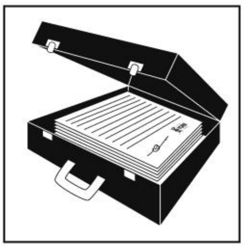

Notice of a public meeting of

Executive

To:	Councillors Douglas (Chair), Kilbane (Vice-Chair), Kent, Lomas, Pavlovic, Ravilious, Steels-Walshaw and Webb
Date:	Tuesday, 21 January 2025
Time:	4.30 pm
Venue:	West Offices - Station Rise, York YO1 6GA

A G E N D A

Notice to Members – Post Decision Calling In:

Members are reminded that, should they wish to call in any decisions made on items* on this agenda, notice must be given to Democratic Services by **4:00 pm on Tuesday, 28 January 2025**.

*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 Corporate Services, Climate Change and Scrutiny Management Committee.

1. Declarations of Interest

At this point in the meeting, Members and co-opted members are asked to declare any disclosable pecuniary interest, or other registerable interest, they might have in respect of business on this agenda, if they have not already done so in advance on the Register of Interests. The disclosure must include the nature of the interest.

An interest must also be disclosed in the meeting when it becomes apparent to the member during the meeting.

(1) Members must consider their interests, and act according to the following:

Type of Interest	***You must***
Disclosable Pecuniary Interests	*Disclose the interest, not participate in the discussion or vote, and leave the meeting unless you have a dispensation.*
Other Registrable Interests (Directly Related) ***OR*** *Non-Registrable Interests (Directly Related)*	*Disclose the interest; speak on the item only if the public are also allowed to speak, but otherwise not participate in the discussion or vote, and leave the meeting unless you have a dispensation.*
Other Registrable Interests (Affects) ***OR*** *Non-Registrable Interests (Affects)*	*Disclose the interest; remain in the meeting, participate and vote unless the matter affects the financial interest or well-being:* *(a) to a greater extent than it affects the financial interest or well-being of a majority of inhabitants of the affected ward; and* *(b) a reasonable member of the public knowing all the facts would believe that it would affect your view of the wider public interest.* *In which case, speak on the item only if the public are also allowed to speak, but otherwise do not participate in the discussion or vote, and leave the meeting unless you have a dispensation.*

(2) Disclosable pecuniary interests relate to the Member

concerned or their spouse/partner.

(3) Members in arrears of Council Tax by more than two months must not vote in decisions on, or which might affect, budget calculations, and must disclose at the meeting that this restriction applies to them. A failure to comply with these requirements is a criminal offence under section 106 of the Local Government Finance Act 1992.

2. Minutes (Pages 7 - 12)

To approve and sign the minutes of the Executive meeting held on 12 December 2024.

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.

Please note that our registration deadlines are set as 2 working days before the meeting, in order to facilitate the management of public participation at our meetings. The deadline for registering at this meeting is **5:00pm on Friday 17 January 2025.**

To register to speak please visit 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 can be found at the foot of this agenda.

Webcasting of Public Meetings

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

During coronavirus, we made some changes to how we ran council meetings, including facilitating remote participation by public speakers. See our updates (www.york.gov.uk/COVIDDemocracy) for more information on meetings and decisions.

4. Forward Plan (Pages 13 - 14)

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

5. Finance & performance Monitor 3 (Pages 15 - 62)

This report sets out the projected 2024/25 financial position and the performance position for the period covering 1 April 2024 to 31 December 2024. This is the third report of the financial year and assesses performance against budgets, including progress in delivering the Council's savings programme.

6. Capital Programme Update Monitor 3 (Pages 63 - 94)

The purpose of this report is to set out the projected outturn position for 2024/25 including any under/overspends and adjustments, along with requests to re-profile budgets to/from current and future years.

7. Treasury Management Quarter 3 Prudential Indicators (Pages 95 - 116)

The purpose of this report is to provide a regular update to the Executive Member for Finance on Treasury Management activity for the first three quarters of the 2024/25 financial year to 30th November 2024 and to provide the latest update of the Prudential Indicators which are included at Annex A to this report.

8. Financial Strategy 2025/26 (Pages 117 - 354)

This report presents the financial strategy 2025/26 to 2029/30, including detailed revenue budget proposals for 2025/26, and asks Members to recommend to Council approval of the proposals. The financial strategy delivers a balanced budget for 2025/26. There are separate reports on the agenda covering the capital budget, the capital and investment strategy and the treasury management strategy.

9. Capital Budget 2025/26 to 2029/30 (Pages 355 - 394)

This report sets out the capital programme for 2025/26 to 2029/30, 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.

10. Capital & Investment Strategy (Pages 395 - 406)

This is a statutory report which is required following a 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.

11. **Treasury Management Strategy Statement 2025/26 - 2029/30** (Pages 407 - 448)
The purpose of this report is to is to seek the recommendation of Executive to Full Council for the approval of the Treasury Management Strategy and Prudential Indicators for the 2025/26 financial year.

12. **Urgent Business**
Any other business which the Chair considers urgent under the Local Government Act 1972.

Democratic Services officer:

Name: Robert Flintoft
Contact details:

- Telephone – (01904) 555704
- E-mail – robert.flintoft@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.

Alternative formats

If you require this document in an alternative language or format (e.g. large print, braille, Audio, BSL or Easy Read) you can:

Email us at: cycaccessteam@york.gov.uk

Call us: **01904 551550** and customer services will pass your request onto the Access Team.

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We can also translate into the following languages:

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)**

City of York Council — Committee Minutes

Meeting	Executive
Date	12 December 2024
Present	Councillors Douglas (Chair), Kilbane (Vice-Chair), Kent, Lomas, Pavlovic, Ravilious, Steels-Walshaw and Webb
In Attendance	Councillor Widdowson (substituting for Cllr Ayre)
Officers in Attendance	Ian Floyd – Chief Operating Officer Debbie Mitchell – Chief Finance Officer Frances Harrison – Head of Legal Sara Storey - Corporate Director of Adult Services and Integration Pauline Stuchfield - Director of Housing and Communities Laura Williams – Assistant Director Customer, Communities and Inclusion Andrew Bebbington - Housing Strategy Officer Denis Southall - Head of Housing Management and Housing Options Tom Horner - Head of Active and Sustainable Transport

62. Apologies for Absence (17:31)

Cllr Ayre sent his apologies for the meeting and was substituted by Cllr Widdowson.

63. Declarations of Interest (17:32)

Members were asked to declare at this point in the meeting any disclosable pecuniary interest or other registerable interest they might have in respect of business on the agenda, if they had not already done so in advance on the Register of Interests. None were declared.

64. Minutes (17:33)

Resolved: That the minutes of the Executive meeting held on 14 November 2024 be approved and then signed by the Chair as a correct record.

65. Public Participation (17:33)

It was reported that there had been 5 registrations to speak at the meeting under the Council’s Public Participation Scheme.

Cllr Coles spoke in favour of the ‘Neighbourhood Model’ for York. She noted that it should promote collaborative working to support residents while also ensure spending goes as far as possible.

Nicholas Pleace Professor of Housing and Society at the University of York spoke in favour of the Homelessness & Rough Sleeping Strategy. He noted the evidence that showed the success of housing first internationally and in the UK. He also stated that the University wanted to support the city in the objective of ending homelessness.

Anne Norton spoke on behalf of the York Disability Rights Forum. She stated that she could not support the Local Cycling and Walking Infrastructure Plan as they had not been properly consulted on the plan in the last year which had changed since it last went to the steering group. She also raised concerns about language in the report which she stated was exclusionary.

Chris Polack spoke on behalf of York Civic Trust transport advisory group. He noted that the group welcomed the Local Cycling and Walking Infrastructure Plan, he noted that York had been unlikely to receive funding in the past against Councils which already had plans in place, therefore the plan was crucial to securing funding.

Andy Shrimpton spoke on behalf of the York Cycle Campaign. He noted the group welcomed the Local Cycling and Walking Infrastructure Plan. He asked that more plans be laid out clearly on the Council website. He noted that the group would welcome a 5 year strategy of measures to double walking and cycling in York by 2030.

66. Forward Plan (17:49)

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.

67. Homelessness & Rough Sleeper Strategy 2024- 29 (17:49)

The Director of Housing and Communities introduced the report noting that Councils are required to have a strategy under the Homelessness Act of 2002. She stated that the strategy would continue to see the Council focus on its rapid rehousing and a focus on supporting individuals to make homelessness rare, brief, and non-recurring.

The Executive Member for Housing, Planning and Safer Communities thanked officers, partners, and the public speaker Professor Nicholas Pleace for their work on the strategy. He stated that the city had seen the benefit of delivering a person-centred housing first approach. He stated that the strategy which would increase the amount of available housing stock for rapid rehousing would be following a model the Council know works and help reduce homelessness.

Resolved:

i. Approved the Homelessness & Rough Sleeper Strategy for 2024- 29 as described in this report and delegated to the Director of Housing and Communities the final form of the draft Strategy document Annex E, in consultation with the Executive Member for Housing, Planning and Safer Communities.

Reason: To achieve the positive outcomes for vulnerable individuals and the other benefits highlighted in this report, while meeting the council's statutory responsibilities and making effective use of resources.

ii. Establish a multi-agency governance board to help guide the Strategy implementation and approve the high-level performance monitoring frameworks set out in paragraphs 86.-87. of the report.

Reason: To deliver better outcomes for vulnerable individuals and a cost effective, trauma-informed integrated homelessness & rough sleeping set of services founded on early intervention.

iii. Authorised the Director of Housing and Communities and the Corporate Director – Adult Social Care and Integration, to work with partners on service re-design and service transformation, moving to a Housing First approach.

Reason: To deliver the objectives of the Strategy and meet the needs of individuals and families at risk of homelessness.

iv. Authorised the Director of Housing and Communities to work with partners to increase the supply of suitable accommodation to help meet demand.

Reason: To deliver the objectives of the Strategy and meet the needs of individuals and families at risk of homelessness.

v. Authorised the Director of Housing and Communities and the Corporate Director – Adult Social Care and Integration, to develop a preventative approach and services in line with the Strategy and the year one actions detailed in this report.

Reason: To deliver the objectives of the Strategy, meet the needs of individuals and families at risk of homelessness, and deliver early intervention services at a high level of cost effectiveness.

vi. That there will be a report brought back to the Executive Committee within 12 months on progress against delivery of the Strategy Action Plan.

Reason: To embed accountability within the new governance structure and performance framework that structure the Strategy delivery plans.

68. Design Principles of a ‘Neighbourhood Model’ for York (18:11)

The Director of Housing and Communities introduced the report and highlighted that the Design Principles of a ‘Neighbourhood Model’ was a co-production key piece of joint working between Communities, Public Health, Place, and Primary Care. She stated that the model would embed multiagency working to support residents.

The Executive Member Housing, Planning and Safer Communities stated that the Executive believed, that the Council works best when it works together with partners. He thanked the Integrated Care Board and GP practices for their support. He stated that the ‘Neighbourhood Model’ would allow people across health, housing, and public realm to be the eyes and ears for early intervention in the city and support areas such as the city’s Mental Health Hubs.

The Executive Leader also welcomed the report. She noted that she was a member of the York Place Board Health and Care Partnership and had seen the how the collaborative working had performed well in York.

Resolved:

i. Noted the work undertaken so far on the Neighbourhood Model and approve the four area model developed in conjunction with health partners;
ii. Approved the Design Principles contained in Annex A;
iii. Approved officers undertaking further engagement and coproduction on the model, applying the approved Design Principles throughout, with an aim to have detailed CYC neighbourhood proposals back to Executive by Summer 2025 with the building blocks in place for delivery.

Reason: To provide a roadmap towards developing a Neighbourhood Model for York.

69. Local Cycling and Walking Infrastructure Plan (18:28)

The Head of Active and Sustainable Transport introduced the report noting that a Local Cycling and Walking Infrastructure Plan (LCWIP) was a crucial plan to strategically identify areas for improvement and secure funding. He noted that it was a living document which would support the Local Transport Strategy.

The Deputy Leader and Economy & Culture thanked the Steering Group and apologised that the York Disability Rights Forum had not been involved with the final draft for the LCWIP. He stated that the Executive had picked up the plan which had been steered poorly by the previous administration and required work to align both the LCWIP and the Local Transport Strategy.

The Executive Member for Transport stated that the LCWIP would be a holistic plan for the whole city which would assist the Council in attracting funding. She noted that active travel infrastructure and cycling numbers had both been in decline in York and the plan would provide an evidence based approach to reverse the decline, improve infrastructure, and link up highways maintenance work with improvements.

Resolved:

i. Approved the LCWIP as detailed in Annex A.

Reason: To create an LCWIP for York which will enable funding to be secured for active travel improvements across the city.

ii. Delegated authority to the Executive Member for Transport to review and make changes to the LCWIP, in accordance with any approved Local Transport Strategy or Plan, as required.

Reason: To ensure that the LCWIP remains current and can be amended quickly in response to any changes in circumstance.

Cllr Douglas, Chair
[The meeting started at 5.31 pm and finished at 6.45 pm].

Table 1: Items scheduled on the Forward Plan for the Executive Meeting on 13 February 2025

Title and Description	Author	Portfolio Holder
Fostering Framework Purpose of Report: The report sets out proposals to introduce a new fostering framework and fee structure for foster carers across the City of York. The Executive will be asked to consider the proposals within the report and approve the recommendations.	Martin Kelly, Corporate Director of Children and Education	Executive Member for Children, Young People and Education

Table 2: Items scheduled on the Forward Plan for the Executive Meeting on 11 March 2025

None currently listed.

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Meeting:	Executive
Meeting date:	21st January 2025
Report of:	Debbie Mitchell Director of Finance
Portfolio of:	Councillor Katie Lomas, Executive Member for Finance, Performance, Major Projects, Human Rights, Equality & Inclusion

2024/25 Finance and Performance Monitor 3

Subject of Report

1. This report sets out the projected 2024/25 financial position and the performance position for the period covering 1 April 2024 to 31 December 2024. This is the third report of the financial year and assesses performance against budgets, including progress in delivering the Council's savings programme.

2. This report outlines the Council's continued challenging financial position with a forecast overspend for 2024/25 of £2.6m which is a huge improvement on the c£11m forecast overspend we have previously seen at this stage in the financial year. The forecast also assumes we can release some earmarked reserves to offset the overall position.

3. However, this is still a forecast overspend and therefore, whilst it is incredibly positive that the position is much improved, there is work still to do to ensure the continued financial resilience of the Council. It remains that the Council cannot afford to keep spending at this level. The general reserve is £6.9m and, whilst we have other earmarked reserves that we could call on if required, continued overspending will quickly see the Council exhaust its reserves.

4. As outlined in previous reports, the existing cost control measures remain in place, and further action is needed to bring spending down to an affordable level, both within the current financial year and over the

medium term, to safeguard the Council’s financial resilience and stability. The impact that this work is having can be clearly seen in this latest forecast and the Council’s track record of delivering savings, along with robust financial management, provides a sound platform to continue to be able to deal with future challenges.

5. If we continue to take action and make any difficult decisions now, this will ensure the future financial stability of the Council and that we can continue to provide services for our residents. It is vital that mitigations are delivered, and the forecast overspend is reduced.

6. Local government continues to be in challenging times, with worsening performance in a number of sectors nationally. The majority of performance indicators chosen to support and monitor the Council Plan in York, continue to show a generally positive and stable trend against this difficult financial picture and shows the hard work from staff, partners and the city to tackle these challenges.

7. This set of indicators are the high-level measurable element of our performance framework, and in newly available data up to Q3 there has been positive performance in areas such as; The survival of **newly born businesses after one year** has been consistently higher in York than national and regional averages, there has been an increase in **net additional homes provided** and **housing consents approved** compared to the same period last year, we have seen a narrowing of the gap, and therefore a **reduction in health inequalities**, between the highest and lowest ward in York for the % of year 6 children recorded as overweight and the number of **households with children in temporary accommodation** continues to be lower than previous years. The % of children achieving a **Good Level of Development** at Foundation Stage continues to be high compared to benchmarks and our **building services indicators** continue to show a positive direction of travel with a high percentage of repairs completed on first visit alongside the low number of void properties.

8. Alongside the Council plan indicators there are a number of areas of positive performance from across the Council. In 2024, over 39,000 eligible households in York subscribed to the new **Garden Waste Subscription scheme**. Work is underway to prepare for the 2025 scheme which will run for the full season from March to December. **Queen Street bridge** was demolished during Q3, and other public spaces are emerging from the ground, with good progress being made on major projects. In order to help young people move around the city, the £1 **bus fare initiative** for 16 to 18 year olds has been used by

more than 250,000 young people so far. The Council has recently successfully delivered a **local by-election**, ensuring it delivers on its statutory duties.

9. The Council have placed nearly 300 **migrant children** into York schools this year, highlighting their commitment to support our most vulnerable residents. **KS4 and KS5 outcomes** remain significantly above average, York has a high proportion of 5 year olds achieving a **good level of development** and the second lowest number of children who receive an **'Elective Home Education'** in the region. There has been a reduction in numbers of Children's Social Care agency staff to zero. The Council recently ran a targeted **Pension Credit campaign** using the Low Income Family Tracker (LIFT) platform to identify eligible residents and maximise their income. To date, the initiative has resulted in 100 pensioner households in York receiving over £662,700 per year in Pension Credit. This campaign has helped combat rising pensioner poverty and adult social care costs.

