

**Notice of a public**

**Joint Budget Decision Session - Executive Member for Children,  
Young People and Education and Executive Member for Culture,  
Leisure and Communities**

**To:** Councillors Orrell and Smalley

**Date:** Tuesday, 12 January 2021

**Time:** 5.30 pm

**Venue:** Remote Meeting

**AGENDA**

**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 Democratic Services by **4:00pm on Thursday 14 January 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.

Written representations in respect of items on this agenda should be submitted to Democratic Services by at **5.00pm on Friday 8 January 2021**.

**1. Declarations of Interest**

At this point in the meeting, the Executive Members are asked to declare:

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

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

**2. Minutes** (Pages 1 - 4)

To approve the minutes of the Joint Budget Decision Session held on 14 January 2020.

**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 Executive Members.

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 Friday 8 January 2021**.

To register to speak please visit [www.york.gov.uk/AttendCouncilMeetings](http://www.york.gov.uk/AttendCouncilMeetings) to fill in an online registration form. If you have any questions about the registration form or the meeting please contact Democratic Services. Contact details are at the foot of this agenda.

**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](http://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](http://www.york.gov.uk/COVIDDemocracy)) for more information on meetings and decisions.

**4. Financial Strategy 2021/22 to 2025/26** (Pages 5 - 34)

This report provides background information for the council's overall Financial Strategy and presents the savings proposals and growth assumptions for the portfolios of the Executive Member for Children, Young People and Education and the Executive Member for and Culture, Leisure and Communities for consideration by both Executive Members before finalisation of the overall Financial Strategy, to be presented to Executive on 11 February 2021.

## 5. Urgent Business

Any other business which the Executive Members consider urgent under the Local Government Act 1972.

Democracy Officer:

Name: Angela Bielby

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Email – a.bielby@york.gov.uk

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

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

Contact details are set out above.

**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)

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City of York Council

Committee Minutes

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|---------|---|
| Meeting | Joint Budget Decision Session - Executive Member for Children, Young People and Education and Culture, Leisure and Communities                          |
| Date    | 14 January 2020   |
| Present | Councillors Cuthbertson (Executive Member for Children, Young People and Education) and Smalley (Executive Member for Culture, Leisure and Communities) |

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## 15. **DECLARATIONS OF INTEREST**

The Executive 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 he might have had in respect of business on the agenda. They confirmed they had none.

## 16. **PUBLIC PARTICIPATION**

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

Cllr Webb spoke as the Labour Shadow Executive Member for Children and Education. He suggested that there was a lack of detail in the papers and he expressed concern over the effect of budget cuts on young people. He noted that there several areas in which savings were proposed suggesting that there would be no negative impacts on CYC as it would receive grants. He then outlined his areas of concern in regard to the budget for children and young people noting his concern in particular on the effects of the budget cuts on vulnerable people.

Gwen Swinburn thanked the Executive Members for arranging their budget meetings. She raised concern that there was not enough information in the papers, that there was no Equalities Impact Assessment, that there was £150k of cuts with no detail on the impact of those cuts, that some capital programme reports were missing and that there was too little information on the one-off growth items.

## 17. FINANCIAL STRATEGY 2020/21

The Executive Members considered a report that provided background information for the overall Financial Strategy and presented the savings proposals and growth assumptions for their portfolios. This provided an opportunity for them to obtain feedback in advance of the finalisation of the overall Financial Strategy which would be presented to Executive on 13 February 2020.

The Head of Finance Adults, Children & Education and the Principal Accountant were in attendance to present the report. They outlined the report noting the key investments across both portfolios and the proposed growth and savings as detailed in annexes 1 and 2. The Executive Members thanked Officers noting that it was hard to find revenue savings.

The Executive Member for Culture, Leisure and Communities commented that he was pleased to see the growth proposal for a new Safer and Inclusive Communities Fund to be allocated to Ward Committees to enhance safer communities, and he added that the savings regarding the proposals for two community centres was a saving borne out of investment. The Corporate Director for Adults Children and Education noted that the proposed savings outlined were challenging and where there had been an opportunity to maximise the use of grants these were used effectively. She reported that the central government grant funding for Troubled Families had been confirmed. She noted that there had been an examination of how to align services across the directorate so that less children need a higher level of intervention.

The Assistant Director Culture and Communities then outlined the savings in the Culture, Leisure and Communities portfolio in detail. He was asked and noted that the first grant help was core to the delivery of key outcomes. The Executive Member for Culture, Leisure and Communities noted the benefits of Arts Council income to York.

