
100	-	-	-	-	100
100					100
200	-	-	-	-	200

100 - - - - 100

7 - - - - 7

21/22 £000	22/23 £000	23/24 £000	24/25 £000	25/26 £000	Total £000
2,000	-	-	-	-	2,000
1,300					1,300
3,300	-	-	-	-	3,300

2,000 - - - - 2,000

140 - - - - 140

21/22 £000	22/23 £000	23/24 £000	24/25 £000	25/26 £000	Total £000
1,219					1,219
1,219	-	-	-	-	1,219

85 - - - - 85

21/22 £000	22/23 £000	23/24 £000	24/25 £000	25/26 £000	Total £000
				5,070	5,070
-	-	-	-	550	550
-	-	-	-	900	900
-	-	-	-	300	300

Place	RAM	Asset Maintenance
Place	RAM	Climate Change Schemes including Northern Forest
H&W	HSN	Disabled Facilities Grant
H&W	ASC	Disability Support budget
H&W	ASC	Major items of disability equipment
H&W	ASC	Telecare equipment
CCS	IT	ICT Rolling Programme
CCS	Corp	Project Support Fund
CCS	Corp	Contingency

TOTAL - Funded by CYC Prudential Borrowing

-	-	-	-	250	250
-	-	-	-	250	250
-	-	-	-	475	475
-	-	-	-	270	270
-	-	-	-	152	152
-	-	-	-	283	283
-	-	-	-	2,170	2,170
-	-	-	-	200	200
-	-	-	-	-	-
-	-	-	-	10,870	10,870

Incremental Revenue Growth

-	-	-	-	761	761
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Table 6

Directorate	Portfolio	Rolling Programme Schemes - Additional Years/Amendments Funded Externally (Government Grant)
Place	THE	Highways Schemes - part b)
Place	THE	LTP Transport
H&W	HSN	Disabled Facilities Grant

TOTAL - Funded Externally

21/22 £000	22/23 £000	23/24 £000	24/25 £000	25/26 £000	Total £000
380	380	380	380	2,210	3,730
-	-	-	-	1,570	1,570
-	-	-	-	1,900	1,900
380	380	380	380	5,680	7,200

Incremental Revenue Growth

n/a	n/a	n/a	n/a	n/a	n/a
-----	-----	-----	-----	-----	-----

Table 7

Directorate	Portfolio	HRA Schemes
H&W	HSN	Major Repairs & Modernisation of Council Stock
H&W	HSN	Private Water supply pipe renewal
H&W	HSN	Assistance to Older & Disabled people
H&W	HSN	IT Infrastructure
H&W	HSN	Housing Environment Improvement Programme

TOTAL - HRA Funded

£000	£000	£000	£000	£000	£000
-	-	428	1,228	8,720	10,376
-	-	-	-	-	-
-	-	-	-	640	640
768	-	-	-	-	768
-	-	-	-	170	170
768	-	428	1,228	9,530	11,954

Table 8

Funded Split
Total CYC Prudential Borrowing
Other Internal Funding - Departmental Borrowing
Other Internal Funding - HRA contribution
Total External Funding
Total HRA Funding
Overall Increase in Capital Programme

21/22 £000	22/23 £000	23/24 £000	24/25 £000	25/26 £000	Total £000
8,394	-	-	-	10,870	19,264
1,219	-	-	-	-	1,219
100	-	-	-	-	100
1,680	380	380	380	5,680	8,500
768	-	428	1,228	9,530	11,954
12,161	380	808	1,608	26,080	41,037
190,412	175,002	119,225	24,054		508,693

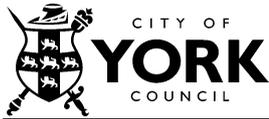
Table 9

Revenue Impact (following year)
Incremental Revenue Growth of CYC Prudential Borrowing
Overall Revenue Impact (Cost to CYC)

22/23 £000	23/24 £000	24/25 £000	25/26 £000	26/27 £000
673	-	-	-	761
673	-	-	-	761

	2021/22	2022/23	2023/24	2024/25	2025/26	Total Capital Programme
	£000	£000	£000	£000	£000	£000
CEC - CHILDREN, EDUCATION & COMMUNITIES						
Basic Need	9,136	0	0	0		9,136
Fulford School Expansion 2020 Phase 1 and 2	5,200	1,000	0	0		6,200
Libraries as Centres of Learning and Opportunity for all: Acomb & Clifton	2,000	2,000	0	0		4,000
Centre of Excellence for Disabled Children (Lincoln Court)	70	0	0	0		70
Schools Essential Building Work	2,358	0	0	0		2,358
Schools Essential Mechanical & Electrical Work	2,351	0	0	0		2,351
DfE Maintenance	500	0	0	0		500
Children in Care Residential Commissioning Plan	1,358	0	0	0		1,358
Expansion and Improvement of Facilities for Pupils with SEND	500	0	0	0		500
Haxby Library Reprovision	700	0	0	0		700
Westfield Multi Use Games Area	200	0	0	0		200
Family Drug & Alcohol Assess/Recovery Facility	100	0	0	0		100
Adaptions to Foster Carer Homes	100	0	0	0		100
Healthy Pupils Capital Fund	93	0	0	0		93
ADULT SOCIAL CARE & ADULT SERVICES COMMISSIONING						
Telecare Equipment and Infrastructure	251	259	267	275	283	1,335
Disabled Support Grant	230	240	250	260	270	1,250
OPA-Community Space at Marjorie Waite Court	300	0	0	0		300
Major Items of Disability Equipment	135	139	143	147	152	716
OPA-Lowfields Enabling Work	113	0	0	0		113
Proof of Concept for robotics & AI within social care	100	0	0	0		100
HOUSING & COMMUNITY SAFETY						
Local Authority Homes - New Build Project	29,250	9,900	18,443	0		57,593
Major Repairs & Modernisation of Local Authority Homes	10,534	8,763	8,462	8,769	8,720	45,248
Lowfield Housing	7,062	500	0	0		7,562
LA Homes - Burnholme	7,000	11,000	3,945	0		21,945
Disabled Facilities Grant (Gfund)	1,985	2,106	2,236	2,375	2,375	11,077
Duncombe Barracks	2,000	5,500	1,362	0		8,862
Shared Ownership Scheme	193	0	0	0		193
Local Authority Homes - Phase 2	3,807	1,103	0	0		4,910
Local Authority Homes - Project Team	1,230	1,050	1,730	0		4,010
Extension to Marjorie Waite Court	800	0	0	0		800
Assistance to Older & Disabled People	600	610	620	630	640	3,100
LA Homes Energy Efficiency Programme	350	250	250	0		850
Housing Environmental Improvement Programme	170	170	170	170	170	850
IT Infrastructure	1,246	0	0	0		1,246
Water Mains Upgrade	120	350	0	0		470
Willow House Housing Development	120	0	0	0		120
Empty Homes (Gfund)	80	0	0	0		80
ECONOMY & PLACE - TRANSPORT, HIGHWAYS & ENVIRONMENT						
York Outer Ring Road - Dualling	21,392	24,055	16,938	0		62,385
Highway Schemes	7,957	7,377	7,377	5,780	7,280	35,771
WYTF - Station Frontage	13,472	11,550	0	0		25,022
Local Transport Plan (LTP) *	2,316	1,570	1,570	1,570	1,570	8,596
Waste Vehicle Replacement	3,300	0	0	0		3,300
Highways - Tadcaster Road	4,500	0	0	0		4,500
Drainage Investigation & Renewal	700	700	700	700	900	3,700
Replacement Vehicles & Plant	3,513	0	0	0	0	3,513
Flood Alleviation Schemes including Germany Beck	3,300	0	0	0	0	3,300
Hyper Hubs	927	0	0	0		927
York City Walls Restoration Programme	836	376	336	0	300	1,848
Fleet Acquisition	1,908	0	0	0		1,908
Highways & Transport - Ward Committees	1,127	250	0	0		1,377
Replacement of Unsound Lighting Columns	578	644	644	66	550	2,482
Smarter Travel Evolution Programme	535	0	0	0		535
Electric Charging Infrastructure	1,800	0	0	0	0	1,800
Built Environment Fund - Hostile Vehicle Mitigation	1,258	0	0	0		1,258
Clean Air Zone	100	0	0	0		100
Flood Scheme Contributions	1,500	0	0	0		1,500
EV Charging Asset Replacement	150	0	0	0		150
Highways Drainage Works	200	200	200	200		800
Essential Bridge Maintenance	1,100	0	0	0		1,100
Special Bridge Maintenance (Struct maint)	496	0	0	0		496
Fordlands Road Flood Defences	436	0	0	0		436
Fleet & Workshop Compliance	200	0	0	0		200
City Fibre Network	410	0	0	0		410
National Cycle Network 65 Targeted Repairs	300	0	0	0		300
CCTV Asset Renewal	157	0	0	0		157