10. There has been a smooth transfer into the council of an external **homelessness service**. In addition, an extra £87,000 has been secured to support the expected rise in rough sleeping with up to 29 extra emergency beds and additional support this winter. The extra funding reflects the rise in rough sleeping nationally and the funds will contribute to bed and breakfast for rough sleepers with the lowest support needs, other accommodation options as well as extra staffing support.

11. To progress with the changes needed to implement the previously announced **Childcare reforms** to help parents with early years childcare and provide more children with access to high quality early years education, the council has undertaken a deep dive into sufficiency for both early years and wraparound care. Progress reports have been presented to Executive and the Children, Culture and Communities Scrutiny Committee. A report went to the Children, Culture and Communities Scrutiny Committee in November to inform on work taking place to develop a neighbourhood working model as a way of delivering improved outcomes for individuals, communities and the wider system of services in the city. The design principles for the model were approved at Executive in December.

12. In order to improve outcomes for those in need and to manage costs, the council has internally launched a **practice model framework** and assurance forum in adult social care. There has been a transformation in **Healthy Child services**, with the introduction of skill mix teams and

the recruitment into specialist roles. The Health Trainer team are the best performing **stop smoking service** in the country, with an over 80% 4-week quit rate (national 57% and regional 65%).

13. We are listening to residents within **Our Big Budget Conversation**, a consultation on budget priorities taking place over 4 stages during 2024-25. The final stage of the consultation closed at the end of Q3 and asked people to provide thoughts on proposals to help the council balance its budget based on feedback from the previous two stages. York remains committed to improving stock condition and tenant experiences, and results from the 2023-24 Regulator for Social Housing return were published for residents with the current consultation underway.

14. Council Plan Progress Reports, providing an update of activity against each of the plan's seven priorities, will be published on an annual basis and sit alongside a six-monthly snapshot of progress available on the Council's website (https://www.york.gov.uk/council-plan-1/snapshot-progress-council-plan/5). The reports complement the Finance and Performance Monitor, providing a narrative for the steps that the Council is taking to meet its ambitions.

Benefits and Challenges

15. This report is mainly to note the latest financial projections and current performance. The main challenge is delivering on agreed savings whilst also identifying further reductions in expenditure. The main benefit of approving the recommendations will be the ongoing financial stability of the Council and the continued ability to deliver the priorities outlines in the Council Plan.

Policy Basis for Decision

16. This report is mainly to note the latest financial projections and current performance. The ongoing financial resilience and stability of the Council will be essential to ensuring that Council priorities can continue to be achieved. Despite the significant efforts across all departments to reduce expenditure, there remains a forecast overspend. This underlines the importance of the Council's transformation programme as outlined in the Financial Strategy report elsewhere on this agenda. This programme will pull together activity that ensures the Council has a sustainable and more efficient operating model, prioritising the

delivery of statutory services alongside those initiatives that will contribute to the achievement of the Council Plan.

Financial Strategy Implications

17. This report sets out the projected financial position and identifies a range of actions that are necessary in order to reduce expenditure, both within the current financial year and over the medium term to safeguard the Council's financial resilience and stability. The financial strategy report elsewhere on this agenda outlines the investment being made both into social care and the transformation programme.

Recommendation and Reasons

18. Executive is asked to:
    - Note the finance and performance information.
    - Note that work will continue on identifying the savings needed to fully mitigate the forecast overspend.

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

Background

Financial Summary and Mitigation Strategy

19. The current forecast is that there will be an overspend of £2.6m. This is despite the additional budget allocated through the 2024/25 budget process and ongoing action being taken by managers across the Council to try and reduce expenditure. Adult Social Care remains an area of concern, however action is being taken within the directorate to mitigate against this forecast overspend.

20. If the Council continues to spend at the current level, and no action is taken, then we will continue to overspend and will exhaust our reserves and any other available funding. The current level of expenditure is unaffordable and therefore we must continue the work started in the previous financial year to identify and take the necessary actions to reduce expenditure.

21. As outlined in previous reports to Executive, we have continued to see recurring overspends across both Adult and Children's Social Care. However, the underspends and mitigations that have allowed us to

balance the budget at year end have generally been one off. Whilst the use of reserves to fund an overspend is appropriate as a one-off measure, it does not remove the need to identify ongoing savings to ensure the overall position is balanced. The budget report considered by Executive in February 2024 also included an assessment of risks associated with the budget, which included the need to secure further savings and effectively manage cost pressures.

22. Members will be aware that the financial position of local government is a national challenge and that the pressures being seen across both Adult and Children's Social Care are not something that is unique to York. Many Councils are experiencing significant financial pressures and struggling to balance their budgets now, so it is vital that we continue the work started last year to reduce our expenditure down to a sustainable level both within the current financial year and over the medium term.

23. Given the scale of the financial challenge, and the expected impact on budgets in future years, it is vital that every effort is made to balance the overall position. It is recognised that this will require difficult decisions to be made to protect services for vulnerable residents. The Financial Strategy report elsewhere on this agenda outlines proposals for balancing the budget in 2025/26.

24. Corporate control measures are in place, but it is possible that they will not deliver the scale of reduction needed within the year. Other savings proposals, including service reductions, may also be needed. Officers will continue to carefully monitor spend, identify further mitigation, and review reserves and other funding to make every effort to reduce this forecast position. However, it is possible that it will not be reduced to the point that the outturn will be within the approved budget. The Council has £6.9m of general reserves that would need to be called on if this were the case. As outlined in previous reports, any use of the general reserve would require additional savings to be made in the following year to replenish the reserve and ensure it remains at the recommended minimum level.

25. The delivery of savings plans continues to be a clear priority for all officers during the year. Corporate Directors and Directors will keep Executive Members informed of progress on a regular basis.

Financial Analysis

26. The Council's net budget is £149m. Following on from previous years, the challenge of delivering savings continues with c£14m to be achieved to reach a balanced budget. The latest forecasts indicate the Council is facing net financial pressures of £2.6m and an overview of this forecast, on a directorate by directorate basis, is outlined in Table 1 below.

Service area	Net budget £'000	2024/25 Q2 Forecast Variation £'000	2024/25 Q3 Forecast Variation £'000
Children & Education	28,659	1,111	994
Adult Social Care & Integration	46,807	3,286	3,608
Transport, Environment & Planning	23,464	-610	-859
Housing & Communities	6,779	790	711
Corporate & Central Services	42,983	-132	-149
Sub Total	**148,692**	**4,445**	**4,305**
Contingency	576	-576	-576
Use of earmarked reserves		-1,089	-1,089
Total including contingency	**149,268**	**2,780**	**2,640**

Table 1: Finance overview

Reserves and Contingency

27. The February 2024 budget report to Full Council stated that the minimum level for the General Fund reserve should be £7.4m. At the beginning of 2024/25 the reserve stood at £7.4m.

28. Should the mitigation outlined in this report 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 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 a substantial amount from this general reserve in 2024/25, growth will need to be included in the 2025/26 budget to ensure that reserves can be maintained at an appropriate level.

29. 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 and these funds will again be reviewed on a quarterly basis and where appropriate to do so will be released to support the in-year position. 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. A review has identified c£1m of reserves that can be released to support the in year position.

30. As in previous years a contingency budget is in place, and this is currently assumed to be available to offset the pressures outlined in this report.

Loans

31. Further to a scrutiny review, it was agreed that these quarterly monitoring reports would include a review of any outstanding loans over £100k. There is one loan in this category for £1m made to Yorwaste, a company part owned by the Council in June 2012. Interest is charged on both loans at 4% plus base rate therefore interest of 8.75% is currently being charged. All repayments are up to date.

Directorate Analysis

<u>Children and Education</u>

32. The forecast directorate outturn position is an overspend totalling £994k and the table below summarises the latest forecasts by service area.

	2024/25 Budget	Forecast Outturn Variance £'000	Forecast Outturn Variance %
Children's Safeguarding	24,590	979	4.0
Education & Skills	14,047	86	1.2
School Funding & Assets	-5,732	-49	-3.1
Director and Central Budgets	-4,246	-22	-0.5
Total Children and Education	**28,659**	**994**	**3.5**

33. As previously reported, the number of Children Looked After (CLA) in York has consistently been at a higher level than the budget was built to accommodate. The number at the beginning of the financial year was 243, at the end of October it was still 238. Placement budgets are predicted to overspend by a total of £1,104k. The pressure on this budget is partly due to the limited market for children's placements and the statutory requirements placed on local authorities to meet children's needs, coupled with inflationary pressures which could continue to worsen the position. Total growth of £1,772k has been allocated to the placement budgets in 2024/25.

34. Safeguarding Interventions is predicted to underspend by £164k due to staffing vacancies. In addition, legal fees are predicted to overspend by £142k.

35. There is a projected underspend of £95k in the MASH and Targeted Intervention teams due to vacant posts and increased income.

36. An overspend in Disabled Children's Services of £473k is mainly overspends on direct payments. A specific project for direct payments is being carried out, and this is predicted to clawback some of previous payments made and reduce ongoing costs.

37. Innovation and Children`s Champion is predicted to underspend by -£160k. This is due to the ability to fund some expenditure from the Family Hubs grant & Family Seeing Grant.

38. The Home to School Transport budget, which has been in an overspend position for a number of years, has been allocated £730k of growth for demographic pressures and contract inflation.

39. At this point in the financial year, an overspend of £82k is predicted. This is a change from the start of the year due to an amendment to the projected taxi expenditure to take account of the increased number of days in the 2024/25 financial year when transport will be required. This is due to the Easter break for 2025 being wholly in the financial year 2025/26. The impact of this is an extra five days of transport in 2024/25 at an estimated cost of £65k. This increase has been offset by a lower than assumed taxi cost by £15k in July 2024.

40. The projected outturn includes contractual inflation from 1st September 2024, for buses this is 1.7% and for taxis 2.3%.

41. Staff resourcing issues and turnover in the SEND Statutory Services Team, and the need to resource work to progress the Safety Valve targets have continued and resulted in the need to appoint a number of agency staff and also increase supporting resources, resulting in a predicted overspend of £33k based on current staffing assumptions.

42. The Educational Psychologists Service is now predicted to overspend by £31k. This is because of the need to commission external agency support to clear a backlog of assessments at a cost of £215k.

43. The Effectiveness and Achievement Service and the Skills Service are both predicted to outturn at or very close to budget.

44. An overall underspend of £46k is now predicted within the Virtual School and Inclusion service, due to a vacancy, one-off savings in non-staffing expenditure and additional grant funding supporting already committed expenditure.

45. The Dedicated Schools Grant (DSG) is ahead of the target position set out in the Safety Valve recovery plan agreed with the DfE. The local authority is now in the third year of this four year agreement and has exceeded the financial targets for the first two years.

46. The brought forward balance on the DSG as at 1 April 2024 was a deficit of £291k. The initial year end projection for 2024/25 is for a cumulative deficit of approximately £780k, although this is subject to change as new academic year details of provision are confirmed. This increased deficit is despite the LA expecting to receive almost £1.5m of

further Safety Valve funding during the year and is indicative of the increasing pressures and demands being placed on LAs to provide for High Needs pupils.

47. In common with the national picture, York is continuing to experience an increase in High Needs pupils together with an increasing complexity of need, often requiring expensive provision, especially in Post 16 and Post 19 provision and the education element of Out of Authority placements. In particular York is facing a significant increase in demand for special school places, often exacerbated by tribunal decisions.

48. In addition, due to the significant pressures on mainstream school budgets, it is becoming increasingly difficult for High needs pupils to be supported in these settings. This situation is particularly difficult in York due to the low level of school funding which has a significant impact on these schools ability to adequately meet the needs of High Needs pupils.

49. The Safety Valve agreement commits the local authority to bring the DSG into an in-year balanced position by 2025/26. Further payments are conditional on the local authority meeting the targets set out in the Management Plan, and reporting quarterly to the DfE on progress, with the eventual aim of eliminating the in-year deficit by the target date, with additional payments by the DfE eliminating the historic deficit at that point.

50. As a result of the above, this third year of the Safety Valve agreement is likely to be the most difficult to date, with an increasing risk of the LA being unable to meet the target of eliminating the cumulative deficit by the end of 2025/26 as set out in the original agreement. Officers are working hard to avoid this position, but it is becoming increasingly challenging to achieve.

<u>Adult Social Care</u>

51. The projected outturn position for Adult Social Care is an overspend of £3,608k and the table below summarises the latest forecasts by service area. This projection is based on customer numbers and costs to the end of October 2024. The projection assumes that £344k of previously agreed savings will be made by the end of the year.

	2024/25 Budget £'000	Forecast Outturn Variance £'000	Forecast Outturn Variance %
Direct Payments	4,841	1,197	24.7
Home and Day Support	2,844	807	28.4
Supported Living	15,689	2,605	16.6
Residential care	15,244	1,219	8.0
Nursing care	5,149	541	10.5
Short term placements	861	-171	-19.9
Staffing (mostly social work staff)	7,218	406	5.6
Contracts and Commissioning	2,353	-126	-5.4
In House Services	4,837	33	0.7
Be Independent & Equipment	982	329	33.5
Other	-14,650	-3,246	22.2
Recharges	-61	14	-23.0
Total Adult Social Care	**45,307**	**3,608**	**8.0**

52. ASC has received total growth of £7m in 2024/25. £2.8m of this growth has been allocated to external care budgets to cover demographic pressures, £1.4m has been allocated to fund inflationary pressures, £800k to reducing growth needed by managing demand and £500k has been allocated to fund savings which are unlikely to be achieved this year. In addition to this £300k has been set aside to fund Preparing for Adulthood (PFA) customers coming through from Children's Services and £200k to tackle the current review backlog where it is expected that there are savings to be crystalised.

53. The directorate is taking the following action to improve the financial position;

- The reablement contract has been retendered and is now being implemented. This is designed to support more people to go through the reablement service in a shorter time frame, at lower cost, resulting in more people with lower or no care needs. Contract monitoring arrangements are being put in place to make the most of the contractual arrangements that promote good performance and enable the reduction in payment should the provider not deliver. Occupational Therapy expertise has a key role to play in maximising independence and reducing level of need: Therapy led reablement is known to be effective and additional occupational therapy is planned to be deployed to support this.

- The provision of support to people overnight by internal adult social care provision is under review with a view to remodelling support and reducing costs while ensuring we continue to meet our duty to meet eligible needs.
- Further work is being undertaken in relation to continuing health care funding. This includes developing a consistent approach with other local authorities in the ICB, improved engagement in the process by CYC including developing joint training and processes to support resolution of disputes.
- The Adult Social Care practice assurance process continues to be developed with an emphasis on embedding the strength-based approach to practice and supporting decision-making at the earliest opportunity. This process will be linked with our Workforce Development colleagues to assure any learning identified informs future practice. The Assurance Forum will look to ensure that Community and individual networks and community based resources have been considered. This also gives consideration of a range of issues including alternatives to high cost provision, the prevention of expensive off-framework provision, ensure full use of in house and block provision, the use of equipment and technology, and where possible, the reduction of proposed paid for care.
- A working group has been established to carry out a detailed review of Direct Payments which should lead to a reduction in the overspend on these budgets.
- The review project team will be in place from January 2025. This team will tackle the volume of overdue reviews, using an improved review methodology and multi-disciplinary approach which is expected to reduce spend.
- Internal capacity to undertake Deprivation of Liberty Safeguarding (DoLS) and Best Interest assessments (BIA) is being created by retraining of staff in order to reduce the reliance on external BIA assessors.

54. The following sections describe any significant variations to budgeted costs, customer numbers and income. The variations are generally due to not fully meeting previous years' savings targets plus significant price pressures in the market. Some variations are large due to having small numbers of individuals within those budgets whose individual needs can vary significantly.

Direct Payments (£1,196k overspend)

55. The main overspend is on the Learning Disability (LD) direct payments budget, which is expected to overspend by £1,082k. There are currently six more individuals receiving payments than in the budget (£154k) and the average payment being £114 per week higher (£725k). In addition, average Health income received per individual is less than assumed in the budget (£252k). This is partially offset by a projected overachievement on recovering unused direct payments.

56. The Older People (OP) direct payments budget is expected to overspend by £148k, largely due to the average cost of a direct payment being higher than budgeted (£201k) offset by having three fewer people (£74k).

Home and Day Support (£807k overspend)

57. The Community Learning Disability budget is expected to overspend by £128k. The average cost of a homecare placement is £160 per week higher than in the budget (£60k) and the average cost of a day support placement is £149 per week higher (£248k). This is offset by having one less homecare package and two less day support packages than assumed in the budget (£86k). In addition, there has been an increase in Health's contribution to packages (£90k).

58. The Community LD under 25 budget is expected to overspend by £190k, due to having four more people receiving homecare than assumed in the budget (£112k) together with the average cost per person being £125 per week higher (£116k). In addition, the average health income received per person is £240 per week lower than budget (£195k). This is offset by the average cost of a person in day support being £30 per week less than budget (£233k).

59. The Community OP budget is expected to overspend by £215k. This is mostly due to an increase in the weekly hours of homecare provided

on framework contracts (£561k), offset by an increase of £11 per week in what individuals contribute to their care costs (£310k).