The Corporate Director for Adults, Children and Education then detailed the budget savings and grant income in the Children, Education and Young People portfolio noting that there was to be a realignment in the management of services. She then outlined the areas of growth in detail. The Executive Member for Children, Education and Young People reported that the budget would come into effect from March and there would be full consultation. He clarified that the Public Sector Equality Duty

was the responsibility of the S151 Officer and not the Chief Executive.

The Executive Member for Culture, Leisure and Communities commented that it was good to see ideas borne from residents. He added that there was investment in different types of culture, citing the investment in the community stadium, and investment in Acomb and Clifton libraries as examples of a wider cultural offer. The Executive Member for Children, Education and Young People commented that the strategies put forward would be effective in terms of partnership working. It was then:

Resolved:

- (i) That the feedback from consultation for Children, Young People and Education and Culture, Leisure and Communities portfolios, as set out in Annex 3 to the report, be noted.
- (ii) That the following be agreed for inclusion within the overall financial strategy to be presented to Executive on 13 February 2020:
  - a) The 2020/21 revenue savings proposals for Children, Young People and Education and Culture, Leisure and Communities portfolios, as set out in Annex 1 to the report.
  - b) The 2020/21 revenue growth proposals for Children, Young People and Education and Culture, Leisure and Communities portfolios, as set out in Annex 2 to the report.

Reason: To ensure that stakeholders have the opportunity to feed into the budget process in advance of the finalisations of the Financial Strategy 2020/21 to 2024/25.

Councillor Cuthbertson (Executive Member for Children, Young People and Education)

Councillor Smalley (Executive Member for Culture, Leisure and Communities)

[The meeting started at 4.10 pm and finished at 4.55 pm].

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**Joint Decision Session**  
**Executive member for Children, Young People & Education**  
**Executive Member for Culture, Leisure & Communities**

*13 January 2021*

Report of the Chief Finance Officer

***FINANCIAL STRATEGY 2021/22 to 2025/26***

**Summary**

1. The Financial Strategy 2021/22 to 2025/26 will be presented to Executive on 11 February 2021 and Full Council on 25 February 2021.
2. The purpose of this Decision Session report is to provide background information for the overall Financial Strategy and to present the draft savings proposals, growth assumptions and capital schemes for the Children, Young People & Education and Culture, Leisure & Communities portfolios. This will provide an opportunity for Executive Members to obtain feedback in advance of the finalisation of the overall Financial Strategy which will be presented to Executive on 11 February 2021.
3. 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.
4. In November 2020 the Chancellor announced the Government's 1 year Spending Review, which 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.

5. Key assumptions for the overall Financial Strategy are as follows;
  - A proposed basic council tax increase of 1.99 % in 2021/22, equating to additional income of £1.7m. Any increase above this amount would require a referendum.
  - In addition an increase of 3% in line with the government's social care precept, equating to additional income of £2.546m, which provides support for adult social care
  - Revenue savings of £7.9m in 2021/22
6. 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. Further details of the impact of Covid-19 on the Council's finances are included below in 'the national context' section.
7. The Council also continues to face long standing financial challenges, particularly with regard to uncertainty over national funding streams and growing demand for Council services, especially within adult social care.
8. The Council's proposed overall 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.
9. 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. To enable this investment, the Council has also 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.
10. At the same time, the Council is continuing to deliver on local residents' priorities, by continuing our investment programme with a further £150k of enabling funding to support our initiatives to tackle Climate Change (which include £12m of investment so far), £5.8m in services which

support the most vulnerable and £500k for waste and environment services to include additional staffing on waste rounds, improved city centre cleaning and effective weed control.

11. Overall £12m 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 – one off 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.
12. The budget proposals outlined ensure that additional investment is made into both People and Place directorates with efficiency savings being made across corporate, back office functions. Ensuring that there is the capacity to invest in council priorities and accelerate recovery from the pandemic has been a critical part of the budget deliberations.
  13. 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 £600 million Capital Programme, to drive regeneration and accelerate the city's economic recovery.
  14. 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
  15. This report focuses on the revenue savings and growth proposals specific to the Children, Young People & Education and Culture, Leisure & Communities portfolios. Annex 1 provides details of savings proposals and annex 2 provides details of growth proposals. Annex 3 provides

feedback from the public consultation relevant to these portfolios. Annex 4 provides details of schemes in the Children, Young People & Education and Culture, Leisure & Communities portfolios Capital Programme.