Better Bus Area Fund	312	0	0	0		312
Better Play Areas	250	0	0	0		250
Litter Bin Replacement Programme	200	0	0	0		200
Traffic control/ reduction and public realm improvements in Bishophill/ M	230	0	0	0		230
Knavesmire Culverts	227	0	0	0		227
Flood Sign Renewal and Rainfall monitoring	150	0	0	0		150
River Bank repairs	130	0	0	0		130
Stonegate Natural Stone Renewal	100	0	0	0		100
Non Illuminated Structural asset renewal	100	0	0	0		100
Rowntree Park Lodge	121	0	0	0		121
Access Barrier Review	100	0	0	0		100
Wheeled Bins in Back Lane and Terraced Areas	61	0	0	0		61
ECONOMY & PLACE - REGENERATION & ASSET MANAGEMENT						
York Central Infrastructure	20,538	80,000	51,120	0		151,658
Guildhall	4,050	0	0	0		4,050
Castle Gateway (Picadilly Regeneration)	2,541	0	0	0		2,541
Climate Change schemes including Northern Forest	600	600	400	250	250	2,100
Asset Maintenance + Critical H&S Repairs	200	250	250	250	250	1,200
LCR Revolving Investment Fund	300	0	0	0		300
29 Castlegate	270	0	0	0		270
Shambles Modernisation - Power	180	0	0	0		180
Community Asset Transfer	175	0	0	0		175
Air Quality Monitoring (Gfund)	14	0	0	0		14
CUSTOMER & CORPORATE SERVICES						
Project Support Fund	200	200	200	200	200	1,000
Covid Recovery Fund	1,000	0	0	0		1,000
Removal of Asbestos	200	0	0	0		200
Crematorium Waiting Room	200	0	0	0		200
Photovoltaic Energy Programme	40	0	0	0		40
Replacement of 2 Cremators	17	0	0	0		17
Hazel Court welfare facilities	90	0	0	0		90
Registry office Phase 2 Refurbishment	30	0	0	0		30
Fire Safety Regulations - Adaptations	77	0	0	0		77
CUSTOMER & CORPORATE SERVICES - IT						
IT Development plan	2,690	2,420	2,420	1,670	2,170	11,370
IT Superconnected Cities	120	0	0	0		120
GROSS EXPENDITURE BY DEPARTMENT						
CEC - CHILDREN, EDUCATION & COMMUNITIES	24,666	3,000	0	0	0	27,666
HH&ASC - ADULT SOCIAL CARE & ADULT SERVICES COMMISSION	1,129	638	660	682	705	3,814
HH&ASC - HOUSING & COMMUNITY SAFETY	66,547	41,302	37,218	11,944	11,905	168,916
ECONOMY & PLACE - TRANSPORT, HIGHWAYS & ENVIRONMENT	76,449	46,722	27,765	8,316	10,600	169,852
ECONOMY & PLACE - REGENERATION & ASSET MANAGEMENT	28,868	80,850	51,770	500	500	162,488
CUSTOMER & CORPORATE SERVICES - COMMUNITY STADIUM	0	0	0	0	0	0
CUSTOMER & CORPORATE SERVICES	1,854	200	200	200	200	2,654
CUSTOMER & CORPORATE SERVICES - IT	2,810	2,420	2,420	1,670	2,170	11,490
TOTAL BY DEPARTMENT	202,323	175,132	120,033	23,312	26,080	546,880
TOTAL GROSS EXPENDITURE	202,323	175,132	120,033	23,312	26,080	546,880
TOTAL EXTERNAL FUNDING	67,063	112,001	60,279	5,680	5,680	250,703
TOTAL INTERNAL FUNDING	135,260	63,381	59,754	17,632	20,400	296,427



Executive

11 February 2021

Report of the Chief Finance Officer
Portfolio of the Executive Member for Finance & Performance

Capital Financing & Investment Strategy

Summary

1. This is a statutory report which is required following a Government review of the Prudential Code. It is intended to give a high level overview of how capital expenditure and capital financing contribute to the provision of services, along with an overview of how associated risk is managed.

Recommendation

2. Executive are asked to recommend to Full Council approval of the capital and investment strategy at annex A.

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

Background and analysis

3. The revised Prudential Code 2017 introduced a new requirement for all councils to approve an annual strategy, partly in response to the increasing commercialisation within local government. The guidance requires that annual capital and investment strategies are approved by Full Council.
4. The strategy provides an overarching policy framework for the councils capital programme and will be part of the suite of budget reports considered each year by Executive and Full Council. This report should therefore be considered alongside the Treasury Management Strategy Statement and the revenue and capital budget reports elsewhere on this agenda. The strategy will be developed and expanded as appropriate in future years, to meet the changing requirements of the council.
5. The strategy sets out the councils approach to business case development and risk appetite. Much of this is already well established and has featured in previous financial strategy reports, reports on property investment and asset related reports. Members should note that it includes specific sections on:

- The need to seek to attract external funding wherever possible and to adopt partnership approaches
 - The importance of schemes that deliver long term economic growth, with the impact on business rates being a relevant factor in the assessment of schemes
 - Arrangements for asset management and property investments
 - The need to incorporate One Planet Council principles and consider energy efficiency implications in the assessment of schemes
 - The Housing Revenue Account
6. The strategy remains broadly unchanged, however an additional section has been included to reflect on how the strategy may need to change in light of the COVID-19 pandemic.

Consultation

7. The capital financing and investment strategy is influenced by the capital and revenue spending decisions made by the Council. Both the revenue and capital budgets have been through a process of consultation, details of which are outlined in the budget reports elsewhere on this agenda.

Options

8. It is a statutory requirement that the council has regard to the Prudential Code and therefore that this strategy is approved by Executive and Full Council.

Council Plan

9. The strategy provides a framework by which major investment decisions will be made and sets a framework for all aspects of the council's capital and investment expenditure including prioritisation, planning, funding and monitoring. This will ensure resources are appropriately invested in the council's priorities, values and imperatives as set out in the Council Plan.

Implications

Financial

10. The revenue implications of the capital strategy are set out in the capital and revenue budget reports to be considered by Executive elsewhere on this agenda.

Legal Implications

11. The Local Government Act 2003 and statutory guidance issued under that Act, the Local Authorities (Capital; Finance and Accounting) (England) Regulations 2003 (SI 2003/3146), specifies that the Council is required to have regard to the Prudential Code.

Other Implications

12. There are no HR, Equalities, crime and disorder, information technology or other implications as a result of this report

Risk Management

13. Capital expenditure and financing is a high-risk area because of the volume and level of large money transactions. As a result of this the Local Government Act 2003, supporting regulations and the Prudential Code 2017 are all adhered to as required.

Contact Details	
Author	Chief Officer responsible for the report
Debbie Mitchell Chief Finance Officer Ext 4161	Debbie Mitchell Chief Finance Officer
	Report approved x 29.1.21
Wards affected	All

Annexes

Annex A – Capital Financing & Investment Strategy

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City of York Council Capital Financing and Investment Strategy 2021/22Introduction and Summary

The capital financing and investment strategy forms a key part of the council's overall financial planning framework and provides a mechanism by which capital expenditure and investment decisions are aligned over the term of the medium term financial strategy. It also provides a framework by which major investment decisions will be made and sets a framework for all aspects of the council's capital and investment expenditure including prioritisation, planning, funding and monitoring. It is linked to, and should be read in conjunction with, the medium term financial strategy (MTFS), annual revenue and capital budget reports and treasury management strategy statement (TMSS).