60. The Community Physical & Sensory Impairment (PS&I) budget is expected to overspend by £232k, largely due to the weekly cost of all homecare exception contracts being £655 per week higher than in the budget (£205k).

Supported Living (£2,605k overspend)

61. Supported Living are settings where more than one customer lives, with their own tenancy agreements, where their needs are met by a combination of shared support and one to one support. Supported Living providers received a mid-year inflationary increase in 2023/24 which was covered by the MSIF grant and the pressures shown below are in part due to the full year effect of this increase.

62. The Learning Disability Supported Living budget is projected to overspend by £1,896k. The average cost of a placement is £140 per week more than in the budget (£1,468k), there are four more customers than budgeted for (£410k) and expenditure on voids is expected to be around £276k this year.

63. The Physical & Sensory Impairment Supported Living schemes budget is projected to overspend by £525k. This is due to the average cost of a placement being around £375 per week higher than in the budget (£959k), partially offset by having five fewer customers in placement than assumed in the budget.

64. The Mental Health Supported Living schemes budget is projected to overspend by £184k. This is due to the average cost of a placement being around £151 per week higher than in the budget (£166k) and two additional tenants compared to budget (£82k).

Residential care (£1,219k overspend)

65. The OP Residential Care budget is expected to overspend by £1,652k. There are fifteen more customers than in the budget (£500k) and the average cost per customer is £169 per week higher (£1,406k). This is offset by three more individuals receiving Health contributions (£136k) at an average rate of £119 per week higher than in the budget (£74k).

66. The P&SI residential care budget is expected to overspend by £219k due to having one more placement than assumed in the budget (£74k)

together with a reduction in the average amount of Health income received per person of £980 per week compared to budget (£165k)

67. The MH Residential Care over 65 budget is expected to underspend by £358k. There are two fewer customers in placement (-£70k) and the average cost of care per customers is £499 per week less than in the budget (-£312k).

68. The MH Residential Care working age budget is expected to overspend by £241k due to there being three more placements than assumed in the budget.

69. Additional Funding from the ASC Discharge fund will also be added into the Residential Care Budget (£-500k).

Nursing Care (£541k overspend)

70. LD Permanent Nursing Care budgets are projected to overspend by £190k, due to having one more customer in over 65 placements than assumed in the budget and the average cost per placement being higher (£285k). This is offset by an increase in Health contributions.

71. Mental Health Nursing Care budgets are expected to overspend by £280k due to there being five more customers in placement than budgeted.

72. The P&SI Nursing budget is expected to overspend by £136k, largely due to the average weekly cost per customer being higher than assumed in the budgeted.

In House Services and Staffing

73. The Council employs a variety of staff to advise and assess residents' and customers' social care needs. We also directly provide care and support to individuals and have teams which provide home care both overnight in the community and in our Independent Living Schemes as well as running day support activities for those with a learning difficulty and those experiencing poor Mental Health. We also operate short stay residential care for the same customer groups.

Staffing (£406k overspend)

74. There are staffing overspends in the Hospital Discharge Team, Mental Advocacy Team, and the Mental Health Social Work Team. Mostly due to these teams being over establishment and using agency staff.

Contracts and Commissioning (£126k underspend)

75. Based on activity to date there is likely to be an underspend on the Reablement Contract and Carers commissioned services budget by the end of the year.

Be Independent & Equipment (£329k overspend)

76. Be Independent provide equipment to customers to allow individuals to remain independent and active within their communities. They also provide an alarm response service means tested as to whether a customer pays for it.

77. There is still a budget gap of £180k arising from when the service was originally outsourced which has yet to be fully addressed. Staffing is expected to overspend by £115k largely due to an unfunded regrade of some of the posts in the team and to having a review manager post above establishment. In addition there has been an increase in rental costs for the premises which will be fully absorbed by the service and not recharged to Mediquip this year (£30k).

Transport, Environment and Planning

78. The directorate is forecasting an underspend of £859k and the table below summarises the latest forecasts by service area.

	2024/25 Budget £'000	Forecast Outturn Variance £'000	Forecast Outturn Variance %
Transport	7,078	-490	-7
Fleet	-127	0	0
Highways	5,008	-250	-5
Parking Services	-8,348	-58	-1

Waste	14,536	-383	-3
Public Realm	3,422	5	0
Emergency Planning	145	0	0
Planning Services	89	329	366
Public Protection	809	-6	-1
Community Safety	715	-6	-1
Management	137	0	0
TOTAL	**23,464**	**-859**	**-4**

79. Within Transport there was an underspend of £4901k across the service. There is a forecast underspend against the Concessionary Fares budget of £329k as numbers of concessionary passengers have not fully returned to pre pandemic levels although the saving is lower than 2023/24.

80. Car park income at the end of November remains within 1% of budget as transactions have reduced by 7% but income per transaction increased by 12%. These are the same as reported at the last monitor. Total income is c5% higher than 2023/24 in line with budget. Respark and season ticket income are also in line with budget expectations. This will continue to be monitored closely as the budget is c £2m higher than last year.

81. The Waste budget is forecasting to be underspent by £383k compared to budget (-4%). The main variations relate to additional income selling excess tonnage capacity at Allerton Waste Recover Plant (£200k), additional commercial waste income (£60k), and continued strong recycling income levels and trade waste income (£260k). Elsewhere there are underspends forecast within Waste Collection (£42k) and the bulky waste service (£40k).

82. The garden waste subscription service was introduced in August 2024. There have been approximately 39,000 subscribers to the new scheme which has given revenue of £764k which is £136k below budget but given the part year impact, the performance is very strong. The Waste Strategy budget is forecast to be over budget by £148k primarily as there will be costs incurred dealing with he 2025/26 scheme in year.

83. Within the Highways area there is an anticipated further underspend of £250k as electricity prices have reduced for unmetered supply to a lower level than assumed in the budget.

84. Across planning services there is a shortfall in income from building control as the service has at this time very limited staffing resources and primarily only able to provide the statutory service. Should this situation continue to the end of 2024/25 the net reduction in income will be in the region of £277k.

Housing and Community Services

85. The directorate is forecasting an overspend at quarter 3 of £711k and the table below summarises the latest forecasts by service area. The primary reason for the overspend relates to the delivery of two key savings across the Directorate. These are detailed further in the paragraphs below.

	2024/25 Budget £'000	Forecast Outturn Variance £'000	Forecast Outturn Variance %
Housing Services	-126	3	2.4
Healthy & Sustainable Homes	352	-11	-3.1
Communities	6,783	208	3.1
Customer Services	-230	166	72.2
Policy & Strategy	357	345	96.6
TOTAL	**7,136**	**+711**	

86. As previously reported the main pressure in Communities relates to a £300k library saving. The council is undertaking due process to work with Explore to consider options that will deliver a saving. Although some saving is expected this year the process requires time to review provision levels as well as consultation and agreement from the partners. There remains an aspiration to gain a full saving from the process but the timeline is in question.

87. As previously reported the agreed saving of £500k from bus shelter advertising is not going to be delivered this year. Mitigations in staffing

costs have improved the position however a restructure is required to achieve recurring savings.

88. Elsewhere in the Directorate it is expected that expenditure will be broadly delivered within budget.

Housing Revenue Account

89. The Housing Revenue Account budget for 2024/25 was set as a net surplus of £2,023k prior to debt repayment at February 2024. There were carry forwards of £2,293k agreed as part of the outturn report meaning the revised budget stands at £8,670k deficit (including £8,400k debt repayment).

Activity area	2024/25 Budget £’000	Forecast Outturn Variance £’000	Forecast Outturn Variance %
Repairs & Maintenance	10,761	-25	0%
General Management	7,896	-293	-4%
Special Services	3,912	-125	-3%
Other Expenditure	19,870	+473	+2%
Dwelling rents	-37,933	+100	+0%
Non-Dwelling Rents	-533	-39	-7%
Charges for Services	-2,385	+140	+6%
Other Income	-1,318	-1,013	-77%
Total	**270**	**-782**	**-390%**
Debt Repayment	8,400	0	0
Revised Position	**8,670**	**-782**	**-109%**

90. Repairs costs are expected to increase to meet a backlog of electrical inspections and emergency repairs to be carried out in quarter 4. This can be met by the repairs budget brought forward and the underspend on the painting contract. Once the backlog is cleared expenditure will return to budget levels and overall a small saving this year.

91. Legal costs relating to Disrepair claims have risen to £180,000 which is being shown as an overspend. The claims are being vigorously defended and costs can be claimed for all unsuccessful claims against the council.

92. Other additional costs that have arisen this quarter are insurance costs (£110k) relating to the HRA properties insurance, which is a problem experienced by all local authorities, and additional utility bills being identified (£46k).

93. The additional costs have been offset by budget savings identified: The pay award was less than the contingency set aside and other savings have been identified in the business support budgets totalling £200,000

94. The majority of the HRA overspend and underspend are now balancing each other, and it is the high level of working balances that is providing the HRA with additional interest income (£1m) less the additional interest costs from the loan taken out last year (£293k) that gives rise to the latest HRA position. If the council is successful in defending against the disrepair claims, then our legal costs can be claimed, and the financial position will improve accordingly.

95. The high level of working balance is available to start repaying the £121.5m debt that the HRA incurred as part of self-financing in 2012. The first repayment of £1.9m was paid in 2023/24 and a second payment on £8.4m is due to be repaid at 31st March 2025. This repayment is to be funded from general HRA reserves.

96. The HRA working balance position as at 31st March 2024 was £30.0m. The latest forecast balance at 31st March 2025 is estimated to reduce to £21.4m which is higher than that assumed when the budget was set (£19.9m).

Corporate & Central Services

97. The forecast outturn position for the remaining areas of the Council is a net underspend of £149k and the table below summarises the latest forecasts by service area.

	2024/25 Budget £'000	Forecast Outturn Variance £'000	Forecast Outturn Variance %

Director of Finance	3,296	-275	-8.3%
CO HR & Support Services	11,628	161	1.38
Director of Governance	3,795	64	1.69
City Development	710	0	0
Public Health	13	0	0
Other Corporate & Treasury Mgt	23,541	-99	0.4
Total	**42,983**	**-149**	**-0.3**

98. Within the corporate services directorates it is forecast at that expenditure can be broadly contained within budgets.

Performance – Service Delivery

99. This performance report is based upon the city outcome and council delivery indicators included in the Performance Framework for the Council Plan (2023-2027) which was launched in September 2023. Wider or historic strategic and operational performance information is published quarterly on the Council's open data platform; www.yorkopendata.org.uk

100. The Executive for the Council Plan (2023-2027) agreed a core set of indicators to help monitor the Council priorities and these provide the structure for performance updates in this report. Some indicators are not measured on a quarterly basis and the DoT (Direction of Travel) is calculated on the latest three results whether they are annual or quarterly.

101. A summary of the city outcome and council delivery indicators by council plan theme are shown in the paragraphs below, and the latest data for all of the core indicator set can be seen in Annex 1.

Performance - Health and Wellbeing: A health generating city

102. **Number of children in temporary accommodation –** at the end of Q1 2024-25, there were 50 children in temporary accommodation in York which is an increase from 45 at the end of Q4 2023-24. Although the number of children has increased, the number of households with children has decreased from 29 to 26 which continues to be 46% of total households in temporary accommodation. The majority of these

children are in stable family setups, do not show evidence of achieving worse outcomes, and York continues to report no households with children housed in Bed and Breakfast accommodation. Data for Q2 2024-25 will be available in February 2025.

103. **%pt gap between disadvantaged pupils and their peers achieving 9-4 in English and Maths at KS4 –** Provisional data shows that the gap at age 16 has narrowed both in York (31%) and Nationally (22%) in summer 2024 compared to the previous year. However, this now shows that the gap for York is wider than National.

104. **% of reception year children recorded as being overweight (incl. obese) –** The participation rates for the National Child Measurement Programmes (NCMP) in York for 2023-24 were 96.9% for reception aged children and 94.5% for Year 6 pupils.
    - The 2023-24 NCMP found that 22.8% of reception aged children in York were overweight (including obese), compared with 22.1% in England and 23.8% in the Yorkshire and Humber region. York has the fourth lowest rate of overweight (including obese) for reception aged children in the Yorkshire and Humber region. The rate in York has increased compared with 2022-23 (from 19.9% to 22.8%).
    - Of Year 6 children in York, 33.5% were overweight (including obese) in 2023-24 compared with 35.8% in England and 37.5% in the Yorkshire and Humber region. York has the second lowest rate of overweight (including obese) for Year 6 children in the Yorkshire and Humber region. The rate in York has increased compared with 2022-23 (from 32.5% to 33.5%).

105. **% of adults (aged 16+) that are physically active –** The latest data from the Adult Active Lives Survey for the period from mid-November 2022 to mid-November 2023 was published in April 2024. Data for 2024-25 will be available in April 2025. In York, 515 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 and regional averages. Positively:

    - 69.8% of people in York did more than 150 minutes of physical activity per week compared with 63.4% nationally and 61.7% regionally. There has been no significant change in the York value from that 12 months earlier.

    - 18.8% of people in York did fewer than 30 minutes per week compared with 25.7% nationally and 27.7% regionally. There has been no significant change in the York value from that 12 months earlier.

106. **Percentage of people who use services who have control over their daily life – Disabled People –** In 2022-23, 78% of all York's respondents to the Adult Social Care Survey said that they had "as much control as they wanted" or "adequate" control over their daily life, which was the same as the percentage in the Y&H region as a whole. It is higher than the corresponding percentage who gave one of these responses in England as a whole (77%). It has slightly decreased in York from the 2021-22 figure (79%). ASCOF data for 2023-24 has just been released but is being quality assured for accuracy as recording framework has been changed.

107. **Percentage of people who use services who have control over their daily life – Older People –** In 2022-23, 77% of older people in York that responded to the Adult Social Care Survey said that they had "as much control as they wanted" or "adequate" control over their daily life. This is higher than the corresponding percentages experienced by older people in the Y&H region and in England as a whole (both 74%). It has also increased in York from the 2021-22 figure (71%). ASCOF data for 2023-24 has just been released but is being quality assured for accuracy as recording framework has been changed.

108. **Overall satisfaction of people who use services with their care and support –** Data at LA and national level for 2022-23 was published in December 2023, and the data shows that there has been a slight increase in the percentage of York's ASC users who said that they were "extremely" or "very" satisfied with the care and support they received from CYC compared with 2021-22 (up from 65% to 67%). The levels of satisfaction experienced by York's ASC users in 2022-23 were slightly higher than those in the Y&H region (66% said they were "extremely" or "very" satisfied with the care and support from their LA) and in England as a whole (64% gave one of these answers). ASCOF data for 2023-24 has just been released but is being quality assured for accuracy as recording framework has been changed.

109. **Health Inequalities in wards –** The 'health gap' indicators show the difference between the wards with the highest and lowest values. A lower value is desirable as it indicates less variation in health outcomes based on where people live within the City. Trend data for these indicators helps to monitor whether the gaps are narrowing or widening over time. New data will be available in December 2024.

- Absolute gap in % of Year 6 recorded overweight (incl. obesity) between the highest and lowest York ward (3 year aggregated) - The value for this indicator for the 3 year period 2021-22 to 2023-24 was 22.9% (the gap between 41.9% in Huntington & New Earswick and 19.0% in Heworth Without). The gap has narrowed compared with the previous reporting period (from 24.7% to 22.9%). The trend in this gap indicator shows a widening in the difference between the values in the highest and lowest ward over time (18.4% in 2008-09 to 2020-11 to 22.9% in the most recent 3 year period).

- Absolute gap in % of children who reach expected level of development at 2-2.5 years of age between highest and lowest York ward (4 yr aggregated) - The value for this indicator for the 4 year period 2020-21 to 2023-24 was 10.53% (the difference between 95.95% in Haxby & Wiggington and 85.42% in Clifton). The latest value represents an improvement (a narrowing of the gap in York) compared with the previous values of 13.65% for 2019-20 to 2022-23 and 13.1% for 2018-19 to 2021-22.

- Absolute gap in % of children totally or partially breastfeeding at 6-8 weeks between highest and lowest York ward (4 year aggregated ward data) - The value for this indicator for the 4 year period 2020-21 to 2023-24 was 39.3%% (the gap between 81% in Heworth Without and 41.7% in Westfield). There has been a widening of the gap from the 4 year period 2017-18 to 2020-21 (36.5%) to the most recent 4 year period (39.3%).

110. **Children and young people in care per 10k, excluding short breaks –** At the end of December 2024, 236 children and young people were in York’s care. As a rate per 10k population, this is just below the National average (2023-24) and within York’s expected range. Unaccompanied Asylum Seeking Children (UASC), a sub-group of children in care, are expected to increase in number in York. At the end of December 2024, 21 of York’s children in care were UASC, compared to 18 in March 2024. The National Transfer Scheme now mandates that “*the Home Office will not transfer UASC to an authority that is already looking after UASC in line with, or greater than, 0.1% of their child population*”. For York, this is equivalent to approximately 34 young people based on current population.

111. **Children subject to a Child Protection Plan –** 150 children were the subject of a Child Protection Plan at the end of December 2024. As a rate per 10k population, York is just above the National average (2023-

24). The number of children subject to a Child Protection Plan in York is at the top of York's expected range (133-150).