## **Recommendations**

16. The Executive Members are asked to consider, in the context of the overall budget;
- The 2021/22 revenue savings proposals for their portfolio as set out in annex 1
  - The 2021/22 revenue growth proposals for their portfolio as set out in annex 2
  - The feedback from consultation to date as set out in annex 3
  - The new schemes for inclusion in the 2021/22 to 2025/26 Capital Programme as set out in annex 4

Reason: To ensure that stakeholders have the opportunity to feed into the budget process in advance of the finalisation of the Financial Strategy 2021/22 to 2025/26.

## **Background**

### National Context and Funding Issues

17. 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, at the same time income has significantly fallen.
18. The Government has failed to give 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.
19. 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 where the Government has failed, including support for vulnerable residents and struggling businesses, and also with Covid-19 testing.

20. 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) that 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:
- £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
21. 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.

22. 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.
23. 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.

#### Local issues and challenges

24. 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.
25. 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.
26. 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 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.

27. 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, it is unlikely that the Government funding will fully compensate the Council and this represents a significant risk to the delivery of the Council Plan and the ongoing delivery of essential services.
28. 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.
29. Putting aside the impact of Covid-19, demand for council services continues to increase, with an ageing population with increased complex needs in respect of social care. 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. In addition, inflation is driving costs up and there is continued pressure on many of the council's income budgets, all of which highlights the need to include a realistic and prudent contingency fund.

#### Medium Term Financial Strategy and approach to savings

30. The medium term financial strategy focuses on delivering efficiencies across all areas. Ensuring that there is the capacity to invest in key priority areas has been a critical part of previous budget decisions and will need to continue in the future.

31. 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.
32. Last year, all directorates were asked to consider the long term implications of a 2% per annum reduction in their controllable budgets over a 4 year period from 2020/21 to 2023/24, in the region of £4m in each financial year. This included an assessment of options, risks, and links with Council priorities. In light of Covid-19 the savings requirement of £4m predicted last year for 2021/22 increased to £7.9m
33. Specific details of future year's savings proposals will be covered in future budget reports. The eventual scale of savings that are required over the next 4 year period will be driven by the outcomes of the future spending reviews and economic recovery, alongside the extent to which service demands affect the council. Looking beyond 2021/22 is difficult at this time given the wide range of uncertainties.

#### Principles that have shaped the budget process

34. The budget setting process has taken into account the following issues;
  - i. Consideration of the 2020/21 position.
  - ii. Consideration of unavoidable cost increases, how to create the capacity in priority areas and driving 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 Chief Finance Officer as 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.
35. It is critical that the council continues to support a strong local economy, recognising the significant financial benefits in the form of retained business rates, and the creation of jobs. Ensuring that there is a strong link between the capital and revenue budgets to support the delivery of council priorities is essential.
36. There is a growing imperative for all councils to respond to the climate emergency and look for opportunities to develop the circular low carbon

economy as part of their action to deliver council priorities and contribute to economic recovery.

37. The Capital Programme report in February will set 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. The capital budget proposals for the Children, Young People & Education and Culture, Leisure & Communities are included in annex 4.

## **Consultation**

38. The council is currently consulting with residents and businesses to identify the services that matter most to them and to understand their priorities for spending the council budgets.
39. The budget consultation launched in December and closes on 31 January 2021.
40. The consultation replicated a number of question sets from previous years on council tax and the social care precept, to allow us to track and assess feedback.
41. 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.
42. The online survey was promoted;
- Within the business community via existing business network links and distribution groups such as York Business Week, Make It York, BID, York Chamber of Commerce, York Federation of Small Businesses and asking them to pass on 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, with delivery taking place over a two week period. Responses are sent back at no cost to residents via Freepost to West Offices.
43. A Facebook live session on 6th January gives members of the public the opportunity to ask questions in relation to the budget.
44. All views and data gathered during the consultation will in due course be published on the York's open data platform [www.yorkopendata.org](http://www.yorkopendata.org)

45. Annex 3 provides details of consultation feedback received to date.

### **Council Plan**

46. The Council Plan for 2019/2023 is based on the statutory responsibilities and the priorities of the Council. 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

47. 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.

48. The plan was formally approved by Council on 31 October 2019 following consultation with residents, businesses and staff.
49. The budget reflects the Council priorities with significant revenue and capital investment in a number of areas, as outlined in the summary of this report.

## **Options**

50. Annex 1 sets out the savings proposals for Children, Young People & Education and Culture, Leisure & Communities portfolios for 2021/22. The figures included in the column 2022/23 impact show the full year/ ongoing impact of decisions taken in 2021/22. Annex 2 sets out the growth proposals and Annex 3 sets out the consultation responses received to date. Annex 4 sets out the new capital schemes for Children & Young People and Culture, Leisure & Communities portfolios.
51. The options available to the Executive Members are;
  - Option 1 - to retain the savings, growth and capital proposals as set out in annex 1, 2 and 4
  - Option 2 – to add, delete or amend proposals, noting that any adjustments made should have a net nil effect with reference to the overall budget.