Impact of COVID-19

At the time of writing (January 2021) the UK is still dealing with the impact of the Coronavirus pandemic. The longer term impact of what has been a global pandemic on the economy, and therefore the Council's longer term capital strategy, is still unclear. The combination of uncertain markets along with the need to accelerate the city's economic recovery means that particular care is needed when making significant financial decisions. In light of this, the Council has reviewed the Capital Programme and whilst the transformational projects to drive regeneration and accelerate the city's economic recovery will continue at pace, this will be alongside continued consideration of the risk associated with any capital investment. There should be strict adherence to the Council's project management framework which has processes in place to effectively manage risk.

Objectives

This strategy will:

- Provide a framework for investment decisions
- Outline how we prioritise investment and capital decisions
- Identify how we will use our resources effectively and efficiently to deliver the council plan
- Set out how the council identifies and prioritises funding requirements
- Set out the council appetite for risk
- Consider how resources can be maximised to generate investment
- Ensure there is an overall balance of risk and rate of return
- Stress the importance of carrying out robust sensitivity analysis and due diligence
- Ensure effective arrangements for the management of expenditure including the requirement to carry out an assessment of outcomes and deliverability whilst ensuring value for money is achieved
- Reinforce the overriding requirement for security, liquidity and yield on all council investments
- Ensure that all decisions take into consideration climate change, carbon reduction and sustainability issues

Risk appetite

With regard to investments and commercial activity the council acknowledges that risk will always exist and will take some measure of risk in order to realise investment gain. The council will balance risk and return in order to achieve our objectives and priorities, as set out in the Council Plan. Through robust due diligence any decision made will consider risks and mitigation to ensure full understanding of the risk associated with each investment. The council will seek to

minimise exposure to risks that are not rewarded with additional income. Capital is managed corporately on an ongoing basis to ensure that there is sufficient liquidity in the short and medium term to meet expenditure incurred. The council is exposed to numerous risks including:

- Financial related to investment, cash flow, market volatility, etc.
- macroeconomic related to growth or decline of the national economy
- Counter party related to investments with institutions
- Operational
- Strategic
- Reputational
- Governance

Our risk appetite is supported by:

- Risk management strategy and framework
- Code of corporate governance
- Regular reporting of risk

Key areas where risk is considered further include:

- Capital programme
- Medium term financial strategy
- Performance management
- Treasury management
- Council owned subsidiaries
- Internal and external audit

Governance

All new programmes will be appraised using all about projects framework. A strategic business case will be prepared and will include any investment required, sources of funding, outcomes to be delivered, risk assessments, due diligence, repayment mechanisms, revenue impact and full lifetime costings. The proposal must also include details of any impact on revenue and in particular the delivery of previously agreed budget savings. If the strategic business case is approved, these estimates will be further refined and verified in an outline business case and ultimately a full business case.

All schemes being considered should, wherever possible, look for external funding and have explored if there is a suitable partnership approach to draw in other sources of funding to maximise the benefit to the tax payer and work with partners to secure the best possible outcomes for residents.

The council priorities are set out in the Council Plan. All expenditure proposals should identify how they will help to achieve these objectives.

A robust, formal due diligence process must be followed and details included in the full business case. This should include, as a minimum, consideration of the following:

- An assessment of the risks in the short and long term and how these risks can be mitigated
- Sensitivity analysis over the short and long term
- An impact assessment of the expenditure or investment being considered
- An overview of the evidence on which the proposal is based (eg evidence of demand, etc.)

The council will undertake regular monitoring of all investments and any issues will be included in the finance and performance monitoring reports to Executive. If an investment is underperforming, appropriate action will be taken to ensure the investment is not held longer than necessary.

The annual strategy will be approved by Executive and Full Council as part of the annual budget setting process. Any changes or updates will be reported in a mid-year review.

Quarterly capital monitoring reports will continue to be considered by Executive and will reflect any changes in resource allocation, rescheduling of delivery (slippage) and any new programmes of work agreed. These reports will also monitor delivery of capital receipts and overall funding of the programme.

Capital and Investment Priorities

Capital expenditure must be affordable, prudent and sustainable. New expenditure proposals must be balanced against the need to maintain the potential and economic benefit of existing assets. Asset management plans need to reflect the costs of maintaining the existing asset base and not simply focus on acquiring new assets for investment purposes. The annual capital budget report identifies the 5 year planned programme of expenditure and how this is funded. Regular reports are presented to Executive to monitor progress, agree slippage and any other reprofiling of spend and approve any transfer of resources between service areas.

The council will continue to seek and deliver projects that generate longer term economic growth alongside the financial benefits. In order to maximise the financial benefits of the business rate retention scheme, the impact of business rates should be considered as a key factor in the assessment and prioritisation of capital investment.

Capital Funding

The capital programme is funded from a range of different sources including:

- Prudential borrowing – the introduction of the Prudential Code in 2004 allowed the council to take on unsupported borrowing. This borrowing is subject to the requirements of the Prudential Code which means the council must ensure this borrowing is affordable and prudent.
- External Grants – this includes disabled facilities grants and various government grants for highways repair
- Section 106 and external contributions – some schemes in the capital programme are funded by contributions from private sector developers and partners.
- Revenue funding – revenue resources can be used to fund capital schemes
- Capital receipts – receipts arise from the sale of surplus assets.

Further details are included in the annual capital budget report.

Debt, borrowing and treasury management

The council produces a separate treasury management strategy statement, which is approved by Full Council as part of the annual budget setting process.

Pension fund guarantees

The council has entered in to a number of long term contracts for services that have involved the transfer of council staff to a new service provider. Employee's rights are protected under the provision in the Transfer of Undertakings (Protection of Employment) Regulations 2006, commonly referred to as TUPE. As a result, the council has given subsumption pension guarantees to a number of organisations.

Knowledge and Skills

The capital financing and investment strategy and the treasury management strategy are managed by a team of professionally qualified staff, with extensive local government experience. They all attend courses on a regular basis to keep abreast of new developments.

Internal training is offered to members of the Audit & Governance committee on an annual basis to ensure they have the necessary knowledge and understanding.

Where the council does have the knowledge and / or skills required use is made of external advisers that are specialists in their field. The council currently employs the Link Group as treasury management advisers.

Asset Management Strategy

The council has a range of property assets held for the following reasons:

- Operational – supporting core business and service delivery
- Investment – to provide a financial return to the council
- Regeneration / Commercial – enabling strategic place shaping and economic growth

In September 2017 the council agreed a refreshed and updated asset management strategy covering the period 2017 to 2022. This sets out how we will use our assets to deliver policy goals, operate our estate efficiently and generate maximum income to support delivery of council services.

Property Investment

The way the council funds the purchase of property will be determined on a case by case basis, depending on the overall economic conditions and depending on other capital expenditure being incurred. If the purchase is funded by borrowing, then the rental income generated must exceed the cost of repaying the borrowing each year. Any surplus will be used to support the council's overall budget position, enabling the council to continue to provide essential services for residents. Our investments in commercial property to date have been relatively modest in the context of percentage of total budget but any future proposals to invest in property will need to be mindful of the extent to which they increase the percentage of our total income invested in this area.

The reasons for buying and owning property are (in order of importance):

1. Economic development and regeneration in York
2. To generate income in order to provide services for local people
3. Opportunity

Property price and return on investment will depend on the type, location and current condition of the asset as well as the strength of the lease / covenant arrangements of the current tenant. The council will only purchase property within its boundary. The council should seek the best returns available, whilst carrying an acceptable level of risk. The rate of return must be better than the returns available from alternative, more secure investments (eg money market funds). The annual return must also exceed the cost of PWLB borrowing.

The council will take a balanced approach in order to minimise risk. This will include ensuring not all investment income is derived from one asset category or only one type of investment, such as commercial property. In future the council will consider whether a limit should be set on the amount invested in any one area to ensure it is not vulnerable to sudden changes in market conditions. When considering rate of return, a review will be carried out so that the value of investments is also considered over the life of the asset rather than focussing on short term returns only. Future reviews of this strategy will also include issues such as when to exit underperforming investments.

The asset management strategy:

- sets out what the council seeks to achieve when purchasing any property
- identifies any possible risks
- clarifies the legal powers used to acquire any property
- identifies the criteria for acquiring and owning assets
- outlines the process for acquiring assets

At 1st April 2020 income from property assets, excluding operational assets was c £6.0 million, which represents a return of 6.4%. This excludes properties which are used solely or partially as operational assets, residential assets, assets which are leased in and any assets which are held for development and minor agreements.