Performance - Education and Skills: High quality skills and learning for all

112. **% of working age population qualified to at least L2 and above –** In 2023-24, 90% 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 (86.5% and 85.1% respectively). This result ranks the city of York first regionally. This latest figure is a slight decrease from 2022-23 (94.2%). It should be noted that there has been a slight change in methodology from 2022-23. Data for 2024-25 will be available in May 2025.

113. **% of working age population qualified to at least L4 and above –** In 2023-24, 53.8% 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 (47.3% and 41.2% respectively). This result ranks the city of York fourth regionally. The 2023-24 figure is a decrease from 2022-23 (60.3%) but higher than in previous years. Data for 2024-25 will be available in May 2025.

114. **% of pupils achieving 9-4 or above in English and Maths at KS4 –** Provisional DfE data shows strong performance for York pupils when compared with National averages. In 2023-24, 70.5% of York's Year 11s achieved grades 9-4 in English and Maths (considered a standard pass), compared to 65.4% Nationally.

115. **% of children who have achieved a Good Level of Development at Foundation Stage –** In 2023-24, 70% of our 5-year-olds achieved a Good Level of Development compared to 67.7% Nationally, and 66.1% in Yorkshire and Humber.

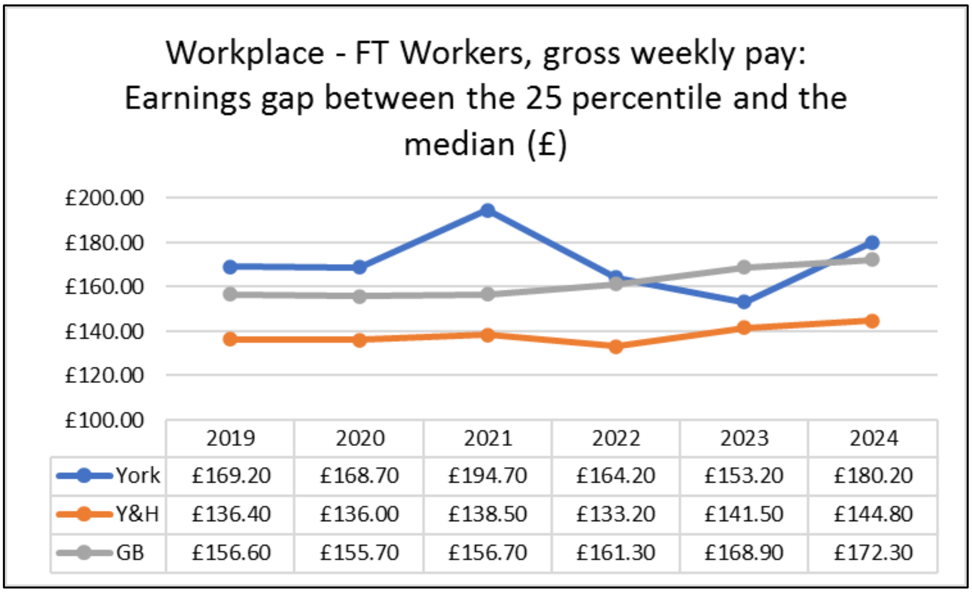
Performance - Economy: A fair, thriving, green economy for all

116. **Universal Credit Claimants –** At the end of November 2024 there were 13,863 people, in York, on Universal Credit. Although this is the highest figure to date, surpassing the previous high of 13,236 in February 2021, it is low compared to the region or nationally, and represents 10% of the working population in York, compared to 19% regionally and 17% nationally. The figures dropped to a low of 11,054 in May 2022 but they have steadily increased since then. This is a mixture of increased claimants and people who have been migrating

over from other legacy benefits (Tax Credits, Housing Benefit, Income Support, Jobseeker's Allowance and Income-related Employment and Support Allowance), with the picture becoming clearer in 2025 as DWP expects/plans for all people on these legacy benefits to have moved over to Universal Credit in the year.

117. There are two types of claimant: those in employment and those not. Both types have been gradually increasing in the last 12 months with the number of those not in employment increasing as claimants of legacy benefits are migrated across to Universal Credit. The increase in the number of those in employment may be attributed to a higher percentage of part time workers (27.9% in York, 23.6% regionally and 23.4% nationally). In the region, York has the 2nd highest number of part time workers and the highest number of claimants in employment but the lowest proportion of claimants not in employment.

118. **Earnings gap between the 25 percentile and the median (£) –** In York, the latest figures suggest that median earnings have increased by 8.6% and the 25 percentile earnings have increased by 6.0%, and this means that the earnings gap has increased by 17.6%, in 2024, to £180.20. This is the highest gap since 2021. Nationally, there has been an increase of 2.3% to £172.30 and regionally an increase of 2.0% to £144.80.



	2019	2020	2021	2022	2023	2024
York	£169.20	£168.70	£194.70	£164.20	£153.20	£180.20
Y&H	£136.40	£136.00	£138.50	£133.20	£141.50	£144.80
GB	£156.60	£155.70	£156.70	£161.30	£168.90	£172.30

119. **Housing affordability (median house prices to earnings ratio) –** Owning a home in York remains largely unaffordable. In 2023, full-time employees, in York, could expect to spend around 9.3 times their annual earnings buying a home, compared to 8.3 times annual earnings in England and 6.1 times annual earnings in the region. In York this has increased by 3.8% on last year whilst at the national and

regional level, these ratios are similar to 2022, and represent a return to the pre-coronavirus (COVID-19) pandemic trend. Data for 2023-24 will be available in March 2025.

120. **% of vacant city centre shops –** At the end of November 2024, there were 47 vacant shops in the city centre which equates to 7.45% of all city centre shops. This is 10 shops lower than at the same point in 2023 and much lower than the latest national benchmark in 2023-24 of 14%. The York figures have remained stable for a number of years.

121. **Business start ups –** Figures for 2022-23 showed 870 new business start-ups for York, which is higher than in the previous year (746 in 2021-22). The York figure is at only a slightly lower level to that seen before the pandemic (932 in 2019-20). The year to date figure up to the end of February 2024 of 767 new start ups is at a similar level to last year. The monthly figures for business start ups in York came from a regionally paid for dataset but this has now come to an end. Alternative sources of this information are being sought.

122. **GVA per head (£) –** In 2022-23, the GVA per head in York was £37,313 which was the second highest figure regionally. This latest figure is an increase from last year (£33,571). Annually since 2009-10, the GVA per head has generally been increasing (from £25,976 per head). Data for 2023-24 will be available in May 2025.

123. **% of working age population in employment (16-64) –** In Q1 2024-25, 77.8% of the working age population were in employment, which is higher than the national and regional figures (75.5% and 73.1% respectively) and the York performance gives the city a ranking of second regionally. The figure for Q1 2024-25 in York remains fairly high overall but is lower than the figures seen for the previous two years.

124. **% of Total Employees working for an Accredited Living Wage/Good Business Charter employer –** 16% of employees worked for an Accredited Living Wage employer and 13.5% worked for an Accredited Good Business Charter employer in 2023-24, which are at the same level as last year.

125. **Survival of Newly Born Businesses post 1 year –** In York, 175 businesses were created in Q3 2023-24, down 3% on a year ago. There were 160 business closures in the same quarter, which is 3% higher than in 2022-23. The survival rate post 1 year has been consistently around 94% in York for the last 4 years, with the latest

figure of 93.9%. The York figures have been consistently higher than the National and Regional rates (92.3% and 91.7% respectively).

Performance - Transport: Sustainable accessible transport for all

126. **Area Wide Traffic Levels –** 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. Following this, the numbers decreased to a low of 1.75m in 2020-21. However, the covid pandemic brought with it numerous national lockdowns and local restrictions so the decrease in traffic levels was to be expected. Since then, figures had increased to 2.08m in 2022-23 although the latest figures show a slight reduction to 2.02m vehicles in 2023-24.

127. **Index of Cycling activity –** Prior to the pandemic, cycling levels in the city were around 41% (2019) above the baseline taken in 2009. The latest data shows that cycling levels in 2023 were 13% above the baseline. The pandemic had a huge effect on how people travel around, and how much they travel. Other cities with high levels of cycling have also seen falls in activity. In York, cycling levels appear to have fallen because of a decline in commuting (as a result of more working from home), although travel patterns are still settling down. York has a strong walking and cycling heritage, but if we are to achieve our climate and traffic reduction targets and see a long-term, sustainable increase in rates of cycling, we need to enable more people to choose the bicycle as the primary way of getting around. There is much more to be done to encourage even more people towards riding, wheeling and walking in the future, and we have recently carried out an extensive consultation to better understand what changes we can make to help support residents to make the change to cycling, and how we can support our cycling communities. Data for 2024 will be available in 2025.

128. **Index of pedestrians walking to and from the City Centre –** From a baseline in 2009-10 (36,919), there has been a 25% increase in the number of pedestrians walking to and from the city centre in 2023-24. This is 1%pt higher than in 2022-23 and remains high compared to previous years. 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.

129. **% of customers arriving at York station by sustainable modes of transport –** In 2023, 78% of customers arrived at York station by

sustainable modes of transport which is an increase from 60% in 2022 (the survey was delayed in 2022 so didn't take place until January 2023 which may have affected the result, and in addition, two of the usual counting locations were missed which may explain the lower than usual percentage). The data is usually 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. Data for 2024 will be available in mid 2025.

130. **The number of CYC electric vehicle recharging points -** There were 103 CYC electric recharging points at the end of Q3 2024-25, which is the same as at the same point in the previous year.

131. When looking at all providers of EV charging, the latest data collated by ZapMap, a charging locator app, shows that for York the total number of publicly available charging devices (all speeds) was 146 at the end of Q1 2024-25 which is a reduction from 221 at Q1 2023-24. The number of those which were rapid chargers was 36 at the end of Q1 2024-25 which is a reduction from 42 at Q1 2023-24. A charging device may have more than one connecter and be able to charge more than one vehicle at a time so the figures do not show total charging capacity but are an indication of and can be used to compare York to national and regional rates. The rate of devices available (all speeds) per 100,000 population was 71.4 for York compared to 55.9 Regionally and 97.4 Nationally.

132. **% of Principal/Non-principal roads where maintenance should be considered –** In 2023-24, the percentage of principal roads in York, from local figures, where maintenance should be considered was 11% (the same as in 2021-22). There are two processes for collecting this indicator, a local one for providing the figures above, and a one-off SCANNER survey which is used by the DfT for benchmarking. The latest York figure for SCANNER is 2% for principal roads and this is slightly lower than the latest available benchmarks in 2023-24 (National average 4% and Regional average 3%).

133. The percentage of non-principal roads in York, from local figures, where maintenance should be considered was 25% in 2023-24 (slightly higher than 23% in 2021-22). Like the above indicator, there are two processes for collecting this indicator, a local one for providing the figures above, and a one-off SCANNER survey which is used by the DfT for benchmarking. The latest York figure for SCANNER is 4% for

non-principal roads which is lower than the latest benchmarks in 2023-24 (National average 7% and Regional average 4%). Data for 2024-25 will be available in June 2025. Please note SCANNER surveys were not carried out in York in 2021-22 and 2022-23.

Performance - Housing: Increasing the supply of affordable housing

134. **Number of new affordable homes delivered in York –** During 2024-25, it is expected that affordable housing completions will be significantly below the identified level of need (58 affordable homes have been delivered in the first six months of the year, compared to 46 in the first six months of 2023-24). National scale challenges are facing many areas with buoyant housing markets such as a shortage of sites for affordable housing and labour and supply chain constraints, and these have affected delivery in York. The council itself is maximising delivery opportunities currently, and will access a range of funding opportunities for direct delivery in addition to securing over half of the total completions during 2024-25 through Section 106 planning agreements.

135. There remains a significant future pipeline of affordable homes with planning permission in place across the council's own newbuild development programme and section 106 planning gain negotiated affordable housing. Inclusive of applications with a resolution to approve from Planning Committee, there are over 1,000 affordable homes identified in approved planning applications. The progress ranges from sites that are being built out currently to others with substantial infrastructure or remediation challenges to resolve prior to development. Over 600 of these have progressed through detailed planning, either as a Full application or Reserved Matters. The remainder are at Outline stage, with more uncertainty on timescales and final delivery levels, including the York Central affordable housing contribution.

136. The new Government and Combined Authority have stated that housing supply, and affordable homes in particular, are amongst its key delivery priorities and the council will take advantage of new opportunities in this climate wherever possible.

137. **% of dwellings with energy rating in A-C band in the EPC register –** An Energy Performance Certificate (EPC) gives a property an energy efficiency rating from A (most efficient) to G (least efficient) and is valid for 10 years. Apart from a few exemptions, a building must have an

EPC assessment when constructed, sold or let. Whilst the EPC register does not hold data for every property, it can be viewed as an indication of the general efficiency of homes. The rating is based on how a property uses and loses energy for example through heating, lighting, insulation, windows, water and energy sources. Each area is given a score which is then used to determine the A-G rating and a rating of A-C is generally considered to be good energy performance.

138. The % of properties on the register for York with an EPC rating of A-C at the end of October was 45.6%. This measure has increased incrementally month on month since CYC began reporting on the information in March 2023 when 42% of properties were rated A-C. The largest changes in York continue to be in the middle categories with around 3% less properties rated D-E and around 3% more rated C. Data is based on the last recorded certificate for 62,027 properties on the register for York, some of which will have been last assessed more than ten years ago. When looking at certificates added or renewed in the past year only for 2023-24, 58.5% of certificates were rated A-C for York compared to 59.7% Nationally and 55.3% Regionally.

139. **Net Additional Homes –** Between 1st April 2024 and 30th September 2024, a total of **398 net additional homes** were completed. This total comprises two elements:

- There has been a total of 339 net housing completions. This represents more than double the number of housing completions compared to the same monitoring period last year. The main features of the housing completions that were carried out are:
    - 309 homes (91.2%) were completed on housing sites (Use Class 3).
    - 243 homes (71.7%) resulted from the change of use of other buildings to residential use. The Cocoa Works site provided 172 of these properties.
    - A total of 99 new build homes (29.2%) were completed.
    - 4 homes were demolished during the monitoring period.
    - Individual sites that saw the construction of five or less dwellings contributed just 37 (10.9%) additional homes.
    - The most significant individual sites providing housing completions (Use Class C3) over the monitoring period have been 172 flats at the Cocoa Works, Haxby Road (Phase 1 Blocks A and B), Cherry Tree House (48), 218 Fifth Avenue (48), Germany Beck (16), Former Civil

Service Club, Boroughbridge Road (11) and the former York City Football Club, Bootham Crescent.

- In addition to the 339 net additional homes completed, four care home developments were built during the monitoring period resulting in a net increase of 107 bedspaces. Using the nationally set ratio for communal establishments, this equates to a further **59 completed homes.**

140. **Net Housing Consents –** Planning applications determined during the half year monitoring period of 1st April 2024 to 30th September 2024 resulted in the approval of **383 net additional homes** and represents an increase of almost sixty approved homes compared to last year's update covering the equivalent monitoring period.

141. The main features of the housing approvals are:

- 272 of all net homes consented (71%) were granted on traditional housing sites (Use Class C3).
- Sites granted approval on traditional housing sites (Use Class C3) included Station Yard, Wheldrake (139), Land at Moor Lane, Copmanthorpe (75), whilst the site at Hospital Fields Road & Ordnance Lane was granted consent for an additional 16 homes compared to its earlier approval for 85 homes. A further 36 homes were approved on sites of 5 homes or less.
- The Enterprise Rent-a-Car site at 15 Foss Islands Road was granted consent for 133 privately managed student accommodation studio flats.
- Two previously approved sites at Huntington South Moor New Lane Huntington (-20) and Chelmsford Place Fulford Road (-4) resulted in a total loss of 24 homes compared to their original consents.
- During the monitoring period, a further 282 homes were approved by Planning Committee through a resolution to grant planning permission subject to the execution of a section 106 agreement and recommended conditions. These sites are at draft housing allocation ST4: Land adjacent to Hull Road (162) and the Retreat, 107 Heslington Road (120). These sites are still awaiting full approval.