## **Analysis**

52. Any savings in these portfolios are challenging as, in line with other Local Authorities nationally, demand is growing for services in this area, especially in relation to SEND services and children in need of care and protection.
53. Children's Social Care services in York continue to be in a period of change as part of our continuous improvement journey. Therefore the budget focuses on targeting resources more effectively in areas where there is greatest need. For example more appropriate homes for our growing number of children in our care and stronger community and early help services to support families before the need for care, or to be reunited when care has been required.
54. We will continue to work with partners in a number of areas to ensure we are having the maximum possible positive impact from joint investment.

55. Environmentally sustainable developments have been designed for Archbishop Holgate's and Fulford Schools that will make a further contribution to our Council's climate change strategy.
56. The Dedicated Schools Grant (DSG) is a ring fenced grant that must be used in support of the schools budget. In consultation with the Schools Forum, local authorities make decisions about the delegation of funds to schools and on the spending of funds held centrally, most of which is used for making provision for children and young people with special educational needs and disabilities.
57. Nationally, DSG's are projecting an overspend and LAs are in overall deficit. York is facing similar pressures and while calling on Government to provide a fairer funding settlement in the interim, a 3 year recovery plan is needed to address the current pressures. 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. This will be considered further in 2021/22 with input from Members and the Schools Forum and the development of the recovery plan will be reported to Executive. It is vital for the success of this process that the national SEND Review initiated by the Government in September 2019 be determined as soon as possible.
58. Similarly, many leisure and cultural services are being heavily impacted by the pandemic across the UK. However, the proposals outlined in this report continue the Council's investment in York's libraries, leisure and cultural provision at a time when many other Councils are reducing services.

## **Equalities**

59. An impact assessment has been completed for each individual saving. Once the savings are finalised, an assessment will be completed on the overall impact of the budget proposals using the Better Decision Making Tool and will be published in the budget report to Executive in February. 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. Decisions taken will also consider the impact on the Council's carbon budget alongside benefits such as improvements to service users or a reduction in energy costs.
60. 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. The strategy could have an impact on the following communities;

- Age
- Disability
- Gender
- Carers
- Lower income groups

61. This 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

### **Specialist Implications**

62. This report has the following implications;

### **Financial**

63. The financial implications are contained within the body of the report. Due to the continued, significant uncertainty in both national and local government finances and the resulting increase in risk, a specific Covid contingency is included within the budget proposals to mitigate this risk and ensure the proposals outlined deliver a robust, balanced budget. This is also covered in the risk management section of this report.

## **Human Resources (HR)**

64. The savings proposals contained within the overall budget will require the reduction of some posts in 2021/22. Further details will be provided in the February report to Executive.
65. As implementation plans to achieve these post reductions 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.
66. 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.
67. 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**

68. The contents of this report are for information only at this stage. The legal implications of the budget setting process will be covered in detail in the report to Executive in February.

## **Risk Management**

69. An assessment of risks is completed as part of the annual budget setting exercise and will be reported in the February report to Executive. These risks are managed effectively through regular reporting and corrective action being taken where necessary and appropriate.
70. The budget proposals include a Covid contingency sum to allow the Council to respond quickly during the early part of the new financial year and mitigate against any new risks as a result of the changing situation in relation to the pandemic. Without this contingency fund, the budget would not, in the view of the Chief Finance Officer, be robust enough. Nor would it properly cover potential costs for the year ahead.

71. As the Council's Section 151 Officer, the Chief Finance Officer has a statutory responsibility for ensuring that the Council makes arrangements for the proper administration of its financial affairs. Section 114 of the Local Government Finance Act 1988 requires a report to all Council members to be made by the s151 officer, in consultation with the Monitoring Officer, if there is or is likely to be an unbalanced budget.