Property disposal and capital receipts

The asset management strategy will continue to identify surplus or under used property. Surplus properties will be used to generate revenue where possible or will be disposed of to generate a capital receipt. Capital receipts are corporate resources and will be used to support the councils key aims and priorities rather than being allocated to specific schemes. This could include repayment of existing debt, mitigating future requirements to borrow and financing transitional costs of change. Any decisions will be taken by Executive in line with the constitution.

Climate change, carbon reduction and sustainability

Along with many other organisations across the country, the council has declared a climate emergency and set a target to become net carbon neutral by 2030.

In addition, the council continues to be committed to achieving our ambition to be a more sustainable, resilient and collaborative organisation. With a challenging financial climate and increasing demand for our services, our aspirations to be a Greener and Cleaner city are an essential part of making the most of the resources we have and helping us to prepare for the future. Our Council Plan commits us to putting climate change and sustainability at the heart of everything we do, delivering a sustainable environment and addressing the climate emergency

Capital investment will therefore need to demonstrate that it meets these aims of the Council Plan and energy efficiency implications should be considered in the assessment of proposed schemes, along with potential savings being identified. The council will also consider suitable cost saving opportunities in relation to energy efficiency and sustainability. The development of a climate change plan is ongoing and any implications of this will be incorporated into future versions of this strategy.

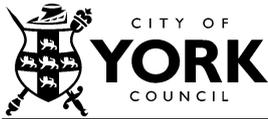
Housing Revenue Account (HRA)

The (HRA) is a ring-fenced account which ensures that council housing does not subsidise, or is itself subsidised, by other local services. HRA capital expenditure is therefore recorded separately within the accounts. The abolition of the HRA Debt Cap on 29th October 2018 represented a significant change in the council's ability to resource new council housing, major

repairs and improvements to the existing housing stock and regeneration. A report on proposals for New Council Building in January 2019 recommended investment of £153.9m in building over 600 new houses of which 250 would be classed as affordable. This investment will be funded through a combination of utilising additional debt headroom to fund the appropriation of land from the general fund, proceeds from market sales and equity sales of shared ownership units alongside HRA resources such as Right to Buy Receipts and investment reserve. Executive receive regular updates and approve individual site investments when required.

In addition the HRA continues to significantly invest in the structural maintenance of existing stock within its capital programme. Investment over the period 2021/22 to 2025/26 in this area totals c £45m.

The 30 year HRA Business Plan financial forecast sets out the financial implications of delivering the overall plan and providing assurance that the HRA will remain financially viable. The forecast shows that debt will increase to £156m following the appropriation of general fund sites for development and this will be fully repaid by the end of the period. This demonstrates the financial strength of the HRA business plan. The HRA business plan is a key part of the council's long term financial planning, and sets out how we will deliver and finance services to tenants, and investment in their homes, over a 30-year period.



Executive

11 February 2021

Report of the Chief Finance Officer
Portfolio of the Executive Member for Finance & Performance

Treasury Management Strategy Statement and Prudential Indicators for 2021/22 to 2025/26

Report Summary

1. The purpose of this report is to seek the recommendation of Executive to Full Council for the approval of the treasury management strategy and prudential indicators for the 2021/22 financial year.

Recommendations

2. Executive are asked to recommend that Council approve:
 - The proposed treasury management strategy for 2021/22 including the annual investment strategy and the minimum revenue provision policy statement;
 - The prudential indicators for 2021/22 to 2025/26 in the main body of the report;
 - The specified and non-specified investments schedule (annex B)
 - The scheme of delegation and the role of the section 151 officer (annex D)

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

Background

3. The council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. The first function of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the council's low risk appetite, providing adequate liquidity initially before considering investment return.

4. The second main function of the treasury management service is funding of the council's capital programme. The capital programme provides a guide to the borrowing need of the council, essentially the longer term cash flow planning, to ensure that the council can meet its capital spending obligations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses. On occasion any debt previously drawn may be restructured to meet council risk or cost objectives.
5. The contribution the treasury management function makes to the council is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.
6. Whilst any commercial initiatives or loans to third parties will impact on the treasury function, these activities are generally classed as non-treasury activities, (arising usually from capital expenditure), and are separate from the day to day treasury management activities.
7. CIPFA (Chartered Institute of Public Finance and Accountancy) defines treasury management as:

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

Reporting requirements – Capital Strategy

8. The CIPFA revised 2017 Prudential and Treasury Management Codes require all local authorities to prepare an additional report, a capital strategy report, which will provide the following:
 - a high-level long term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
 - an overview of how the associated risk is managed
 - the implications for future financial sustainability

9. The aim of this capital strategy is to ensure that all elected members on the full council fully understand the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite.
10. This capital strategy is reported separately from the Treasury Management Strategy Statement; non-treasury investments will be reported through the former. This ensures the separation of the core treasury function under security, liquidity and yield principles, and the policy and commercialism investments usually driven by expenditure on an asset. The capital strategy will show:
 - The corporate governance arrangements for these types of activities;
 - Any service objectives relating to the investments;
 - The debt related to the activity and the associated interest costs;
 - The payback period (MRP policy);
 - The risks associated with each activity.
11. Where a physical asset is being bought, details of market research, advisers used, ongoing costs and investment requirements will be disclosed, including the ability to sell the asset and realise the investment cash.
12. Where the Council has borrowed to fund any non-treasury investment, there should also be an explanation of why borrowing was required and why the MHCLG Investment Guidance and CIPFA Prudential Code have not been adhered to.
13. If any non-treasury investment sustains a loss during the final accounts and audit process, the strategy and revenue implications will be reported through the same procedure as the capital strategy.

Reporting requirements – Treasury Management

14. The council is currently required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of policies, estimates and actuals. The three reports are:
 - **Treasury management strategy statement and prudential indicators report** (this report) – which covers the capital plans including prudential indicators, the minimum revenue provision policy, the treasury management strategy and the annual investment strategy;
 - **Mid year treasury management report** – updates members as to whether the treasury activities are meeting the strategy, whether any policies require revision, amending prudential indicators if necessary;

- **Annual treasury report** – updates on treasury activity/ operations for the year and compares actual prudential indicators with estimates in the strategy.
15. These reports are required to be scrutinised before being recommended to the council. This scrutiny role is undertaken by Audit & Governance Committee.
16. The CIPFA code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny. The training needs of treasury management officers is also periodically reviewed.

Treasury management strategy for 2021/22

17. The treasury management strategy for 2021/22 covers two main areas:

Capital issues

- the capital programme and prudential indicators;
- minimum revenue provision (MRP) policy.

Treasury management issues

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

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

Treasury management consultants

19. The council uses the Link Group, Treasury solutions as its external treasury management advisors.
20. The council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers. All decisions will be undertaken with regards to all available information, including, but not solely, our treasury advisers.
21. It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

The capital prudential indicators 2021/22 – 2025/26

22. The council's capital expenditure plans are the key driver of treasury management activity and are the subject of a separate report on this agenda. The output of the capital programme is reflected in the capital prudential indicators, which are designed to assist member's overview of the council's capital programme to ensure that the capital expenditure plans are affordable, sustainable and prudent.
23. The capital prudential indicators along with the treasury management prudential indicators are included throughout the report:
- PI 1: Capital expenditure
 - PI 2: Capital financing requirement
 - PI 3: Ratio of financing cost to net revenue stream
 - PI 4: External debt
 - PI 5a: Authorised limit for external debt
 - PI 5b: Operational boundary for external debt
 - PI 6: Maturity structure of debt
 - PI 7: Surplus funds invested >364 days
24. **Prudential indicator 1 - capital expenditure.** This prudential Indicator is a summary of the council's capital expenditure plans forming part of this budget cycle. 2020/21 is included as a comparator. Detailed information on the individual schemes is provided in the capital monitor 3 and capital strategy report.