142. **Number of homeless households with dependent children in temporary accommodation –** The overall number of households in temporary accommodation reduced during 2023-24, from 73 in Q1 to

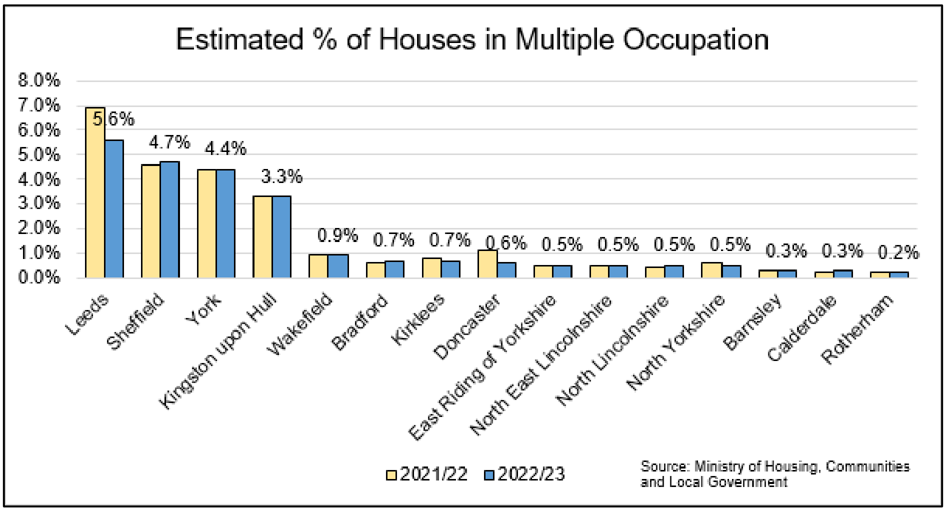
63 at the end of Q4. This has continued into 2024-25 where there were 57 households in temporary accommodation at the end of Q1. The number of those with dependent children has fluctuated between 26 and 30 households over the past year and was 26 households at the end of Q1. This was 46% of total households in temporary accommodation which was the same as in Q4. Although the council would like these to reduce further, some progress has been made from the peaks seen at the end of 2022-23.

143. Of the 26 households with children in temporary accommodation at quarter end, 24 were recorded as accommodated in hostels and two within Local Authority or Housing Association housing stock. York continues to report no households with children housed in Bed and Breakfast accommodation at quarter end.

144. During 2023-24 and into 2024-25, an upward trend in overall numbers can be seen both nationally and regionally, however York has been moving in the opposite direction. When looking at the total number of households in temporary accommodation per households in area (000s) at the end of Q1, York continues to perform positively compared to benchmarks (0.65 in York compared to 5.08 Nationally, 1.45 Regionally and 18.85 in London). It should be noted that these figures are snapshot figures and therefore may fluctuate between the snapshot dates. Data for Q2 2024-25 will be available in February 2025.

145. **Number of people sleeping rough –** Every Thursday, Navigators carry out an early morning street walk checking known rough sleeping hot spots and responding to intel or reports of rough sleepers. The monthly figure is based on the number of rough sleepers found bedded down on the last Thursday of each month. The latest figure shows that there were 16 people sleeping rough in York in December 2024, which is a slight increase from 13 people in December 2023.

146. **HMO's as % of properties in York** – The estimate of the proportion of Houses in Multiple Occupation (HMO) divided by the total number of dwellings within York has remained at 4.4% which is the 3rd highest in the region, behind Leeds and Sheffield. The average for England is 1.5% and regionally it is 1.6%. It is not surprising that the levels are higher in university cities as a recent survey suggests that 7 in 10 students live in a privately rented HMO house while studying in the UK.



147. A HMO is defined as an entire house, flat or converted building which is let to three or more persons who form two or more households and who share facilities such as a kitchen, bathroom and toilet.

148. **% of dwellings failing to meet the decent homes standard –** Data submitted through the Local Authority Housing Statistics Return shows that at the end of 2023-24, 140 council properties were considered to be non-decent which is 1.9% of council housing stock. The 2023-24 figure is a slight increase from 1.6% of properties at the end of 2022-23. The increase in non-decent properties can also be seen in the 2023-24 national and regional figures, however York continues to perform well against these. Regionally, 5.8% of properties were non-decent (up from 2.4% in 2023-24) and Nationally 9.1% of properties were non-decent (up from 8.4% in 2023-24).

149. An increase in the number of non-decent properties for York was anticipated following the commissioning of a Full Stock Condition Survey to be carried out on HRA housing stock during 2024. The extensive survey provides a range of information on the internal, external and communal safety and condition of each property. By the end of 2023-24, 36% of stock had been inspected and whilst strengthening the information held on housing, has surfaced further properties requiring work. Survey information received has highlighted in particular an increase in the number of properties with a category 1 hazard which causes an instant fail against the decent homes criteria, these are being responded to by the service as a matter of priority.

150. **% of repairs completed on first visit –** The percentage of repairs completed on the first visit was 80.2% in November 2024, which remains high and at a similar level to figures seen over the past few years.

151. **Number of void properties –** Numbers of standard void properties reduced throughout 2023-24 from 73 at the start of the year to 52 at the end of March 2024. Despite 2024-25 starting with 62 voids in April, the latest data for November 2024 shows a reduction to 48 void properties. There was only 1 major works voids at the end of November 2024 which is a large decrease on the 6 major works voids in September 2023.

152. **% of tenants satisfied that their landlord provides a home that is well maintained –** In 2023-24 in York, 64% of tenants were satisfied that the landlord provides a well maintained home. There are no national benchmarking figures available, as yet, however Leeds have released their results and they have a 67% satisfaction rate. Data for 2024-25 will be available in February 2025.

Performance - Sustainability: Cutting carbon, enhancing the environment for our future

153. **Average of maximum annual mean Nitrogen Dioxide concentration recorded across three areas of technical breach –** this indicator considers an average of the maximum annual mean concentrations of nitrogen dioxide (NO2) in 3 areas of the city where we have recorded exceedances of health-based air quality objectives in recent years (Gillygate/Lord Mayor's Walk, Blossom Street/Holgate Road and Rougier Street/George Hudson Street). The baseline 2022 figure for this indicator is 44.1µg/m3 and in the 3 specific areas mentioned there has been around a 25% reduction in this figure since 2012. Whilst the rate of improvement has not been consistent (it has slowed considerably in recent years), CYC's Fourth Air Quality Action Plan (AQAP4) aims to maintain a continued average 2.5% annual reduction in this indicator over its lifetime.

154. Within the 5-year lifetime of AQAP4, it is expected that this indicator (and all 3 areas respectively) will be confidently below 40µg/m3 and within health-based standards. The target for 2023 was 43µg/m3, which was met based on an indicator value of 38.8, which is a positive result.

155. Despite the overall indicator being 38.8, there was still one area that was above the health-based objective of 40 in 2023 (the maximum concentration of NO2 recorded on Gillygate was 43µg/m3). We aim to improve air quality further in this area through measures such as

further electric buses and the traffic signal trial due to commence in January 2025.

156. **Percentage of household waste sent for reuse, recycling or composting –** The latest provisional data for the amount of household waste sent for reuse, recycling or composting was 44.8% within Q1 2024-25, which is a decrease from 46.4% during Q1 2023-24. The figures are broadly similar for total household waste collected (246.2kg per household from the same time last year (246.7kg)), reuse, recycling or composting waste per household (110kg from 111kg in 2023-24) and residual (approx. non-recycling) household waste has remained at 136kg per household. The increase in the number of households accounts for the decrease in the overall recycling figures.

157. **Level of CO2 emissions across the city and from council buildings and operations –** Emissions associated with council operations have been reducing across every category we measure, due to the work underway to improve the energy efficiency of our buildings and fleet electrification. However, improvements to the scope and accuracy of our reporting methodology mean that new emissions are now being recorded, resulting in an overall increase in reported operational emissions. Fully understanding our emissions is an important step in managing and mitigation our impact. Further details are available here: https://democracy.york.gov.uk/documents/s179414/Report.pdf. City-wide emissions have experienced a small increase in 2021, following post-covid restrictions. While this rebound is not unexpected, emissions have not returned to pre-covid levels following the long-term trend of emissions reduction since 2005. The rate of reduction over this time, however, is not sufficient to meet our net zero by 2030 ambition and significant emissions reductions are needed over the remaining years. Further details are available here: https://democracy.york.gov.uk/documents/s179439/EMDS_City%20Wide%20Emissions%202024.pdf

158. **% of Talkabout panel satisfied with their local area as a place to live –** The second biannual resident satisfaction survey taken by the Talkabout panel took place during Q3 2024-25. Results from the Q3 2024-25 Talkabout survey showed that 80% of the panel were satisfied with York as a place to live, a five percentage point decrease from the previous survey, returning to the same level as Q3 2023-24. 80% were satisfied with their local area, consistent with results from Q3 2023-24, and consistently higher than the average from the Community Life

Survey, which recorded the lowest level of satisfaction since the survey began in 2013-14, at 74%.

159. **% of Talkabout panel who give unpaid help to any group, club or organisation –** Results from the Q3 2024-25 Talkabout survey found that 66% of panellists had given unpaid help to any group, club or organisation within the last 12 months. The government's Community Life Survey 2023-24 recorded that 54% had taken part in either formal or informal volunteering at least once in the last 12 months.

160. **Number of trees planted (CYC) –** During 2023-24, CYC planted 40 standard trees in the city's parks and on highways. In addition, 1,200 trees (whips) were planted by the council's 'York Green Streets' project, fully funded by a grant from White Rose Forest (secured in February 2024) including three years aftercare to support successful establishment. This forms part of the Council Plan 2023-2028 commitment to support biodiversity and nature by planting 4,000 new trees. The YGS project team is itself 100% externally funded by a £150,000 Forestry Commission grant to 31 March 2025. A further £40,000 has been secured from DEFRA to plant two new micro-woods in York's urban area in the 2024-25 planting season in Holgate and Clifton Without wards.

161. Full year data for 2024-25 will not be available until May 2025, but numbers are likely to be comparable to last year as York Green Streets planted c1,800 trees (whips and standards) in April 2024.

162. **% of Talkabout panel who think that the council are doing well at improving green spaces –** The results for Q3 2024-25 showed that 38% of respondents agreed the Council and its partners are doing well at improving green spaces, consistent with results from Q1 2024-25.

Performance - How the council will operate

163. **FOI and EIR – % of requests responded to in-time (YTD) –** 98% of requests were responded to in-time during the year up to the end of November 2024 which is the highest figure seen for a number of years.

164. **% of 4Cs complaints responded to in-time –** In 2023-24, there had been a large decrease in the number of corporate complaints received compared to 2022-23 (1,310 in 2023-24 compared to 1,866 in 2022-23). This decrease has continued into 2024-25 with 759 corporate complaints received in the first eight months of 2024-25 (compared to 948 in the first eight months of 2023-24). The percentage of corporate

complaints responded to in time during November 2024 was 91.8% which is a large increase from 73.7% in Q2 2024-25.

165. **% of the Talkabout panel reporting an excellent, good, satisfactory or poor experience when they last contacted the council about a service –** The results for this indicator for Q3 2024-25 show that the majority of the panel report having a ‘good’ (28%) or ‘satisfactory’ (38%) experience when they last contacted the Council, with 11% reporting an ‘excellent’ experience and 23% reporting a ‘poor’ experience, consistent with Q1 2024-25.

166. **Average sickness days per full time equivalent (FTE) employee –** At the end of November 2024, the average number of sickness days per FTE (rolling 12 months) had increased slightly to 11.7 days from 11.2 in November 2023. Recently released benchmarks show that the CIPD public sector benchmark is 10.6 days per FTE, putting us in line with national trends.

167. **York Customer Centre average speed of answer –** Phones were answered, on average, in 25 seconds in November 2024 by the York Customer Centre. This is the shortest time of answer seen since May, when the volume of calls received by the Customer centre increased due to garden waste calls.

Consultation Analysis

168. Not applicable

Options Analysis and Evidential Basis

169. Not applicable

Organisational Impact and Implications

170. The recommendations in the report potentially have implications across several areas. However, at this stage

- **Financial implications** are contained throughout the main body of the report. The actions and recommendations contained in this report should ensure the continued financial stability and resilience of the Council both in the current year and in future years.

- **Human Resources (HR),** there are no direct implications related to the recommendations.
- **Legal** The Council is under a statutory obligation to set a balanced budget on an annual basis. Under the Local Government Act 2003 it is required to monitor its budget during the financial year and take remedial action to address overspending and/or shortfalls of income.
- **Procurement**, there are no specific procurement implications to this report.
- **Health and Wellbeing**, there are no direct implications related to the recommendations.
- **Environment and Climate action**, there are no direct implications related to the recommendations.
- **Affordability**, there are no direct implications related to the recommendations.
- **Equalities and Human Rights**, there are no direct implications related to the recommendations.
- **Data Protection and Privacy,** there are no implications related to the recommendations.
- **Communications**, there are no direct implications related to the recommendations.
- **Economy**, there are no direct implications related to the recommendations.

Risks and Mitigations

171. 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.

172. The current financial position represents a significant risk to the Council's financial viability and therefore to ongoing service delivery. It is important to ensure that the mitigations and decisions outlined in this paper are delivered and that the overspend is reduced.

Wards Impacted

173. All.

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Date:	13th January 2025

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Annexes

Annex 1: Q3 Performance Tables - City Outcomes and Council Delivery Indicators 2023-2027

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Annex 1 - Performance - City Outcomes and Council Delivery Indicators 2023-2027

Financial Health (Council)						
	Previous Data	Latest Data	DoT	Frequency	Benchmarks	Data Next Available
Forecast Budget Outturn (£000s Overspent / -Underspent) - CYC Subtotal (excluding contingency)	£4,445 (Q2 2024/25)	£4,305 (Q3 2024/25)	⇨	Quarterly	Not available	Q4 2024/25 data available in June 2025
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						

Health and wellbeing: A health generating city (City)						
	Previous Data	Latest Data	DoT	Frequency	Benchmarks	Data Next Available
Income Deprivation Affecting Children Index (IDACI)	0.12 (2022/23)	0.1 (2023/24)	⇩ Good	5 yearly	National Rank 2023/24: 253	2024/25 data available in December 2025
Number of children in temporary accommodation - (Snapshot)	45 (2023/24)	50 (Q1 2024/25)	⇨	Quarterly	Not available	Q2 2024/25 data available in March 2025
%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	43.60% (2022/23)	31.10% (Prov) (2023/24)	⇨	Annual	National Data 2023/24 21.70% (Prov)	2024/25 data available in December 2025
% of reception year children recorded as being overweight (incl. obese) (single year)	19.90% (2022/23)	22.80% (2023/24)	⇨	Annual	National Data 2023/24 22.10%	2024/25 data available in November 2025
Slope index of inequality in life expectancy at birth - Female - (Three year period)	6.2 (2019/20)	5.7 (2020/21)	⇨	Annual	Regional Rank 2020/21: 3	2021/22 data available TBC
Slope index of inequality in life expectancy at birth - Male - (Three year period)	8.3 (2019/20)	8.4 (2020/21)	⇨	Annual	Regional Rank 2020/21: 3	2021/22 data available TBC
% of adults (aged 16+) that are physically active (150+ moderate intensity equivalent minutes per week, excl. gardening)	70.4% (2022/23)	69.8% (2023/24)	⇨	Annual	National Data 2023/24 63.4%	2024/25 data available in April 2025
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						

Health and wellbeing: A health generating city (Council)						
	Previous Data	Latest Data	DoT	Frequency	Benchmarks	Data Next Available
Percentage of people who use services who have control over their daily life - Disabled People (ASC User Survey)	79% (2021/22)	78% (2022/23)	⇨	Annual	Not available	2023/24 data available in January 2025
Percentage of people who use services who have control over their daily life - Older People (ASC User Survey)	71% (2021/22)	77% (2022/23)	⇧ Good	Annual	Not available	2023/24 data available in January 2025
Overall satisfaction of people who use services with their care and support	65.10% (2021/22)	66.50% (2022/23)	⇨	Annual	National Data 2022/23 64.40%	2023/24 data available in January 2025
Health Inequalities in wards	See below	See below	⇨	Annual	Not available	See below
Absolute gap in mortality ratio for deaths from circulatory disease (under 75) between highest and lowest York ward (5 year aggregated)	153.8 (2019/20)	141.1 (2020/21)	⇨	Annual	Not available	2023/24 data available in April 2025
Gap in years in Life Expectancy at birth for Males between highest and lowest York ward (5 year aggregated)	10.2 (2019/20)	11.7 (2020/21)	⇨	Annual	Not available	2023/24 data available in April 2025
Gap in years in Life Expectancy at birth for Females between highest and lowest York ward (5 year aggregated)	8.2 (2019/20)	11.1 (2020/21)	⇨	Annual	Not available	2023/24 data available in April 2025
Absolute gap in hospital admission ratio for self-harm between highest and lowest York ward (5 year aggregated)	133.2 (2019/20)	119.6 (2020/21)	⇨	Annual	Not available	2023/24 data available in April 2025

Absolute gap in hospital admission ratio for alcohol-related harm (narrow definition) between highest and lowest York ward (5 year aggregated)	70.7 (2017/18)	88.8 (2020/21)		Annual	Not available	2023/24 data available in April 2025
Absolute gap in % of children who reach expected level of development at 2-2.5 years of age between highest and lowest York ward (4 yr aggregated)	13.65% (2022/23)	10.53% (2023/24)	Good	Annual	Not available	2024/25 data available in August 2025
Absolute gap in % of Year 6 recorded overweight (incl. obesity) between highest and lowest York ward (3 year aggregated)	24.68% (2022/23)	22.84% (2023/24)		Annual	Not available	2024/25 data available in November 2025
Absolute gap in % of children totally or partially breastfeeding at 6-8 weeks between highest and lowest York ward (4 year aggregated ward data)	38.98% (2022/23)	39.30% (2023/24)		Annual	Not available	2024/25 data available in August 2025
Number of children in care, excluding Short Breaks - (Snapshot)	232 (Q2 2024/25)	236 (Q3 2024/25)		Quarterly	National Data 2023/24 70 per 10k	Q4 2024/25 data available in April 2025
Number of children subject to a Child Protection Plan - (Snapshot)	138 (Q2 2024/25)	150 (Q3 2024/25)		Quarterly	National Data 2023/24 41.6 per 10k	Q4 2024/25 data available in April 2025
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Education and Skills: High quality skills and learning for all (City)