### Contact Details

**Author:**

Sarah Kirby  
Principal Accountant

Emma Audrain  
Technical Accountant

**Chief Officer Responsible for the report:**

Debbie Mitchell  
Chief Finance Officer

**Report Approved**

**Date** 31/12/20

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

**All**

**For further information please contact the authors of the report**

Background Papers:

Budget Consultation available at [www.yorkopendata.org](http://www.yorkopendata.org)

Annexes:

- 1 – 2021/22 Savings Proposals for Children, Young People & Education and Culture, Leisure & Communities portfolios
- 2 – 2021/22 Growth Proposals for Children, Young People & Education and Culture, Leisure & Communities portfolios
- 3 – Consultation feedback received to date
- 4 - Capital Strategy 2020/21 to 2024/25 – Details of schemes for Children, Young People & Education and Culture, Leisure & Communities portfolios



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**Annex 1 2021/22 Savings Proposals for Children, Young People & Education and Culture, Leisure & Communities**

| <b>Ref</b>           | <b>Portfolio</b>                   | <b>Proposal Description</b>   | <b>2021/22 Impact £000</b> | <b>2022/23 Impact £000</b> | <b>Total Saving Impact £000</b> |
|----------------------|------------------------------------|---|----------------------------|----------------------------|---------------------------------|
| CYPE1                | Children, Young People & Education | <b>Childrens Social Care Placement Costs</b><br>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)                            |
| CYPE2                | Children, Young People & Education | <b>Childrens Social Care Placement Costs</b><br>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)                           |
| CYPE3                | Children, Young People & Education | <b>Learning and Work Advisor Team</b><br>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)                           |
| CYPE4                | Children, Young People & Education | <b>Review of Early Help</b><br>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)                           |
| CYPE5                | Children, Young People & Education | <b>Schools Capital Programme</b><br>Ensure the appropriate charges are made to capital projects.  | (80)                       |                            | (80)                            |
| CYPE6                | Children, Young People & Education | <b>Education and Skills Staffing</b><br>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)                           |
| CLC1                 | Culture, Leisure & Communities     | <b>Ward Committees</b><br>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)                           |
| CLC2                 | Culture, Leisure & Communities     | <b>Community Involvement Officers/ Community Hubs</b><br>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)                            |
| <b>Total Savings</b> |                                    |   | <b>(1,319)</b>             | <b>(185)</b>               | <b>(1,504)</b>                  |

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**Annex 2 - Growth Proposals 2021/22 for Children, Young People & Education , Culture, Leisure & Communities**

| Portfolio                          | Council Priority                           | Growth Proposal   | 2021/22<br>£000 | 2022/23<br>£000 | Total<br>£000 |
|------------------------------------|--|---|-----------------|-----------------|---------------|
| <b>Pay and Prices Growth</b>       |  |   |                 |                 |               |
| Children, Young People & Education | A better start for Children & Young People | Additional investment in children, young people and education to meet increased costs in delivering services  | 490             |                 | 490           |
|                                    |  | <b>TOTAL Recurring Growth</b>   | <b>490</b>      | <b>0</b>        | <b>490</b>    |
| <b>One off Growth</b>              |  |   |                 |                 |               |
| Children, Young People & Education | A better start for Children & Young People | Additional Investment to Children's social care supporting current pressures delivering services to the most vulnerable children, young people and families | 1,000           | 1,000           | 2,000         |
|                                    |  | <b>TOTAL One off Growth</b>   | <b>1,000</b>    | <b>1,000</b>    | <b>2,000</b>  |

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# City of York Council



## Budget Consultation 2021/22

### Interim Results 03/01/2021 (Quantitative Questions Only)

The online Budget Consultation 2021/22 opened on 15/12/2020 and closes 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.

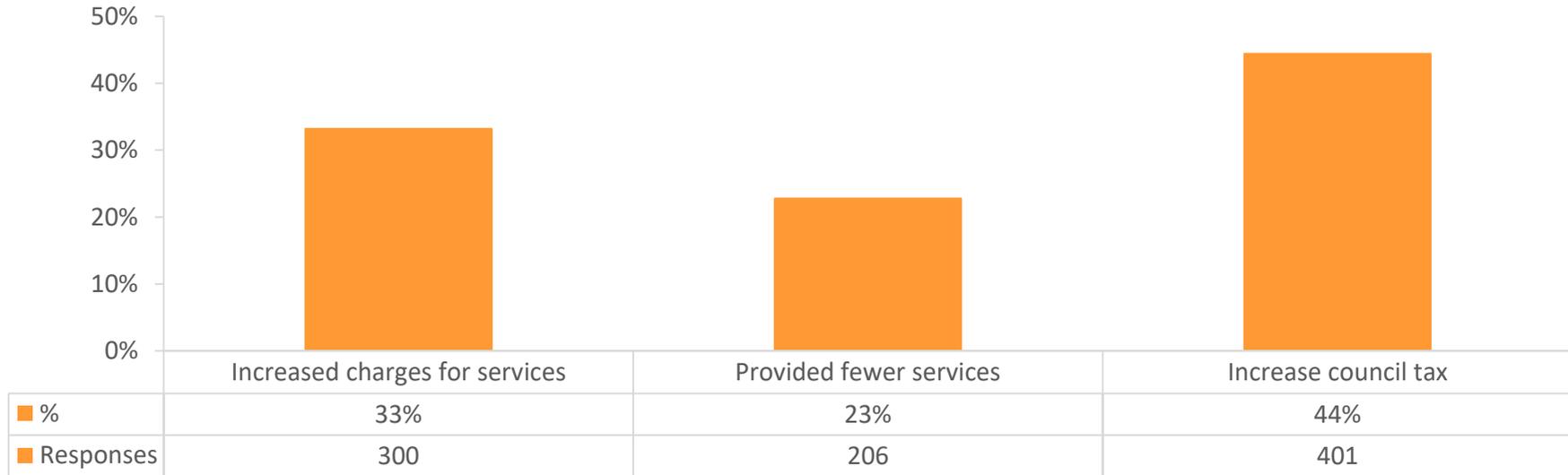
This reports presents the online responses received up until 03/01/2020 at which point a total of 787 residents and businesses participated.