Capital Expenditure	2020/21 Estimate £m	2021/22 Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m
General fund (Non HRA)	76.9	137.8	135.9	85.1	13.7	16.6
Housing revenue account	43.0	64.5	39.2	35.0	9.6	9.5

Total	119.9	202.3	175.1	120.1	23.3	26.1
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Table 1: Capital expenditure

25. Table 1 details the capital expenditure of the council, based on the capital programme strategy report, excluding other long term liabilities, such as PFI and leasing arrangements which already include borrowing instruments. There are no new PFI schemes forecast to be entered into in 2021/22.
26. Further details on this capital expenditure, and how it is funded, are included within the Capital Programme report elsewhere on this agenda.
27. **Prudential indicator 2 - the capital financing requirement (CFR) (council's borrowing need)**; the second prudential indicator is the council's capital financing requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the council's underlying borrowing need. Any capital expenditure above, which has not immediately been paid for, will increase the CFR.
28. The CFR does not increase indefinitely, because the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the indebtedness in line with each assets life, and so charges the economic consumption of capital assets as they are used.
29. The CFR includes any other long term liabilities (e.g. PFI schemes, finance leases). Whilst these increase the CFR, and therefore the council's overall borrowing requirement, these types of scheme include a borrowing facility and so the council is not required to separately borrow for these schemes. As set out in paragraph 47 table 5 the projected level of debt is significantly below the CFR over the 5 year period.
30. Table 2 below, shows the capital financing requirement, excluding other long term liabilities:

Capital Financing Requirement	2020/21 Estimate £m	2021/22 Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m
Non Housing	264.6	325.7	338.2	349.2	341.1	335.4
Housing	146.4	146.4	146.4	146.4	146.4	146.4
Other Long Term Borrowing*	45.2	44.0	47.1	46.0	44.9	43.7
Total CFR	456.2	516.1	531.7	541.6	532.4	525.5

*Other Long Term is for PFI/PPP & Leases

Table 2: Capital financing requirement (CFR)

Minimum revenue provision (MRP) policy statement

31. The council is required to pay off an element of the accumulated general fund capital expenditure each year (the CFR) through a revenue charge (the minimum revenue provision - MRP), although it is also allowed to undertake additional voluntary payments if required (voluntary revenue provision - VRP).
32. MHCLG regulations require full council to approve an MRP statement in advance of each year. A variety of options are provided to councils, so long as there is prudent provision. Full Council is recommended to approved the following MRP statement:
33. For capital expenditure incurred before 1 April 2008 the MRP policy will be:
- **Asset life method (local approach)** - MRP will be based on the average life of the overall asset base of 33 years. This will be calculated as 3% on a fixed, straight line basis.
34. This provides for a 3% reduction in the borrowing need (CFR) each year.
35. From 1 April 2008 for all borrowing (including PFI and finance leases) the MRP policy will be:
- **Asset life method** – MRP will be based on the estimated life of the assets, in accordance with the regulations (this option must be applied for any expenditure capitalised under a Capitalisation Direction);
36. This option provides for a reduction in the borrowing need over approximately the asset's life. The asset life is an absolute maximum and wherever possible debt is repaid over a shorter period. Estimated asset life periods will be determined under delegated powers. With all debts, the longer the repayment period the higher the amount of interest incurred over the period of the loan and accordingly it is deemed prudent to reduce the period over which the repayments are made.
37. There is no requirement on the HRA to make a minimum revenue provision but there is a requirement for a charge for depreciation to be made (although there are transitional arrangements in place).
38. Repayments included in annual PFI or finance leases are also applied as MRP.

Affordability prudential indicators

39. The prudential indicators mentioned so far in the report cover the overall capital programme and the control of borrowing through the capital financing requirement (CFR), but within this framework prudential indicators are required to assess the affordability of capital investment plans. These provide an indication of the impact of the capital programme investment plans on the council's overall finances.

40. **Prudential indicator 3 - ratio of financing costs to net revenue stream.** This indicator identifies the trend in the cost of capital (borrowing net of investment income) and compares it to the council's net revenue stream.

Financing Costs	2020/21 Estimate %	2021/22 Estimate %	2022/23 Estimate %	2023/24 Estimate %	2024/25 Estimate %	2025/26 Estimate %
Non-HRA	11.15	13.49	16.41	17.19	18.17	18.40
HRA	12.39	12.38	12.07	11.79	11.52	11.30
Total Ratio	11.39	13.28	15.56	16.11	16.82	16.93

Table 3: Ratio of financing costs to net revenue stream

41. The estimates of financing costs include current commitments and the proposals in the capital budget report considered elsewhere on this agenda.

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

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

Current portfolio position

44. The council's treasury portfolio position at 31st December 2020 is detailed below in table 4:

Institution Type	Principal	Average Rate
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<u>Public Works Loan Board</u> PWLB (58) – Money borrowed from the Debt Management Office (Treasury Agency)	£254.1m	3.49%
<u>Market Loans</u> LOBO Loans (1) – Lender Option Borrower Option	£5.0m	3.88%
<u>West Yorkshire Combined Authority</u> WYCA (4) – Zero interest loans the purpose of which are to help to fund York Central infrastructure projects	£2.4m	0.00%
Total Gross Borrowing (GF & HRA)	£261.5m	3.50%
Total Investments	£0.1m	0.01%

Table 4: Current position at 31st December 2020

45. The council had £261.5m of fixed interest rate debt, of which £146.4m was HRA and £115.1m general fund. The cash balance available for investment was £0.1m. As the capital programme has progressed the level of cash available for investment is gradually decreasing as expected as the Council is using previously held balances to fund the programme.
46. Within the prudential indicators, there are a number of key indicators to ensure that the council operates its activities within well-defined limits, thereby managing risk and reducing the impact of any adverse movement in interest rates. One of these is that the council needs to ensure that its total gross debt does not, except in the short term, exceed the total of the capital financing requirement (CFR) in the preceding year plus the estimates of any additional CFR for 2021/22 and the following two financial years. This allows the flexibility to borrow in advance of need but ensures that borrowing is not undertaken for revenue purposes.
47. **Prudential indicator 4 – external debt** Table 5 shows that the estimated gross debt position of the council does not exceed the underlying capital borrowing need. The Chief Finance Officer (s151 officer) confirms that the council complies with this prudential indicator and does not envisage difficulties for the future.

	2020/21 Estimate £m	2021/22 Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m
Gross projected debt*	354.7	425.5	455.6	480.5	487.4	497.2

Total CFR	456.2	516.1	531.7	541.6	532.4	525.5
Under/(over) borrowed	Under	Under	Under	Under	Under	Under

*Gross projected debt includes Other Long Term liabilities such as PFI/PPP & Leases

Table 5: External debt< capital financing requirement

48. Table 5 shows a gap between actual and estimated borrowing and the CFR (driven by the use of internal funds to finance capital expenditure). The decision as to whether to continue to do this will take into account current assumptions on borrowing rates and levels of internal reserves and balances held by the council. The figures above show a decrease in the gap between CFR and external debt as borrowing is taken to support capital expenditure, however this will be determined by the s151 officer and the figure above is a current broad assumption. Actual borrowing will be determined by the circumstances that prevail at the time on borrowing rates and levels of cash balances.

Prudential indicators: limits on authority to borrow

49. **Prudential indicator 5A – authorised borrowing limit** - It is a statutory duty under Section 3 (1) of the Local Government Act 2003 and supporting regulations, for the council to determine and keep under review how much it can afford to borrow. This amount is termed the “authorised borrowing limit”, and represents a control on the maximum level of debt. This is a limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full council. It reflects the level of external debt, which, while not desired, could be afforded in a short term period of 12 months, but is not sustainable in the longer term.

Authorised Limit	2020/21 Estimate £m	2021/22 Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m
Gross projected debt	354.7	425.5	455.6	480.5	487.4	497.2
Total CFR	456.2	516.1	531.7	541.6	532.4	525.5
Operational Boundary	509.6 (£509.6m set at 20/21 Strategy)	526.1	541.7	551.6	542.4	535.5
Other long term liabilities	30.0	30.0	30.0	30.0	30.0	30.00
Total	539.6	556.1	571.7	581.6	572.4	565.5

	(£539.6m Set at 20/21 Strategy)					
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Table 6: Authorised borrowing limit

50. **Prudential indicator 5B – operational boundary.** In addition to the “authorised borrowing limit”, the operational boundary is the maximum level of debt allowed for on an ongoing operational purpose. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt.