	Previous Data	Latest Data	DoT	Frequency	Benchmarks	Data Next Available
% of working age population qualified - to at least L2 and above (New methodology from 2022/23)	94.2% (2022/23)	90% (2023/24)		Annual	National Data 2023/24: 86.5%	2024/25 data available in May 2025
% of working age population qualified - to at least L4 and above (New methodology from 2022/23)	60.3% (2022/23)	53.8% (2023/24)		Annual	National Data 2023/24: 47.3%	2024/25 data available in May 2025
% of pupils achieving 9-4 or above in English & Maths at KS4 (C or above before 2016/17)	70.20% (2022/23)	70.50% (Prov) (2023/24)		Annual	National Data 2023/24 65.40% (Prov)	2024/25 data available in December 2025
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						

Education and Skills: High quality skills and learning for all (Council)

	Previous Data	Latest Data	DoT	Frequency	Benchmarks	Data Next Available
% of children who have achieved a Good Level of Development (GLD) at Foundation Stage - (Snapshot)	69.70% (2022/23)	70.00% (2023/24)		Annual	National Data 2023/24 67.70%	2024/25 data available in December 2025
Number of children who are eligible for a free school meal in the primary sector (excluding Danesgate) - (Jan Census snapshot)	2,197 (2022/23)	2,320 (2023/24)		Annual	Not available	2024/25 data available in July 2025
% of children who are eligible for a free school meal in the primary sector (excluding Danesgate)	15.88% (2022/23)	16.99% (2023/24)		Annual	National Data 2023/24 24.29%	2024/25 data available in July 2025
Number of children who are eligible and taking a free school meal in the primary sector (excluding Danesgate) - (Jan Census snapshot)	1,760 (2022/23)	1,938 (2023/24)		Annual	Not available	2024/25 data available in July 2025
% of children taking a free school meal in the primary sector (excluding Danesgate) - (Jan Census snapshot)	12.72% (2022/23)	14.19% (2023/24)		Annual	Not available	2024/25 data available in July 2025
Number of children who are eligible for a free school meal in the secondary sector (excluding Danesgate) - (Jan Census snapshot)	1,621 (2022/23)	1,729 (2023/24)		Annual	Not available	2024/25 data available in July 2025
% of children who are eligible for a free school meal in the secondary sector (excluding Danesgate)	14.26% (2022/23)	15.15% (2023/24)		Annual	National Data 2023/24 24.12%	2024/25 data available in July 2025
Number of children who are eligible and taking a free school meal in the secondary sector (excluding Danesgate) - (Jan Census snapshot)	1,159 (2022/23)	1,299 (2023/24)		Annual	Not available	2024/25 data available in July 2025

% of children taking a free school meal in the secondary sector (excluding Danesgate) - (Jan Census snapshot)	10.20% (2022/23)	11.38% (2023/24)		Annual	Not available	2024/25 data available in July 2025
Total number of children who are eligible for a free school meal - (York LA Local Measure) - (Jan Census snapshot)	3,985 (2022/23)	4,246 (2023/24)		Annual	Not available	2024/25 data available in July 2025
Total number of children who are eligible and taking a free school meal - (York LA Local Measure) - (Jan Census snapshot)	2,987 (2022/23)	3,289 (2023/24)	Good	Annual	Not available	2024/25 data available in July 2025
Total number of active EHCPs overseen by SEND Services (Snapshot)	1,488 (Q2 2024/25)	1,502 (October 2024)		Monthly	Not available	Q3 2024/25 data available in February 2025

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

Economy: A fair, thriving, green economy for all (City)

	Previous Data	Latest Data	DoT	Frequency	Benchmarks	Data Next Available
Universal Credit: Claimants	13,506 (Q2 2024/25)	13,863 (November 2024)	Bad	Quarterly	Not available	Q3 2024/25 data available in January 2025
Workplace Earnings gap between the 25 percentile and the median (£) (York)	£153.20 (2023/24)	£180.20 (2024/25)		Annual	Not available	2025/26 data available in December 2025
Housing affordability (median house prices to earnings ratio)	8.85 (2021/22)	9.3 (2022/23)	Bad	Annual	National Data 2022/23 8.14	2023/24 data available in March 2025
% of vacant city centre shops	7.94% (Q2 2024/25)	7.45% (November 2024)		Monthly	National Data 2023/24 14%	Q3 2024/25 data available in January 2025
Business Startups - (YTD)	796 (February 2023)	767 (February 2024)		Quarterly	Not available	TBC
GVA per head (£)	33,571 (2021/22)	37,313 (2022/23)	Good	Annual	Regional Rank 2022/23: 2	2023/24 data available in May 2025
% of working age population in employment (16-64)	78.0% (2023/24)	77.8% (Q1 2024/25)		Quarterly	National Data Q1 2024/25 75.50%	Q2 2024/25 data available in January 2025
% of Total Employees working for an Accredited Good Business Charter employer	13.4% (2022/23)	13.5% (2023/24)		Annual	Not available	2024/25 data available in November 2025
% of Total Employees working for an Accredited Living Wage employer	16% (2022/23)	16.4% (2023/24)		Annual	Not available	2024/25 data available in November 2025
Survival of Newly Born Businesses post 1 year	94.40% (2021/22)	93.90% (2022/23)		Annual	Not available	2023/24 data available in November 2025

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All historic data is available via the Open Data Platform

Transport: Sustainable accessible transport for all (City)

	Previous Data	Latest Data	DoT	Frequency	Benchmarks	Data Next Available
P&R Passenger Journeys	2m (YTD Dec 21	2.4m (Prov) (YTD Dec 22)	Good	Quarterly	Not available	TBC
Local bus passenger journeys originating in the authority area (excluding P&R)	5.54m (YTD Dec 22)	7.26m (Prov) (YTD Dec 22)	Good	Quarterly	Not available	TBC
Area Wide Traffic Levels (07:00 -19:00) (Excluding A64) from 2009/10 baseline (2.09m)	2.08m (2022/23)	2.02m (2023/24)		Annual	Not available	2024/25 data available in September 2025
Index of cycling activity (12 hour) from 2009 Baseline (31,587)	115.00% (2022)	113.00% (2023)		Annual	Not available	2024 data available in June 2025
Index of pedestrians walking to and from the City Centre (12 hour in and out combined) from 2009/10 Baseline (37,278)	124.00% (2022)	125.00% (2023)		Annual	Not available	2024 data available in September 2025
% of customers arriving at York Station by sustainable modes of transport (cycling, walking, taxi or bus - excluding cars, Lift, Motorcycle, Train)	60% (2022)	78% (2023)		Annual	Not available	2024 data available June 2025

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

Transport: Sustainable accessible transport for all (Council)						
	Previous Data	Latest Data	DoT	Frequency	Benchmarks	Data Next Available
The number of CYC electric vehicle recharging points in York	103 (Q2 2024/25)	103 (Q3 2024/25)		Quarterly	Not available	Q4 2024/25 data available in April 2025
% of Principal roads where maintenance should be considered (Local Recording)	11% (2021/22)	11% (2023/24)		Annual	Not available	2024/25 data available in June 2025
% of Principal roads where maintenance should be considered (Scanner - NI - 130-01)	NC	2% (2023/24)		Annual	National Data (Scanner DfT Comparison) 2023/24 4%	2024/25 data available in June 2025
% of Non-principal classified roads where maintenance should be considered (Local Recording)	23% (2021/22)	25% (2023/24)		Annual	Not available	2024/25 data available in June 2025
% of Non-principal classified roads where maintenance should be considered (Scanner - NI 130-02)	NC	4% (2023/24)		Annual	National Data (Scanner DfT Comparison) 2023/24 7%	2024/25 data available in June 2025
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						

Housing: Increasing the supply of affordable housing (City)						
	Previous Data	Latest Data	DoT	Frequency	Benchmarks	Data Next Available
Number of new affordable homes delivered in York	46 (Q1&Q2 2023/24)	58 (Q1&Q2 2024/25)		Quarterly	Not available	Q3 2024/25 data available in February 2025
% of dwellings with energy rating in A-C band in the EPC Register - Snapshot	45.3% (Q2 2024/25)	45.6% (October 2024)	Good	Monthly	National Data 2023/24 59.7% Regional Data 55.3%	Q3 2024/25 data available in February 2025
Net Additional Homes Provided - (YTD)	152 (as at Q2 2023/24)	339 (as at Q2 2024/25)	Good	Bi-annual	Not available	2024/25 full-year data available in June 2025
Net Housing Consents - (YTD)	324 (as at Q2 2023/24)	383 (as at Q2 2024/25)	Good	Bi-annual	Not available	2024/25 full-year data available in June 2025
Number of homeless households with dependent children in temporary accommodation - (Snapshot)	29 (2023/24)	26 (Q1 2024/25)	Good	Quarterly	Not available	Q2 2024/25 data available in March 2025
Number of people sleeping rough - local data - (Snapshot)	20 (Q2 2024/25)	16 (Q3 2024/25)		Monthly	Not available	Q4 2024/25 data available in April 2025
HMO's as % of properties in York	NA	4.4% (2022/23)		Annual	Not available	2023/24 data available in February 2025
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						

Housing: Increasing the supply of affordable housing (Council)						
	Previous Data	Latest Data	DoT	Frequency	Benchmarks	Data Next Available
% of dwellings failing to meet the decent homes standard	1.60% (2022/23)	1.90% (2023/24)		Annual	Not available	2024/25 data available in September 2025
% of Repairs completed on first visit	86.6% (Q2 2024/25)	80.2% (November 2024)		Quarterly	Housemark Median 2022/23 86.02%	Q3 2024/25 data available in January 2025
Number of Void Properties - Standard Voids - (Snapshot)	48 (Q2 2024/25)	48 (November 2024)	Good	Monthly	Not available	Q3 2024/25 data available in January 2025
Number of Void Properties - Major Works Voids - (Snapshot)	1 (Q2 2024/25)	1 (November 2024)	Good	Monthly	Not available	Q3 2024/25 data available in January 2025
Number of Void Properties - Capital Projects Voids - (Snapshot)	16 (Q2 2024/25)	16 (November 2024)		Monthly	Not available	Q3 2024/25 data available in January 2025
Number of Void Properties - Total Voids (Excludes Not Offerable) - (Snapshot)	65 (Q2 2024/25)	65 (November 2024)		Monthly	Not available	Q3 2024/25 data available in January 2025
Number of Void Properties - Not Offerables - (Snapshot)	79 (Q2 2024/25)	76 (November 2024)		Monthly	Not available	Q3 2024/25 data available in January 2025
% of tenants satisfied that their landlord provides a home that is well maintained	NC	63.58% (2023/24)		Annual	Not available	2024/25 data available in January 2025
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						

Sustainability: Cutting carbon, enhancing the environment for our future (City)						
	Previous Data	Latest Data	DoT	Frequency	Benchmarks	Data Next Available
The average of maximum annual mean Nitrogen Dioxide concentration recorded across three areas of technical breach (at points of relevant public exposure) - Calendar year	44.1 (2022/23)	38.8 (2023/24)	⇨	Annual	Not available	2024/25 data available in April 2025
Percentage of household waste sent for reuse, recycling or composting	46.45% (Prov) (Q1 2023/24)	45.39% (Prov) (Q1 2024/25)	⇨	Quarterly	National Data 2022/23 41.70%	Q2 2024/25 data available in January 2025
Carbon emissions across the city (tonnes of carbon dioxide equivalent) - (Calendar Year)	816 (2020)	906 (2021)	⇨	Annual	Not available	2022 data available in November 2025
% of Talkabout panel satisfied with their local area as a place to live	81.00% (Q1 2024/25)	80.44% (Q3 2024/25)	⇨	Bi-annual	Community Life Survey 2023/24 74%	Q1 2025/26 data available in July 2025
% of Talkabout panel who give unpaid help to any group, club or organisation	64.42% (Q1 2024/25)	65.64% (Q3 2024/25)	⇨	Bi-annual	Community Life Survey 2023/24 54%	Q1 2025/26 data available in July 2025
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						

Sustainability: Cutting carbon, enhancing the environment for our future (Council)						
	Previous Data	Latest Data	DoT	Frequency	Benchmarks	Data Next Available
Level of CO2 emissions from council buildings and operations (tonnes of carbon dioxide equivalent)	3,462.4 (2022/23)	3,309 (2023/24)	⇩ Good	Annual	Not available	2024/25 data available in November 2025
Number of trees planted (CYC)	1,099 (2022/23)	1,240 (2023/24)	⇧ Good	Annual	Not available	2024/25 data avilable in May 2025
% of Talkabout panel who think that the council are doing well at improving green spaces	36.70% (Q1 2024/25)	37.50% (Q3 2024/25)	⇨	Bi-annual	Not available	Q1 2025/26 data available in July 2025
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						

How the Council will operate (Council)						
	Previous Data	Latest Data	DoT	Frequency	Benchmarks	Data Next Available
FOI & EIR - % Requests responded to In time - (YTD)	98.06% (Q2 2024/25)	98.04% (November 2024)	⇧ Good	Monthly	Not available	Q3 2024/25 data available in January 2025
% of 4Cs Complaints responded to 'In Time'	73.66% (Q2 2024/25)	91.78% (November 2024)	⇧ Good	Monthly	Not available	Q3 2024/25 data available in January 2025
The % of the Talkabout panel reporting an 'excellent' experience when they last contacted the council about a service	11.07% (Q1 2024/25)	11.36% (Q3 2024/25)	⇨	Quarterly	Not available	Q1 2025/26 data available in July 2025
The % of the Talkabout panel reporting a 'good' experience when they last contacted the council about a service	29.07% (Q1 2024/25)	27.76% (Q3 2024/25)	⇨	Quarterly	Not available	Q1 2025/26 data available in July 2025
The % of the Talkabout panel reporting a 'satisfactory' experience when they last contacted the council about a service	37.02% (Q1 2024/25)	38.17% (Q3 2024/25)	⇨	Quarterly	Not available	Q1 2025/26 data available in July 2025
The % of the Talkabout panel reporting a 'poor' experience when they last contacted the council about a service	22.84% (Q1 2024/25)	22.71% (Q3 2024/25)	⇨	Quarterly	Not available	Q1 2025/26 data available in July 2025
Average Sickness Days per FTE - CYC (Excluding Schools) - (Rolling 12 Month)	11.17 (November 2023)	11.66 (November 2024)	⇨	Monthly	CIPD (Public Sector) 2022/23 10.6	Q3 2024/25 data available in February 2025
York Customer Centre average speed of answer	00:01:05 (Phone) (Q2 2024/25)	00:00:25 (Phone) (November 2024)	⇨	Monthly	Not available	Q3 2024/25 data available in January 2025
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						

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Meeting:	Executive
Meeting date:	21/01/2025
Report of:	Director of Finance – Debbie Mitchell
Portfolio of:	Cllr Katie Lomas - Executive Member for Finance, Performance, Major Projects, Human Rights, Equalities and Inclusion

Decision Report: Capital Programme – Monitor 3 2024/25

Subject of Report

1. The purpose of this report is to set out the projected outturn position for 2024/25 including any under/overspends and adjustments, along with requests to re-profile budgets to/from current and future years.

2. The Capital Monitor report is one of a number of reports taken to Executive on a regular basis to provide details of expenditure and how that impacts the financial standing of the council.

Benefits and Challenges

3. The capital programme is key in delivering the Council Plan. Members are able to prioritise capital expenditure to deliver improvements across all service areas notably Schools, Housing, Transport and Regeneration as well as supporting Climate Change ambitions.

4. The programme does involve significant levels of council borrowing which impacts the level of revenue expenditure. The cost of delivering the capital programme is therefore dependent on levels of external funding, inflation levels and interests rates.

Policy Basis for Decision

5. The Capital Budget is set as part of the Council's budget setting in February 2024. The capital programme is set alongside decisions to deliver a balanced revenue position.

Financial Strategy Implications

6. This report needs to be read alongside the Finance and Performance Monitor 3 report and Revenue and Capital budget reports elsewhere on this agenda. This report identifies slippage on schemes but also the impact that delays have had on projects in terms of delivery.

Recommendation and Reasons

7. Executive is asked to:

- Recommend to Full Council the adjustments resulting in a decrease in the 2024/25 budget of £20.923m as detailed in the report.
- Note the 2024/25 revised budget of £102.847m as set out in paragraph 11 and Table 1
- Approve the recommended actions around the Transport Major Schemes detailed in paragraph 81
- Note the restated capital programme for 2024/25 – 2028/29 as set out in Annex 1.

Reason: to enable the effective management and monitoring of the Council's capital programme

Background

8. The 2024/25 capital programme was approved by Council on 22 February 2024 and updated for amendments reported to Executive in the 2023/24 outturn report, which resulted in an approved capital budget for 2024/25 of £215.874m.

9. At Monitor 1 report (September 12th, 2024) there was a decrease of £81.72m resulting in a revised capital programme of £134.154m.

10. At Monitor 2 report (November 14th, 2024) there was a further decrease of £10.384m resulting in a revised capital programme of £123.770m.