The consultation gives 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.

The consultation results and the raw data will be made available on the council open data platform [www.yorkopendata.org](http://www.yorkopendata.org).

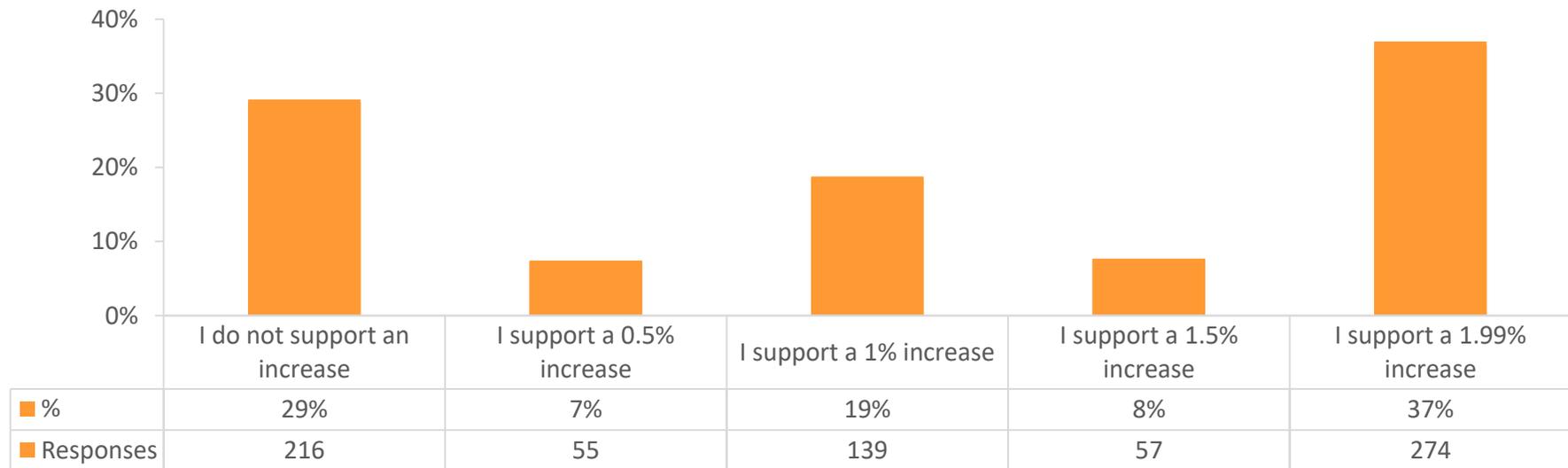
**Council Tax**

To accelerate recovery and balance the budget, would you rather we; Please select all that apply



(n=729)