Operational boundary	2020/21 Estimate £m	2021/22 Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m
Gross projected debt	354.7	425.5	455.6	480.5	487.4	497.2
Total CFR	456.2	516.1	531.7	541.6	532.4	525.5
Short term liquidity	53.4	10.0	10.0	10.0	10.0	10.0
Total	509.6 (£509.6m set at 19/20 Strategy)	526.1	541.7	551.6	542.4	535.5

Table 7: Operational boundary

Prospects for interest rates

51. Current interest rates and the future direction of both long term and short term interest rates have a major influence on the overall treasury management strategy and affects both investment and borrowing decisions. To facilitate treasury management officers in making informed investment and borrowing decisions, the council has appointed the Link Group as its treasury adviser. Part of their service is to assist the council in formulating a view on interest rates. Table 9 below gives Link’s central view:

	Bank rate %	PWLB borrowing rates % (including certainty rate adjustment)		
		5 year	25 year	50 year
Mar 2021	0.10	0.80	1.50	1.30
Dec 2021	0.10	0.80	1.60	1.40
Mar 2022	0.10	0.90	1.60	1.40
Dec 2022	0.10	0.90	1.70	1.50
Mar 2023	0.10	0.90	1.70	1.50
Dec 2023	0.10	1.00	1.80	1.60
Mar 2024	0.10	1.00	1.80	1.60

Table 9 – Link's interest rate forecast

52. The coronavirus outbreak has done huge economic damage to the UK and economies around the world. After the Bank of England took emergency action in March to cut Bank Rate to first 0.25%, and then to 0.10%, it left Bank Rate unchanged at its subsequent meetings to 5th November, although some forecasters had suggested that a cut into negative territory could happen. However, the Governor of the Bank of England has made it clear that he currently thinks that such a move would do more damage than good and that more quantitative easing is the favoured tool if further action becomes necessary. As shown in the forecast table above, no increase in Bank Rate is expected in the forecast table above as economic recovery is expected to be only gradual and, therefore, prolonged.

Investment and borrowing rates

53. Investment returns are likely to remain exceptionally low during 2021/22 with very little increase in the following two years. Borrowing interest rates fell to historically very low rates as a result of the COVID crisis and the quantitative easing operations of the Bank of England. Gilt yields up to 6 years were negative during most of the first half of 20/21. The policy of avoiding new borrowing by running down spare cash balances has served well over the last few years.
54. In March 2020, the Government started a consultation process for reviewing the margins over gilt rates for PWLB borrowing for different types of local authority capital expenditure. It also introduced different rates for borrowing for different types of capital expenditure.
55. On 25.11.20, the Chancellor announced the conclusion to the review of margins over gilt yields for PWLB rates; the standard and certainty margins were reduced by 1% but a prohibition was introduced to deny access to borrowing from the PWLB for any local authority which had purchase of assets for yield in its three year capital programme.
56. As Link's long-term forecast for Bank Rate is 2.00%, and all PWLB rates are under 2.00%, there is now value in borrowing from the PWLB for all types of capital expenditure for all maturity periods, especially as current rates are at historic lows. However, greater value can be obtained in borrowing for shorter maturity periods so the Council will assess its risk appetite in conjunction with budgetary pressures to reduce total interest costs. Longer-term borrowing could also be undertaken for the purpose of certainty, where

that is desirable, or for flattening the profile of a heavily unbalanced maturity profile.

57. While the Council will not be able to avoid borrowing to finance new capital expenditure, to replace maturing debt and the rundown of reserves, there will be a cost of carry, (the difference between higher borrowing costs and lower investment returns), to any new borrowing that causes a temporary increase in cash balances as this position will, most likely, incur a revenue cost

Borrowing strategy

58. The borrowing strategy takes into account the borrowing requirement, the current economic and market environments and is also influenced by the interest rate forecast. The council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the capital financing requirement), has not been fully funded with loan debt as cash supporting the council's reserves, balances and cash flow has been used as a temporary measure. This strategy remains prudent as investment returns are low and counterparty risk is still an issue that needs to be considered. Consideration will also be given to the maturity profile of the debt portfolio so the council is not exposed to the concentration of debt being in any one year.
59. Against this background and the risks within the economic forecast, caution will be adopted with the treasury operations. The section 151 officer will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:
- if it was felt that there was a significant risk of a sharp fall in long and short term rates, e.g. due to a marked increase of risks around relapse into recession or of risks of deflation, then long term borrowings will be postponed, and potential rescheduling from fixed rate funding into short term borrowing will be considered.
 - if it was felt that there was a significant risk of a much sharper rise in long and short term rates than that currently forecast, perhaps arising from a greater than expected increase in world economic activity or a sudden increase in inflation risks, then the portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.
60. The HRA strategy for borrowing will be the same as the borrowing strategy described above for the whole council. The HRA Business Plan will guide and influence the overall HRA borrowing strategy.

61. All decisions will be reported to the appropriate decision making body (Executive and Audit & Governance Committee) at the next available opportunity.

Prudential Indicator 6 – Maturity of borrowing

62. Officers will monitor the balance between variable and fixed interest rates for borrowing and investments to ensure the council is not exposed to adverse fluctuations in fixed or variable interest rate movements. This is likely to reflect higher fixed interest rate borrowing if the borrowing need is high or fixed interest rates are likely to increase, a higher variable rate exposure if fixed interest rates are expected to fall. Conversely if shorter term interest rates are likely to fall, investments may be fixed earlier, or kept shorter if short term investment rates are expected to rise.
63. The balance between variable rate debt and variable rate investments will be monitored as part of the overall treasury function in the context of the overall financial instruments structure and any under or over borrowing positions. The council does not currently have any variable rate debt.
64. The upper and lower limits for the maturity structure of fixed rate borrowing are set out below (with actual split for the current financial year included for comparison). This gross limit is set to reduce the council's exposure to large fixed rate sums falling due for refinancing in a confined number of years.

Maturity structure of borrowing				
	Lower	Upper	2020/21 Debt (%)	2020/21 Debt (£)
Under 12 months	0%	30%	3%	£9.0m
12 months to 2 years	0%	30%	2%	£6.0m
2 years to 5 years	0%	40%	10%	£25.3m
5 years to 10 years	0%	40%	21%	£54.4m
10 years and above	30%	90%	64%	£166.8m
Total Borrowing			100%	£261.5m

Table 10: Maturity structure of borrowing at 31st December 2020

Policy on borrowing in advance of need

65. The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

66. Borrowing in advance will be made within the constraints of the CIPFA Prudential Code that:

- It will be limited to no more than 50% of the expected increase in borrowing need (CFR) over the three year planning period; and
- The authority would not look to borrow more than 36 months in advance of need

67. Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

Debt rescheduling

68. Debt rescheduling of current Public Works Loan Board (PWLB) borrowing in our debt portfolio is unlikely to occur as the premature repayment rates provided by the PWLB are much lower than the new borrowing rates provided by the PWLB. The PWLB premature repayment rates are approximately 10-15bps lower than gilt yields. The current low interest rate environment would mean the cost of prematurely repaying any PWLB loans would come with higher premium costs to exit any loans. It is unlikely that any debt rescheduling opportunities will occur in the year ahead but the debt portfolio will continue to be monitored for any opportunities that may prevail.

69. If rescheduling was done, it will be reported to the Executive / Audit & Governance Committee at the earliest meeting following its action.

Municipal Bond Agency

70. The establishment of the UK Municipal Bonds Agency was led by the Local Government Association (LGA) following the 2010 Autumn Statement which resulted in higher PWLB rates, greatly increasing the cost of new borrowing and refinancing. The purpose of the Agency is to deliver cheaper capital finance to local authorities. It will do so via periodic bond issues and by facilitating greater inter-authority lending. The Agency is wholly owned by 56 local authorities and the LGA. The council is a shareholder in the Agency with a total investment of £40k and will make use of this new source of borrowing as and when appropriate.

Annual investment strategy

Investment policy – management of risk

71. The MHCLG and CIPFA have extended the meaning of ‘investments’ to include both financial and non-financial investments. This report deals solely with financial investments, (as managed by the treasury management team). Non-financial investments, essentially the purchase

of income yielding assets, are covered in the Capital Strategy, (a separate report).

72. The Council's investment policy has regard to the following:

- MHCLG's Guidance on Local Government Investments ("the Guidance")
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2017 ("the Code")
- CIPFA Treasury Management Guidance Notes 2018

73. The Council's investment priorities will be security first, portfolio liquidity second and then yield (return), and finally Ethical, Social & Governance using the FTSE4GOOD index, or any suitable alternative responsible investment index to be decided by the s151 officer, to ensure that Ethical, Social and Governance issues are considered as a fourth criteria.