11. A decrease of £20.923m is detailed in this monitor resulting in a revised capital programme for 2024/25 of £102.847m. There is an increase of £0.570m due to additional funding being awarded / approved and a re-profiling of budgets to future years totalling £21.493m. This is mainly due to a review of the phasing of the capital programme across the School's capital programme and Transport schemes particularly the Bus Service Improvement Plan to reflect latest programmes.

12. The report highlights a number of achievements across the capital programme. Highlights for the year to date include

- Queen Street Demolished and new public spaces and public transport interchange emerging from the ground.
- Secured further funding for Electric Vehicle (EV) Charging. Completed EV charging and vehicle roll out at Hazel Court.
- City Centre Security Project completed.
- Construction continuing across Housing Delivery Sites at Burnholme and Duncombe Barracks due to complete early in 2025/26
- Glen Lodge refurbishment due to complete and reopen by end of financial year
- Significant spend with over £10m forecast to be undertaking major repairs, damp work and retrofit across council houses
- Completion and opening of new Clifton Library

13. The report does highlight particular financial pressures across the Major Transport Schemes which have arisen due to delay and high levels of inflation that have arisen particularly following the pandemic and war in Ukraine. These projects (particularly York Outer Ring Road and Station Gateway) are being reviewed and Executive are updated with latest proposals around scheme delivery.

14. Table 1 outlines the variances reported against each Directorate 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	Adjusts £m	Reprofile £m	Total Variance £m	Paragraph Ref
Children's services	14.578	11.063	**-**	(3.515)	**(3.515)**	20 – 31
Adult Social Care	0.959	1.099	-	-	**-**	32 – 35
Housing Services	44.861	42.817	0.430	(2.474)	**(2.044)**	36 – 66
Communities	6.745	5.000	(0.095)	(2.550)	**(2.505)**	67 – 74
Transport & Env..	46.941	34.685	**-**	(12.256)	**(12.256)**	75 – 115
City Development	2.090	2.010	-	(0.080)	**(0.080)**	116 – 121
Property Services	3.127	2.604	0.095	(0.618)	**(0.523)**	122 – 124
ICT	2.923	2.923	**-**	-	**-**	125 – 126
Corporate Services	1.546	1.546	**-**	-	**-**	-
Total	**123.770**	**102.847**	**0.570**	**(21.493)**	**(20.923)**	

Table 1 Capital Programme Monitor 3 2024/25

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

Gross Capital Programme	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	Total £m
Children's services	11.063	13.918	1.631	-	-	26.612
Adult Social Care	0.933	0.705	0.728	0.752	0.776	3.894
Housing Services	42.817	31.058	15.301	14.638	14.350	118.164
Communities	4.266	2.800	-	-	-	7.066
Transport, Env & Plan	34.685	57.543	47.676	39.606	25.798	205.308
City Development	2.010	27.167	10.582	2.800	1.920	44.479
Property Services	2.604	1.093	0.275	0.275	0.275	4.522
ICT	2.923	3.170	2.820	2.820	2.820	14.553
Corporate Services	1.546	0.370	0.369	0.200	0.200	2.685
Revised Programme	**102.847**	**137.824**	**79.382**	**61.091**	**46.139**	**427.283**

Table 2 Revised 5 Year Capital Programme

	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	Total £m
Gross Capital Programme	**102.847**	**137.824**	**79.382**	**61.091**	**46.139**	**427.283**
Funded by:						
External Funding	42.128	50.509	38.200	26.058	8.821	**165.716**
Council Controlled Resources	60.719	87.315	41.182	35.033	37.318	**261.567**
Total Funding	**102.847**	**137.824**	**79.382**	**61.091**	**46.139**	**427.283**

Table 3 – 2024/25 to 2028/29 Capital Programme Financing

16. The revised 2024/25 to 2028/29 capital programme of £427.283m is funded from £165.716m of external funding and £261.567m of internal funding. Table 3 shows the projected call on resources going forward.

17. 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.

18. In financing the overall capital programme, the Director of Finance will use the optimum mix of funding sources available to achieve the best financial position for the Council. Therefore, an option for any new capital receipts would be to use these to replace assumed borrowing, thereby reducing the Councils’ borrowing levels and associated revenue costs.

Consultation Analysis

19. The capital programme was developed under the capital budget process and agreed by Council on 22 February 2024. 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.

Options Analysis and Evidential Basis

Children and Education Services

20. The total approved budget within the Children's Services and Education Capital Programme for 2024/25 is £14.578m.

21. There are a small number of adjustments to report at this monitor, plus an update on the maintenance programme budget for 2025/26.

22. It is not expected that any new schemes requiring Basic Need funding will begin in this financial year. It is therefore proposed that a further amount of £267k is re-profiled into 2025/26 at this monitor leaving a budget of £100k in 2024/25 in case of urgent work required.

23. The first part of the works at St Paul's Nursery, the demolition of the old annexe is complete. The contract for construction of the new replacement annexe is currently out to tender with a provisional start date on site of March 2025. As a result, the majority of the work and expenditure will take place in 2025/26, therefore a significant proportion of the budget (£1,400k), requires reprofiling into next year.

24. The scheme to create an Enhanced Provision unit at Huntington School is progressing well. Phase 1 involved the installation of ground works for the whole modular unit and the installation of the 1st classroom with sensory room, toilets, meeting room and staff PPA space/ kitchen. This was completed in 2023. Phase 2, completed in 2024 has involved installing the 2nd classroom and fitting out for use from September 2024. The shell of the 3rd classroom has also been installed this year. As a result, the scheme is ahead of the financial profile and an amount of £200k requires bringing forward from 2025/26 to fund expenditure in this financial year. The fit out of the final classroom will be completed in summer 2025.

25. The major works at Applefields have continued in 2024/25. Phase 4, which was carried out over the summer, involved the adaptation of a 4th classroom (following the 3 classroom adaptations carried out in 2023) to create access to a toilet and quiet room directly off the space, the refurbishment of 4 further classrooms and upgrade of hoist systems. Planned work in 2025/26 involves the refurbishment and adaptation of 3 more classrooms, electrical works, and an upgrade to the hydrotherapy pool.

26. It is likely that the scheme overall will underspend but at this stage it is proposed that the amount remaining in 2024/25 (expected to be £691k) be reprofiled into 2025/26 until the full works are completed.

27. No further works are currently planned in 2024/25 from either the Expansion of SEND provision and SEND Mainstream Inclusion projects so a total of £476k is proposed to be reprofiled into 2025/26 across these two schemes.

28. The Children in Care Residential Commissioning scheme has not been committed this year, so it is proposed to reprofile an amount of £392k into 2025/26 at this monitor.

29. The maintenance schemes for 2024/25 are now substantially complete and planning is underway for the 2025/26 programme of essential maintenance. A further underspend is predicted to the overall programme with the final position available at the end of the financial year. At this point it is proposed to re-profile another amount of £489k into 2025/26 across all the maintenance schemes, including the budgets for school building and mechanical and electrical works, to be included in the budget for 2025/26 schemes.

30. The School maintenance programme for 2025/26 is currently being planned. At this stage the Directorate is working within an overall funding amount of approximately £4.2m, based on an assumption of the 2025/26 Condition and Maintenance allocation from the DfE and the available underspend from 2023/24 reported above as well as use of relevant section 106 receipts. The budgets for 2025/26 and 2026/27 have been updated to reflect the best estimate of the amount of DfE funding which will be made available for these two years.

31. Officers will prepare the detailed programme for the maintenance programme and report back the schemes to be delivered as part of these regular quarterly monitoring reports. Any scheme valued at over £500k will need Executive approval.

Adult Social Care

Telecare Equipment (£275k)

32. Sensors and other telecare equipment are installed in vulnerable customers' homes to deal with specific assessed risks. The sensors are linked to our Community Alarm system and trigger alerts automatically ensuring speedy response from the response service.

The equipment provides customers with 24 hour monitoring of their circumstances, which can help to keep them in their own homes and communities, improving their wellbeing and avoiding / reducing the need for formal care packages.

<u>Major Items of Disability Equipment (£157k)</u>

33. This budget funds equipment for vulnerable individuals, including ceiling track hoists, stair climbers, specialist beds, etc. The supply of equipment is an essential component of prevention, enabling people to continue to live safely in their own homes rather than moving to residential care. It also contributes to successful community reablement and is a key component of hospital discharge packages.

<u>Disabled Facilities Grant (£261k)</u>

34. CYC provides equipment to vulnerable individuals which enables them to remain in their own homes and communities. DFGs are mandatory grants, but the maximum grant offered does not always cover the cost of adaptations. This budget can be used to top up the grant funding. It also enables the council to look at relocation packages where it is more reasonable and practicable to adapt another property.

35. It is currently anticipated that all these budgets will be fully spent in the financial year.

<u>Housing Services</u>

<u>Disabled Facilities (£2,076k)</u>

36. This budget is used to undertake adaptations to privately owned properties in order to help owner occupiers and tenants living in the properties to be able to live independently within the property in the future. The budget is financed through monies allocated from the Better Care Fund and CYC's budget.

37. It is currently predicted that the 2024/2025 budget will be fully spent.

<u>CYC Adaptations Budget (£901k increase of £200k)</u>

38. This budget is used to undertake adaptations to Council properties to help council tenants living in the properties to live independently within the property in the future. The budget is financed through monies allocated from the HRA budget. A range of adaptations are undertaken, ranging from minor adaptations such as the installation of hand rails, steps and other equipment, to more major adaptations

such as stairlifts, through floor lifts, level access showers (wet rooms) etc.

39. Due to a backlog of cases an additional £400k has been allocated from the major repairs budget, split between 2024/25 and 2025/26, which should be within the capacity of the contractors to complete and spend the budgets in full. Demand is increasing for the service and options for increasing the budget and also improving its effectiveness are being considered.

<u>Major Repairs (£10,280k slippage of £800k, transfer of £200k)</u>

40. The initial results of the stock condition survey arrived in November 2024 and officers are analysing the data. Any urgent repairs have been picked up on a case by case basis as the surveys have been completed. There remains some lower risk repairs that need to be undertaken in the coming weeks which may result in revised priorities for the remainder of the financial year. The budget for major repairs is flexed during the year as issues are identified and surveys completed.

<u>Compliance Works</u>

41. We have excellent coverage of fire risk within our buildings which has informed a series of remediation works. Fire remedial works (£1,050k) are progressing well and will see accelerated spend in Q3 and 4. We expect to deliver all planned works in full including at Gale Farm Court and general needs blocks. Extra funds have been diverted towards fire doors as there is a higher demand than expected as a result of Fire Risk assessments.

42. Although Electrical works spend (£120k) has been below budget to date there is an expectation that we will receive some additional works resulting from the Stock Condition Survey data which will see an increased spend against this budget.

43. Asbestos budget (£233k) is seeing less demand than assumed at the start of the year. The service will look to utilise the underspend on other priorities.

<u>Major Repairs</u>

44. The Damp programme which deals with structural issues is beginning to accelerate with two contractors progressing through the works needed and it anticipated that the budget (£2.16m) will be fully utilised

this year. The repairs team are currently undertaking less specialist damp works, funded from the planned and reactive project budgets.

45. The roofing programme (£240k) is progressing well and approaching on site completion for the year. The same applies for windows but we are accelerating this work to ensure all accessible properties in the Bell Farm area are completed this financial year. This will create a small overspend against this budget heading this year.

46. The early kitchen and bathroom replacement budgets (£276k) is on track to spend in full.

47. The Home Modernisation programme (£1,360k) is accelerating as we move towards the end of the year with around 15 a month planned until year end. If achieved, this will ensure that the planned works for this year are complete and the full budget has been utilised.

48. The Voids budget (£2,610k) is likely to see an underspend of £460k. This is due to efficiencies in working practices which has also seen the average home re-let more quickly.

49. Overall, it is expected that £10,280k will be spent across this area compared to a budget of £11,280k. As reported earlier £200k is to be transferred to support the Aids and Adaptations budget and £800k is expected to slip into 2025/26. This additional spend capacity within 2025/26 will allow us to undertake priority works and respond positively to the stock condition survey results.

<u>Home Upgrade Grant</u>

50. Monies have been provided through a bid submission to the Department for Energy Security & Net Zero (DESNZ) under the Home Upgrade Grant (HUG 2) scheme for 60 properties which are not connected to the gas grid. The project will undertake retrofit works to 60 properties. Initial funding of £95k was received in April 2023, with a further £67k due in 2024/2025, as a mobilisation payment, with this being provided by DESNZ to CYC to establish the project. Further funding is anticipated to be received when each batch of properties requiring retrofit measures are submitted to and approved by DESNZ. The grant scheme allows for a maximum total spend of £1,242k, but it will depend on the successful sign up of properties along the way. The scheme finishes on 31 March 2025.

51. The Retrofit One Stop Shop York project is an Innovate UK funded project to create an online one stop shop to support residents of York to carry out retrofit measures to their homes through the provision of advice. The project will also involve the carrying out of retrofit measures to two CYC owned houses to demonstrate the effectiveness of measures and to help promote energy efficiency in York. The project will run until November 2025, with the capital budget running over the same time period. Total costs of £188k are anticipated for the carrying out of deep retrofit works to two council homes, with a further £146k costs for staffing and management costs.

Housing Delivery

52. Final drainage and highways works are underway at Lowfield Green as part of the contract with Wates Construction. It is expected that this work will conclude early in the new year and final retentions will be released early in the next financial year. Following this CYC will complete the s278 works to widen the entrance into the site via Dijon Avenue.

53. Following approval by Executive in September 2024 to commence a supported housing project at Plot A of Lowfield Green, the procurement of design teams underway. It is expected that early design will commence in the final quarter of the financial year.

54. At Ordnance Lane, the grant funded enabling works contract with contractor Rhodar has now been completed. This work is funded by One Public Estate grant. As part of this work the previous industrial buildings have now been demolished, the hard standing has been removed and the contaminated material has been taken off site. The Married Quarters building which is due to be refurbished and retrofitted has been stripped in preparation for the main works contract. This work has been completed to programme and within the grant funding budget.

55. The tender process for the main works will commence in January 2025. Tenders returns are due in Spring 25.

56. Work continues to deliver 112 homes across Duncombe Barracks and Burnholme with Principal Contractor, Caddick Construction. On Duncombe Barracks the progress has been consistent over the previous period and the development is starting to take shape with the first handovers due from April 2025. The project has encountered some minor delays related to labour availability in the period.

57. Burnholme also continues to progress well. Work has substantially progressed to deliver the new public realm to the eastern boundary. The homes are watertight across the site with internal fitout ongoing. Homes are meeting air tests which is a crucial stage of achieving Passivhaus certification. Successful training events have been undertaken with colleagues from Building Services teams in preparation for handover in Summer 2025.

58. The Willow House project is in the design stage with RIBA 2 designs due in January 2025. During the period detailed resident engagement has been undertaken with the local community and other partners. This has been achieved by developing two design panels, one of local people and stakeholders and the second focussed on youth engagement. Further events will be held early in the new year to share the latest designs and gain further feedback. A planning application is due to be submitted in Spring 2025.

59. The refurbishment of Glen Lodge continues to make good progress on site. Replacement of utilities throughout the building is underway and the project is on programme to complete in Spring 2025.

60. At Bell Farm work to demolish the rear bathroom pods in the first block has begun. There have been some delays encountered relating to the structure of these pods along with a number of minor design items which are being progressed.

61. The Housing Delivery Programme continue to deliver low-cost home ownership through two grant funded schemes; Homes England's Second Hand Shared Ownership and YNY Devolution funded Second Hand Shared Ownership with retrofit. These two projects are delivering 40 affordable homes. The projects are largely complete with the final 4 homes currently in the conveyancing process. All purchases are expected to complete by the end of the financial year.

62. The Council also secured funding to purchase 10 homes to support demand for temporary accommodation under the Local Authority Housing Fund. All 10 properties have now been acquired by the Council.

LA Homes Energy Efficiency / Social Housing Decarbonisation Fund (Ginnels Phases 1 and 2) (£1,548k)

63. For this element of the SHDF programme, 95 properties are planned to have energy efficiency retrofit insulation works completed during 2024/25, which will complete this capital works programme. This work is progressing well.

64. The SHDF funding is also supporting retrofit works as part of the refurbishment of homes in Bell Farm (referenced above).

Alex Lyon House and Honeysuckle House (£1,895k)

65. These works are being funded from grant under the Combined Authority 'Net Zero Fund'. A Designer and Professional Services Consultant has been appointed, Align Property Partners, who have been undertaking site visits, surveys, and design and cost work. Redefinition of the project scope has progressed with individual Air Source Heat Pump installations to each flat now representing the preferred option to minimise disturbance for residents. These will be installed alongside Solar Photovoltaic panels and energy storage capacity to minimise utilise bills for residents and reducing carbon emissions.

66. The designed scheme has been tendered. The grant funder has supported an application to extend the timescale for completing these works until June 2025.

Communities (Incl. Climate Change)

Future Libraries Investment Programme

67. The three library projects have been combined and are reported within a single FLIP (Future Libraries Investment Programme). The capital budget this year is £2,657k plus a Libraries Improvement Fund grant of £250k from the Department for Culture, Media & Sports (DCMS). The total budget for the scheme overall is £8,228k.