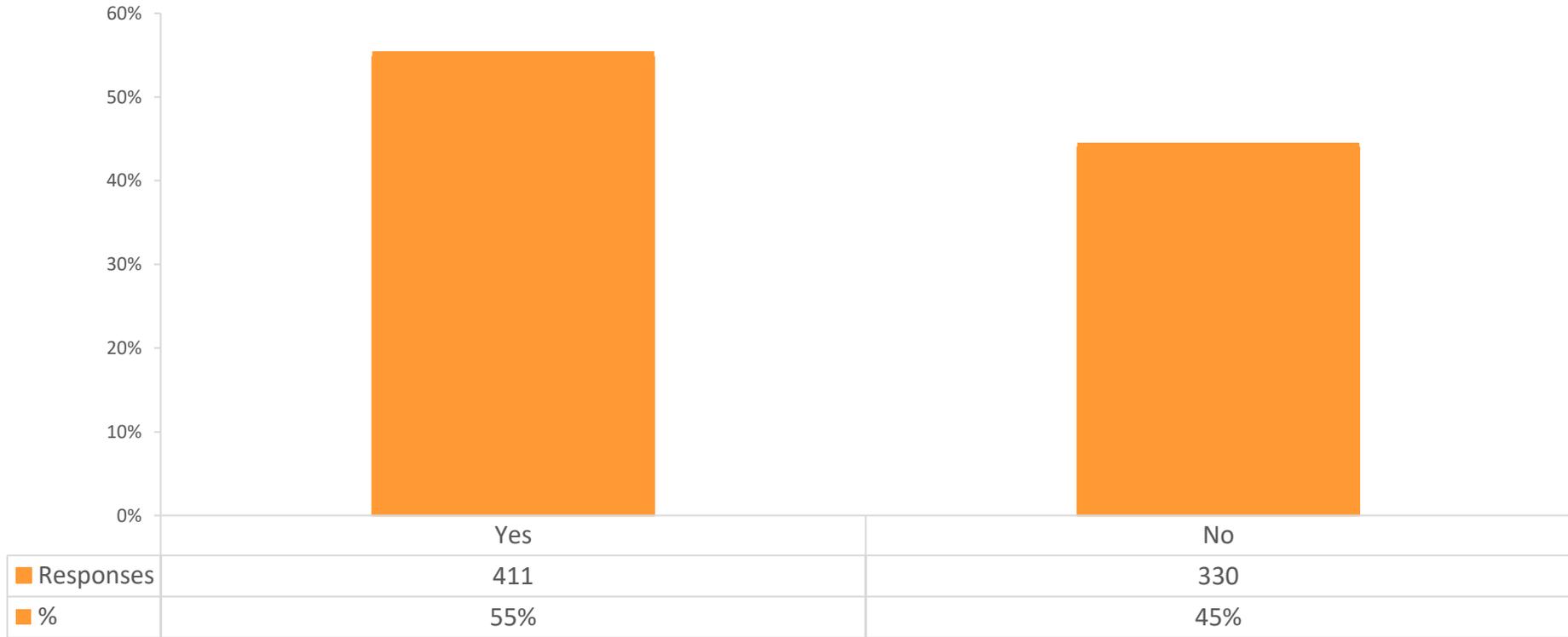
**Do you support an increase in council tax to balance the budget and if so by how much?**



(n=741)

**Social Care Precept**

**Do you support taking the full social care precept of 3%?**



(n=741)

## Budget Priorities

Do you agree or disagree that we should prioritise:

|  | Disagree | Disagree (%) | Agree | Agree (%) | Neither | Neither (%) |
|--|----------|--------------|-------|-----------|---------|-------------|
| Accelerate city wide recovery (as a priority)  | 133      | 18.34%       | 370   | 51.03%    | 222     | 30.62%      |
| Prioritise our public health response to the pandemic, including support for mental health | 71       | 9.70%        | 533   | 72.81%    | 128     | 17.49%      |
| Top-up business grants provided by the government  | 339      | 46.82%       | 162   | 22.38%    | 223     | 30.80%      |
| Provide targeted financial support for those who need it the most                          | 97       | 13.27%       | 476   | 65.12%    | 158     | 21.61%      |
| Support local communities to recover from the pandemic                                     | 141      | 19.37%       | 350   | 48.08%    | 237     | 32.55%      |
| Maintain and develop highways and infrastructure assets, including cycling/walking         | 178      | 24.45%       | 402   | 55.22%    | 148     | 20.33%      |
| Maintain and refurbish parks, play areas and libraries                                     | 181      | 24.83%       | 361   | 49.52%    | 187     | 25.65%      |
| Maintain and develop leisure facilities  | 235      | 32.37%       | 241   | 33.20%    | 250     | 34.44%      |
| Maintain and upkeep schools  | 70       | 9.60%        | 515   | 70.64%    | 144     | 19.75%      |
| Explore additional investment to generate more income for front line services              | 116      | 15.91%       | 450   | 61.73%    | 163     | 22.36%      |

## Budget Priorities

### Areas respondents agree should be prioritised

|  |     |
|--|-----|
| Prioritise our public health response to the pandemic, including support for mental health | 73% |
| Maintain and upkeep schools  | 71% |
| Provide targeted financial support for those who need it the most                          | 65% |
| Explore additional investment to generate more income for front line services              | 62% |
| Maintain and develop highways and infrastructure assets, including cycling/walking         | 55% |
| Accelerate city wide recovery (as a priority)  | 51% |
| Maintain and refurbish parks, play areas and libraries                                     | 50% |
| Support local communities to recover from the pandemic                                     | 48% |
| Maintain and develop leisure facilities  | 33% |
| Top-up business grants provided by the government  | 22% |