74. The above guidance from the MHCLG and CIPFA place a high priority on the management of risk. This authority has adopted a prudent approach to managing risk and defines its risk appetite by the following means:

- i. Minimum acceptable credit criteria are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short term and long-term ratings.
- ii. Other information: ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Council will engage with its advisors to maintain a monitor on market pricing such as "credit default swaps" and overlay that information on top of the credit ratings.
- iii. Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
- iv. This authority has defined the list of types of investment instruments that the treasury management team are authorised to use. There are two lists in annex B under the categories of 'specified' and 'non-specified' investments.

- Specified investments are those with a high level of credit quality and subject to a maturity limit of one year.
 - Non-specified investments are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised for use.
- v. Lending limits, (amounts and maturity), for each counterparty will be set through applying the matrix tables in annex B.
 - vi. Transaction limits are set for each type of investment.
 - vii. Investments will only be placed with counterparties from countries with a specified minimum sovereign rating, (see annex C).
 - viii. This authority has engaged external consultants, (see paragraphs 19 to 21), to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of this authority in the context of the expected level of cash balances and need for liquidity throughout the year.
 - ix. All investments will be denominated in sterling.
 - x. As a result of the change in accounting standards for 2020/21 under IFRS 9, this authority will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund. (In November 2018, the Ministry of Housing, Communities and Local Government, (MHCLG), concluded a consultation for a temporary override to allow English local authorities time to adjust their portfolio of all pooled investments by announcing a statutory override to delay implementation of IFRS 9 for five years ending 31.3.23.)

75. However, this authority will also pursue value for money in treasury management and will monitor the yield from investment income against appropriate benchmarks for investment performance, (see paragraph 86). Regular monitoring of investment performance will be carried out during the year.

Creditworthiness policy

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

- credit watches and credit outlooks from credit rating agencies

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

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

- Yellow* 5 years
- Purple 2 years
- Blue 1 year (only applies to nationalised or part nationalised UK Banks)
- Orange 1 year
- Red 6 months
- Green 100 days
- No colour not to be used

**The yellow category is for UK Government debt or its equivalent (government backed securities) AAA rated funds*

78. The Link creditworthiness model uses a wider array of information than just primary ratings and by using a risk weighted scoring system, does not give undue weighting to just one agency's ratings.

79. Typically the minimum credit ratings criteria the council use will be a short term rating (Fitch or equivalents) of F1 and Long Term rating A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

80. All credit ratings are monitored on a daily basis. The council is alerted to changes to ratings of all three agencies through its use of the Link Group creditworthiness service:

- If a downgrade results in the counterparty/investment scheme no longer meeting the council's minimum criteria, its further use as a new investment will be withdrawn immediately.
- In addition to the use of credit ratings the council will be advised of information in movements in credit default swap against the iTraxx benchmark and other market data on a weekly basis. Extreme market

movements may result in downgrade of an institution or removal from the councils lending list.

81. Although sole reliance is not placed on the use of this external service, as the council uses market data and market information, information on government support for banks and the credit ratings of that supporting government, the suitability of each counterparty is based heavily on advice from Link.
82. Whilst the council has determined that it will not limit investments to UK banks, due care will be taken to consider the country, group and sector exposure of the Council's investments. The Council has determined that it will only use approved counterparties from countries with a minimum sovereign rating of AA- (excluding the UK) from Fitch (or equivalent). The list of countries that qualify using this credit criteria as at the date of this report are shown in annex C. This list will be added to or deducted from by officers should ratings change in accordance with this policy.

Investment strategy

83. Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months). Greater returns are usually obtainable by investing for longer periods. While most cash balances are required in order to manage ups and downs of cash flow, where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer term investments will be carefully assessed.
84. Bank Rate is unlikely to rise from 0.10% for a considerable period. It is very difficult to say when it may start rising so it may be best to assume that investment earnings from money market related investments will be sub 0.50% for the foreseeable future.
85. For its cash flow generated balances, the council will seek to use a combination of business reserve accounts (call accounts), short notice accounts, short dated fixed term deposits and money market funds. In addition, the council will look for investment opportunities in longer dated term deals with specific counterparties that offer enhanced rates for local authority investment. All investment will be undertaken in accordance with the creditworthiness policy set out above.
86. The council will use an investment benchmark to assess the performance of its investment portfolio of 7 day LIBID rate. These benchmarks are simple guides to maximum risk, so they may be breached from time to time depending on movements in interest rates and counter party criteria. The purpose of the benchmark is that officers will monitor the current and trend position and amend the operational strategy to manage risk as conditions change.

87. **Prudential indicator 7** - total principal investment funds invested for greater than 364 days. This limits is set with regards to the council's liquidity requirements and are based on the availability of funds after each year-end. A maximum principal sum to be invested for greater than 364 days is £15m.

	2020/21 Estimate £m	2021/22 Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m
Maximum limit per year for Investments > 364 days	15.0	15.0	15.0	15.0	15.0	15.0

Table 11: Investments over 364 days

88. At the end of the financial year, the council will report on its investment activity as part of its annual treasury report. It should be noted that the Investment policy, creditworthiness policy and investment strategy are applicable to the council's overall surplus funds and are also applicable to the HRA.

Consultation and options

89. The treasury management function of any business is a highly technical area, where decisions are often taken at very short notice in reaction to the financial markets. Therefore, to enable effective treasury management, all operational decisions are delegated by the council to the Chief Finance Officer, who operates within the framework set out in this strategy and through the treasury management policies and practices. In order to inform sound treasury management operations the council works with its treasury management advisers, the Link Group. Link offers the council a comprehensive information and advisory service that facilitates the council in maximising its investment returns and minimise the costs of its debts.

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

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

the setting of key trigger points for borrowing and investing over the forthcoming financial year.

Council Plan

92. The treasury management strategy statement and prudential indicators are aimed at ensuring the council maximises its return on investments and minimises the cost of its debts whilst operating in a financial environment that safeguards the councils funds. This will allow more resources to be freed up to invest in the council's priorities, values and imperatives, as set out in the Council Plan.

Implications

Financial

93. The financial implications of the treasury strategy are set out in the Financial Strategy and Capital Strategy reports also on this agenda.

Human Resources (HR)

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

Equalities

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

Legal Implications

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

Other implications

97. There are no crime and disorder, information technology or property implications as a result of this report

Risk management

98. The treasury management function is a high-risk area because of the volume and level of large money transactions. As a result of this the

Local Government Act 2003 (as amended), supporting regulations, the CIPFA Prudential Code and the CIPFA Treasury Management in the Public Services Code of Practice (the code) are all adhered to as required.

Report authors:	Chief officer responsible for the report:		
Debbie Mitchell Chief Finance Officer	Debbie Mitchell Chief Finance Officer		
Emma Audrain Principal Accountant	Report Approved	X	Date 29.1.21
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Wards Affected: Not Applicable			

For further information please contact the author(s) of the report

Background papers

none

Annexes

Annex A – Interest rate forecast

Annex B – Specified and non-specified investments categories schedule

Annex C – Approved countries for investments

Annex D – Scheme of delegation and the role of the section 151 officer

Interest Rate Forecasts 2020 – 2024

Annex A

The PWLB rates below are based on the new margins over gilts announced on 26th November 2020. PWLB forecasts shown below have taken into account the 20 basis point certainty rate reduction effective as of the 1st November 2012. There are no changes to these forecasts as at 5.1.21.

Link Group Interest Rate View		9.11.20				(The Capital Economics forecasts were done 11.11.20)								
These Link forecasts have been amended for the reduction in PWLB margins by 1.0% from 26.11.20														
	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	
BANK RATE	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	
3 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	
6 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	
12 month ave earnings	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	
5 yr PWLB	0.80	0.80	0.80	0.80	0.90	0.90	0.90	0.90	0.90	1.00	1.00	1.00	1.00	
10 yr PWLB	1.10	1.10	1.10	1.10	1.20	1.20	1.20	1.20	1.20	1.30	1.30	1.30	1.30	
25 yr PWLB	1.50	1.60	1.60	1.60	1.60	1.70	1.70	1.70	1.70	1.80	1.80	1.80	1.80	
50 yr PWLB	1.30	1.40	1.40	1.40	1.40	1.50	1.50	1.50	1.50	1.60	1.60	1.60	1.60	
Bank Rate														
Link	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	
Capital Economics	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	-	-	-	-	-	
5yr PWLB Rate														
Link	0.80	0.80	0.80	0.80	0.90	0.90	0.90	0.90	0.90	1.00	1.00	1.00	1.00	
Capital Economics	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	-	-	-	-	-	
10yr PWLB Rate														
Link	1.10	1.10	1.10	1.10	1.20	1.20	1.20	1.20	1.20	1.30	1.30	1.30	1.30	
Capital Economics	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	-	-	-	-	-	
25yr PWLB Rate														
Link	1.50	1.60	1.60	1.60	1.60	1.70	1.70	1.70	1.70	1.80	1.80	1.80	1.80	
Capital Economics	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80	-	-	-	-	-	
50yr PWLB Rate														
Link	1.30	1.40	1.40	1.40	1.40	1.50	1.50	1.50	1.50	1.60	1.60	1.60	1.60	
Capital Economics	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	-	-	-	-	-	

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Specified and non-specified investments categories**Annex B**

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

Investments are split into two categories of specified investments and non-specified Investments. Specified investments are relatively high security and high liquidity investments, which must be sterling denominated and with a maturity of no more than a year. Non-specified investments are those investments with a maturity period of greater than one year or are still regarded as prudent but may require more detailed scrutiny and assessment procedures.

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

Specified investments:

Counterparty type	Minimum 'high' credit criteria/colour band	Maximum investment limit per counterparty institution	Maximum maturity period
<i>DMADF – UK Government</i>	<i>UK sovereign rating</i>	<i>£15m</i>	<i>6 months</i>
<i>UK Government Treasury Bills</i>	<i>UK sovereign rating</i>	<i>£15m</i>	<i>1 year</i>
<i>UK Government Gilts</i>	<i>UK sovereign rating</i>	<i>£15m</i>	<i>1 year</i>
<i>Term deposits - local authorities</i>	<i>UK sovereign rating</i>	<i>£15m</i>	<i>1 year</i>
<i>Part-nationalised UK Banks</i>	<i>Blue</i>	<i>£15m</i>	<i>1 year</i>
<i>Term Deposits - UK Banks and Building Societies</i>	<i>Orange</i> <i>Red</i> <i>Green</i>	<i>£15m</i> <i>£15m</i> <i>£8m</i>	<i>1 year</i> <i>6 months</i> <i>100 days</i>
<i>Term Deposits - Non-UK Banks (with a sovereign rating of AA-)</i>	<i>Orange</i>	<i>£15m</i>	<i>1 year</i>
<i>Certificates of Deposits issued by Banks and Building Societies</i>	<i>Orange/Blue</i>	<i>£15m</i>	<i>1 year</i>
<i>Collective investment schemes structured as open ended investment companies (OEICs) as below:-</i>			

1. Money Market Funds CNAV*	AAA	£15m	Liquid
2. Money Market Funds LVNAV*	AAA	£15m	Liquid
3. Money Market Funds VNAV*	AAA	£15m	Liquid
4. Ultra-Short Dated Bond Funds	AAA	£15m	Liquid
5. Bond Funds	AAA	£15m	Liquid

*CNAV – constant net asset value

*LVNAV – low volatility net asset value

*VNAV – variable net asset value

NON-SPECIFIED INVESTMENTS:

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

1. Maturities of ANY period

Counterparty type	Minimum credit criteria	Maximum investment limit per counterparty institution	Maximum Maturity Period
<i>Fixed term deposits with variable rate and variable maturities: - Structured deposits</i>	<i>Orange Blue Red Green</i>	<i>£15m £15m £15m £8m</i>	<i>1 Year 1 year 6 months 100 days</i>
<i>Certificates of Deposits issued by Banks and Building Societies</i>	<i>Red Green</i>	<i>£15m £8m</i>	<i>6 months 100 days</i>
<i>Floating Rate Notes</i>	<i>Long-term AAA</i>	<i>£15m</i>	<i>1 year</i>
<i>Property Funds: the use of these investments may constitute capital expenditure</i>	<i>AAA-rated</i>	<i>£15m</i>	<i>5 years</i>

2. Maturities in excess of 1 year

<i>Term Deposits– local authorities</i>	<i>UK Sovereign Rating</i>	<i>£15m</i>	<i>> 1 year</i>
<i>Term deposits – Banks and Building Societies</i>	<i>Yellow Purple</i>	<i>£15m £15m</i>	<i>5 years 2 years</i>
<i>Certificates of Deposits issued by Banks and Building Societies not covered by UK Government guarantee</i>	<i>Yellow Purple</i>	<i>£15m £15m</i>	<i>5 years 2 years</i>

<i>UK Government Gilts</i>	<i>UK sovereign rating</i>	<i>£15m</i>	<i>> 1 year</i>
<i>Collective investment schemes structured as open ended investment companies (OEICs) as below:-</i>			
<i>1. Bond Funds</i>	<i>Long-term AAA</i>	<i>£15m</i>	<i>> 1 year</i>
<i>2. Gilt funds</i>	<i>Long-term AAA</i>	<i>£15m</i>	<i>> 1 year</i>

Approved countries for investments**Annex C**

This list is based on those countries which have sovereign ratings of AA- or higher, (we show the lowest rating from Fitch, Moody's and S&P) and also, (except - at the time of writing - for Hong Kong, Norway and Luxembourg), have banks operating in sterling markets which have credit ratings of green or above in the Link credit worthiness service.

This list is as at 05/01/21

Based on lowest available rating**AAA**

- Australia
- Denmark
- Germany
- Luxembourg
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

AA+

- Canada
- Finland
- U.S.A.

AA

- Abu Dhabi (UAE)
- France

AA-

- Belgium
- Hong Kong
- Qatar
- U.K

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Treasury management scheme of delegation**Annex D****(i) Executive / Full Council**

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

(ii) Executive

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

(iii) Audit & Governance Committee

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

(iv) Chief Finance Officer (section 151 officer)

- reviewing the treasury management policy and procedures and making recommendations to the responsible body.
- all operational decisions are delegated by the council to the Chief Finance Officer, who operates within the framework set out in this strategy and through the treasury management policies and practices
- Approving the selection of external service providers and agreeing terms of contract in accordance with the delegations in financial regulations.

The treasury management role of the section 151 officer

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance
- all operational decisions delegated by the council to the Chief Finance Officer (s151 officer), who operates within the framework set out in this strategy and through the treasury management policies and practices
- submitting regular treasury management policy reports
- submitting budgets and budget variations
- receiving and reviewing management information reports
- reviewing the performance of the treasury management function
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function
- ensuring the adequacy of internal audit, and liaising with external audit
- recommending the appointment of external service providers.

- preparation of a capital strategy to include capital expenditure, capital financing, non-financial investments and treasury management, with a long term timeframe
- ensuring that the capital strategy is prudent, sustainable, affordable and prudent in the long term and provides value for money
- ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the authority
- ensure that the authority has appropriate legal powers to undertake expenditure on non-financial assets and their financing
- ensuring the proportionality of all investments so that the authority does not undertake a level of investing which exposes the authority to an excessive level of risk compared to its financial resources
- ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long term liabilities
- provision to members of a schedule of all non-treasury investments including material investments in subsidiaries, joint ventures, loans and financial guarantees
- ensuring that members are adequately informed and understand the risk exposures taken on by an authority
- ensuring that the authority has adequate expertise, either in house or externally provided, to carry out the above
- creation of Treasury Management Practices which specifically deal with how non treasury investments will be carried out and managed, to include the following: -
 - *Risk management, including investment and risk management criteria for any material non-treasury investment portfolios;*
 - *Performance measurement and management, including methodology and criteria for assessing the performance and success of non-treasury investments;*
 - *Decision making, governance and organisation, including a statement of the governance requirements for decision making in relation to non-treasury investments; and arrangements to ensure that appropriate professional due diligence is carried out to support decision making;*
 - *Reporting and management information, including where and how often monitoring reports are taken;*
 - *Training and qualifications, including how the relevant knowledge and skills in relation to non-treasury investments will be arranged.*