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| Scheme name   | Portfolio Holder | 20/21<br>£000 | 21/22<br>£000 | 22/23<br>£000 | 23/24<br>£000 | 24/25<br>£000 | 25/26<br>£000 | Total<br>£000 |
|---|------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Funded Fully by Borrowing:</b>   |                  |               |               |               |               |               |               |               |
| Libraries as Centres of Learning and Opportunity for all: Acomb & Clifton     | CLC              | -             | 2,000         | 2,000         | -             | -             | -             | 4,000         |
| Haxby Library Reprovision   | CLC              | 43            | 700           | -             | -             | -             | -             | 743           |
| York Theatre Royal  | CLC              | 500           | -             | -             | -             | -             | -             | 500           |
| Energise Roof   | CLC              | 130           | -             | -             | -             | -             | -             | 130           |
| National Centre for Early Music   | CLC              | 25            | -             | -             | -             | -             | -             | 25            |
| Schools Essential Building Work   | CYP              | 200           | 2,358         | -             | -             | -             | -             | 2,558         |
| Schools Essential Mechanical & Electrical Work                                | CYP              | 200           | 2,351         | -             | -             | -             | -             | 2,551         |
| Centre of Excellence for Disabled Children (Beehive) - CPB element            | CYP              | 2,350         | -             | -             | -             | -             | -             | 2,350         |
| Children in Care Residential Commissioning Plan                               | CYP              | -             | 1,358         | -             | -             | -             | -             | 1,358         |
| Expansion and Improvement of Facilities for Pupils with SEND - CPB element    | CYP              | 24            | 500           | -             | -             | -             | -             | 524           |
| Improving School Accessibility  | CYP              | 500           | -             | -             | -             | -             | -             | 500           |
| <b>Westfield Multi Use Games Area</b>   | <b>CYP</b>       | <b>-</b>      | <b>100</b>    | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>100</b>    |
| Family Drug & Alcohol Assess/Recovery Facility                                | CYP              | -             | 100           | -             | -             | -             | -             | 100           |
| Adaptions to Foster Carer Homes   | CYP              | -             | 100           | -             | -             | -             | -             | 100           |
| Children & Young Peoples services & Building based provision review           | CYP              | 12            | -             | -             | -             | -             | -             | 12            |
| <b>External element of Part CPB borrowed schemes</b>                          |                  |               |               |               |               |               |               |               |
| Centre of Excellence for Disabled Children (Beehive) - External element       | CYP              | 210           | 70            | -             | -             | -             | -             | 280           |
| Expansion & Improvement of Facilities for Pupils with SEND - External element | CYP              | 508           | -             | -             | -             | -             | -             | 508           |
| <b>Westfield Multi Use Games Area - External element</b>                      | <b>CYP</b>       | <b>-</b>      | <b>100</b>    | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>100</b>    |
| <b>Funded by other internal sources eg capital receipts</b>                   |                  |               |               |               |               |               |               |               |
| Centre of Excellence for Disabled Children (Beehive)                          | CYP              | 500           | -             | -             | -             | -             | -             | 500           |
| <b>Fully Externally Funded</b>  |                  |               |               |               |               |               |               |               |
| S106 Sports Development   | CLC              | 115           | -             | -             | -             | -             | -             | 115           |
| Basic Need  | CYP              | 600           | 9,136         | -             | -             | -             | -             | 9,736         |
| Fulford School Expansion 2020 Phase 1 and 2                                   | CYP              | 800           | 5,200         | 1,000         | -             | -             | -             | 7,000         |
| Archbishop Holgate's School Expansion   | CYP              | 4,308         | -             | -             | -             | -             | -             | 4,308         |
| DfE Maintenance   | CYP              | 931           | 500           | -             | -             | -             | -             | 1,431         |
| Southbank Expansion   | CYP              | 910           | -             | -             | -             | -             | -             | 910           |
| NDS Devolved Capital  | CYP              | 221           | -             | -             | -             | -             | -             | 221           |
| Healthy Pupils Capital Fund   | CYP              | -             | 93            | -             | -             | -             | -             | 93            |
| Westfield Primary School Kitchen and Dining Facilities Expansion              | CYP              | 29            | -             | -             | -             | -             | -             | 29            |
| Fulford School Expansion  | CYP              | 9             | -             | -             | -             | -             | -             | 9             |

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