68. Construction and fitout of the new Clifton Explore Library Learning Centre is complete, and tenants have all moved in. The centre opened to the public on Monday 23 September 2024, with some great feedback from customers and partners so far. Outstanding defects are minimal, and focus is now on managing the soft landings period and implementing the planned servicing and maintenance required.

69. The Acomb library project is now able to progress with a process to refresh the vision and scope based on the available Council budget and the Library Improvement Fund grant of £250k towards the overall project budget. The public consultation has taken place on the refurbishment of Acomb Library in early 2024 and the results remain at the heart of the refresh. A detailed feasibility is now underway to ensure the project team report to Executive to sign off the final vision, business case and refurbishment plans for works to start in autumn 2025.

Energise Roof Works

70. Phase 1 of the works on Energise roof are complete which has eliminated 90% of the problems. Greenwich Leisure Limited have commissioned a further roof inspection and report, which the Council are waiting to understand the finding and to agree a next phase of works within the budget remaining.

Sports Development

71. There is a requirement to add a budget to fund the sports development budgets. £166k of Sports s106 Developer's Contributions have been paid out as grants to various sports clubs and facilities across the city. These include £74k for improvements to the pitch and changing rooms at New Earswick Sports and Social Club, £56k to Poppleton Community Trust towards the installation of a new Padel Court and Petanque Rink, and £18k to Rowntree Park Tennis Club for improvements to the tennis pavilion.

Mansion House Repairs

72. The Mansion House Repairs scheme has an approved budget of £1,273k for 2024/25. Buttress Ltd have been appointed as specialist architects for the listed building. As principal architects they are designing specification for the refurbishment works. This will result in a construction tender in Q3 to enable a January 2025 start to the physical works with an expected completion date of September 2025. As the works will be delivered over the financial year an assessment over the phasing of the works has been undertaken with a proposal to slip £900k into 2025/26.

Climate Change

73. The Climate Change programme has a budget of £1,727k for 2024/25, including £227k slippage from last year. The budget has supported £95k towards LED improvements at West Offices and Hazel Court which were due to complete by December 2024. There are further calls on the budget potentially to fund solar panels at Glen Lodge (£35k) as well as £400k may be required for additional car parking at the Northern Forest (a review of the current parking situation is being conducted in January 2025). There are also potential commitments for tree provision as part of the York Outer Ring Road Scheme. It is proposed that £1.5m is slipped to 25/26 whilst officers review opportunities to use funding to support the above as well as for potential match funding Public Sector Decarbonisation Scheme applications including at Yearsley Swimming Pool and Hazel Court.

74. Key achievements include:

- On-going delivery of Net Zero Fund Projects, including:
    - Phase 2 feasibility of Solar PV at Elvington Lane and Onshore Wind at North Wigginton has commenced.
    - Installation of LED improvements at Hazel court and West Offices is 90% complete.
    - Installation of LED replacement of 985 streetlights is 75% complete.
    - Designs completed for replacement heating system at Honeysuckle House and Alex Lyon House, resident engagement underway.
    - Consultants appointed to support delivery of the Harewood Whin Green Energy Park.
- Site surveys, ground truthing and design workshops carried out as part of the Local Investment in Natural Capital pilot for York; aiming to increase the value of the city's green spaces.
- Project Manager appointed for the regional Net Zero Accelerator (City Leap) project with North Yorkshire Council and the Combined Authority. Asset base scoping review complete.
- Expression of interest submitted to the White Rose Forest for £250k funding for phase 2 of the Green Streets tree planting.

- Solar for Schools installation expanded with 8 York schools now having panels fitted.
- Micro-woodland site selection completed and appointment of contractor for planting in January 2025.

Transport, Environment & Planning

Major Projects

75. The West Yorkshire Transport Fund (WYTF) is the major capital fund to deliver a number of the council's major transport projects. It funds the following projects to a maximum value of £85m.
    - Station Frontage £12,873k
    - York Outer Ring Road Phase 1 £42,172k*
    - Castle Gateway and Eye of York £4,600k*
    - York Central £24,447k (funding direct to Homes England)
    - Circa £908k unallocated

*This includes £3.5m reallocated across these schemes swapped with CYC funding

76. The priorities, cost estimates, allocations and scope of these projects was agreed around 2012 when a Leeds City Deal was agreed with the Government which included the creation of £1bn Transport investment fund for the region. The council formally agreed to join the West Yorkshire Transport Fund in November 2016 which outlined the fund was the best approach to deliver affordable investment at both York Central (including Station Gateway) and the Outer Ring Road. Since then the country has seen significant challenges to major projects such as Brexit, War in Ukraine, significant inflation, contraction of the major construction market which has all delayed the delivery of projects and raised the cost of project delivery. The cost risk / delivery ambitions of all of these project lies with the Council. In the same way government are having to review their programme the Executive needs to review its programme in the same way to determine its priorities for the budget available.

77. The Station Frontage scheme is also funded by an allocation from the Transforming Cities fund (£13,117k) and LNER Contribution (£500k) bringing the total budget available to £26,490k. The project has been split into phases to manage the risk of overspend so future phases are not committed. Phase 1 enabling works was delivered to

budget. Phase 2 to demolish Queen Street Bridge is currently on site, but faces challenges in terms of delay to the project timescale as a result of mitigating the disturbance to the city in terms of road closures and a number of changes to the design as a result of ground conditions etc is resulting in a projected over spend. Value engineering is underway on phase 2 and discussions with the contractor are ongoing to minimise the over spend. Future phases therefore remain in doubt but additional funding will be need to complete the project as envisaged.

78. The WYTF for York Outer Ring Phase 1 was allocated in August 2018 and a successful bid to Department for Transport (DfT) added £25.2m for dualling in September 2019. In addition, at that report £2.8m funding was allocated by the Council to deliver the council's contribution to the scheme and £5m contribution to the Clifton Moor roundabout improvements in advance of the local plan, on the understanding this funding would be sought from the developer. In addition, the project has increased to include land for tree planting and a significant active travel element added to the scheme which has not had funding allocated. We have programme entry for Phase 2 Dualling and need to develop an outline business case. Work will need to be undertaken to identify which elements of the scheme will be delivered in. The current budget for the scheme totals £71.4m of which £57m remains at this time.

79. The business case for the Castle Gateway and Eye of York will be brought to a future meeting of Executive, but it is clear that what was originally a self funding scheme with commercial development and replacement car parking will not have the same financial model with 100% affordable housing lost car parking all be it with a different open space solution.

80. The Station Frontage scheme is strongly aligned to the new Local Transport Strategy and creates stronger sustainable travel links at our key transport interchange with improved walking and cycling and bus improvements. It is the start and an integral part of the City Centre Sustainable Transport Corridor and is therefore a priority.

81. Therefore, Executive are asked to:
- Work with WYCA to allocate £908k of currently unallocated Transport Fund to station gateway.
- Work with the WYCA to reduce the York Outer Ring Road budget by £5m to reflect that the development at Clifton Moor will now

likely happen before the York Outer Ring Road is delivered and the funding can be secured direct from the developers.
- Allocate this funding from YORR to Station Gateway.
- Request a report on the viability of the remaining phases of the station gateway project.
- Request a report on what aspects of the YORR can be delivered in Phase 1 of dualling and what needs to be considered in Phase 2
- Request a report on the business case for both capital and revenue for the Castle Gateway and Eye of York Project.

82. Regarding **Haxby Station**, the council continues to provide information to the Department for Transport and Treasury regarding the scheme at Haxby Station and we are working with Network Rail on the planning application that was submitted earlier this year. Since the government announced they were reviewing transport projects the council has been making the case for why this project is important and will continue to do so until a definitive decision is made

<u>Transport</u>

83. **Bus Service Improvement Plan**. Work on the installation of new real-time information screens has continued in 24/25 with 66 screens installed over the summer, and work on the programme of bus stop improvements is ongoing. However, funding for the bus priority and Park & Ride Interchanges programme has been reprofiled to 2025/26 as the schemes are still in the feasibility and design stages to develop schemes for implementation in future years. It is anticipated that c£2m of the £9.7m programme will be spent in year resulting in £7.8m slippage. Officers are working with the Department for Transport to extend existing funding arrangements.

84. Regarding the **Access Barrier** Removal scheme, work has continued to develop a programme of sites where access barriers on the off-road walking and cycling network can be removed or amended to improve accessibility for all users, with a focus on sites on the emerging Key Cycle Route Network. The funding has been reprofiled with some funding slipped to 2025/26 to reflect the expected timescales for the first phase of works.

85. Work to raise the level of the shared-use paths on the approaches to Millennium Bridge was completed in the summer, and a programme of improvements to other sections of **National Cycle Network Route 65** in York is being developed for implementation in 2025/26. As a result,

the funding has been reprofiled to reflect the revised timescales for the second phase of the project.

86. The proposed programme of TSAR schemes has been deferred to allow the schemes to be reviewed to ensure that they meet the requirements of the new Local Transport Strategy and the emerging Movement and Place Plan, including a review of scope and prioritisation of sites. A revised programme will be included in the 2025/26 Transport Capital Programme.

87. Due to the delays to the progress of the Hungate development, the proposed work to improve the CCTV (funded by s106 contributions) links to the site has been deferred until 2025/26.

88. Following the development of the new Local Transport Strategy and the Movement and Place Plan, the **Active Travel Programme** is being reviewed and the majority of the schemes in the programme have been deferred pending the outcome of this review. Work on the Riverside Path scheme has continued, with a public consultation event held in November, and feasibility work is expected to be completed by spring 2025.

89. The development of both the proposed Union Terrace Hyper Hub and Askham Bar **Hyper Hubs schemes** have been delayed due to the need to resolve land ownership issues before the scheme cab be progressed any further, and the planned work to upgrade the existing EV Chargers at Monk Bar Car Park has also been delayed due to land ownership issues. As a result, the funding for these schemes has been slipped to 2025/26 to allow the schemes to be progressed once these issues have been resolved.

90. Additional funding is required for the Tadcaster Road Transport Improvements scheme due to the additional costs incurred due issues on site, most notably with underground services, working in close proximity to trees and traffic management restrictions. A final payment figure for these amendments has now been agreed with the contractor, and the budget has been increased by £150k to cover these additional costs. The additional funding is made up of a contribution from the Local Transport Plan grant and CYC funding transferred from the Flood Signage Improvement scheme due to the low expected cost of the signage works.

91. The final phase of the **Hostile Vehicle Mitigation** scheme was completed in November 2024 with the installation of moving bollards at the Parliament Street/ Pavement/ Piccadilly junction. However, the cost of the Parliament Street works has increased due to the need for additional utility diversions and traffic signal ducting works, as the cost of these items could not be fully estimated until groundworks started on site. As a result, the budget for the scheme has been increased by £250k to cover these additional costs, which will be funded from the Local Transport Plan grant.

92. Funding has been made available for repairs to the sections of the PROW network currently affected by **river bank** slippage, and a programme of work is being developed for inclusion in the 2025/26 Capital Programme.

93. Following the completion of Phase 1 of the improvements to the **flood warning signs**, work is continuing to look at potential improvement to signage on the off-road pedestrian and cycle network. Due to the revised cost estimate for these works, it is proposed to transfer some of the funding to the Tadcaster Road scheme to cover the additional costs of the scheme.

<u>Highway Schemes (including footways)</u>

<u>Carriage Resurfacing</u>

94. The Capital Highway Resurfacing Programme is now complete. The final project on the programme was a major resurfacing scheme at Grimston Bar Roundabout. This was initially delayed, due to work being carried out by East Riding Council at Stamford Bridge during the Summer. The scheme started with some drainage remedial works, followed by the resurfacing, which was completed by the middle of October. There were some issues with the National Highways traffic signals at the roundabout, which came to light following the work. Through close liaison with National Highways, these issues were resolved with minimal impact. Unfortunately, the weather turned very autumnal as the resurfacing was taking place. This has led to a few areas needing to be watched during the winter to check that they do not deteriorate. Moving forward, this highlighted the need to plan resurfacing work to take place in the spring / summer, where possible, to mitigate any potential defects.

95. The cycle margin patching schemes were delivered in autumn. These include Rose Street, Vyner Street, North Street and Carr Lane. Both

North Street and Carr Lane included significant drainage work in advance of the resurfacing.

96. The Capital Footway schemes are almost complete with only two schemes outstanding, St Benedict Road which is due to be complete by Christmas, and Lendal which is programmed in for February 2025. All schemes have been successfully delivered within the allocated budgets.

Drainage

97. Significant drainage works were carried out at Grimston Bar to proceed the carriageway resurfacing scheme. Further gully repair works were carried out at North Street, Carr Lane, and the tunnel at Leeman Road, to prevent flooding.

98. Several new drainage gullies were installed on the A166 at Sledmore Crossing, Wigginton Road, Strensall Road, Thanet Road, Tower Street, Pear Tree Close and Hull Road. The works at Sledmore Crossing further involved the abandonment of the existing failed soakaway and the installation of a new connection to stop property damage caused by standing water.

99. We carry out monthly monitoring across the Highways Capital Programme, across all schemes, throughout the financial year. The focus of this, is to identify any areas of the programme where we are anticipating any levels of overspend or underspend. This enables us to highlight any budget adjustments which may need to be made, across the service areas, within the Capital Delivery Programme (example Highways Schemes, Drainage, City Walls, Street Lighting and Special Bridge Maintenance).

Castle Mills Lock Gate

100. All terms and conditions have been agreed with the Contractor, BAM Nuttall Ltd, who have been procured through the Environmental Agency Collaborative Delivery Framework.

101. The scheme will include the complete design, manufacture, and replacement of two pairs of new Ekki timber lock gates, including other associated lock equipment. The manufacture of the new gates will be carried out from February 2025, with the on-site installation works taking place form mid-April to early July 2025.

Bridges

102. Tenders have now been received for the bridge strengthening scheme at Bishopthorpe Bridge, which is being procured through the North Yorkshire Council Civil Engineering Contractors Framework. The site works are programmed to commence in January 2025.

103. The Bishopthorpe Bridge Decision Report, dated 12th March 2023, outlined that the cost of the work, would be funded from the capital budget allocated to bridge maintenance, and other areas of the capital programme. Due to commitment and forecasted spend across the wider bridges programme, the project will largely need to be funded, from re-allocated funds from Highway Schemes

104. Structural Review have been carried out at 25 bridges and general inspections have been carried out at 45 bridges.

Lendal Bridge

105. Preparation for major maintenance works at the Grade II listed Lendal Bridge is currently underway, and liaison with the Environmental Agency (EA) and Navigation Authority is ongoing. Tenders for a pre-specification paint survey have now been received and the traffic management proposals have now been agreed by all parties. As a result of increasing costs, the allocated budget will need to be reviewed and the scope of works may need to be adjusted, to reflect the funding available.

Street lighting

106. The Capital scheme for the replacement of more than three hundred steel Street Lighting Columns is well underway. We are approximately sixty percent completed at this point in the program. It has been a difficult program logistically, due to permitting and traffic management issues. The work includes the upgrading of fifty concrete streetlight columns on York Road Strensall, to provide better illumination.

107. The Street Lighting LED Conversion project, funded through Net Zero Fund, commenced in early September 2024 and is due for completion in January 2025. We are seventy five percent complete on this project. We have had some logistical difficulties on site and are addressing these issues with the Contractor. This is to ensure that if there any assets we are unable to complete within the timescales, we can replace with other unconverted assets to hit the nine hundred and fifty LED conversions in line with our original expectation.

City Walls

108. Remedial works have been carried out to the Icehouse structure, which is a Grade II listed building, and the last surviving example of its kind, within the York area.

109. The area at risk of collapse was stabilised, and new homemade bricks were used in areas where previous cementitious repairs have failed. Much of the rest of the structure was repointed, and lime haunching was added to the base to prevent water ingress.

110. The stone masons' team have carried out renewal works of the copings near Layerthorpe postern, including placement of new hand carved stones, and several other repairs and maintenance works to the section of wall between Monk Bar and Layerthorpe postern.

111. The team have further addressed lose stonework, damage caused by invasive weeds, and frost damaged pointing, at Roman Corner Tower.

112. The section of Roman fortifications (uncovered in the 1925 excavations), near monk bar had a few conservation issues, so the team addressed the lose stonework, damage caused by invasive weeds, and frost damaged pointing.

113. Recent condition surveys identified significant damp issues in Bootham Tower, which the ancient monuments team diagnosed as most likely being caused by poorly maintained rainwater and wastewater goods, plus a lack of natural ventilation. Works were carried out to address the identified issues, further survey and repair the external fabric, and rectify mistakes of previous internal works to improve ventilation.

Overall Highways Programme

114. Following a review of all the Highway related budgets it is proposed to transfer of £840k from the funding available for Highway Schemes, due to savings across the delivery programme on carriageway renewal works, patching, surface dressing and footway schemes. These are to be reallocated to Drainage £300k to fund the additional works required dealing with maintenance issues, City Walls £240k to reflect the ongoing maintenance pressures and Bridges £300k to support the additional costs of maintenance at Bishopthorpe Bridge.

Fleet

115. All purchases are in line with the council's Vehicle Management Policy. Although a large proportion of the capital budget has needed to be slipped into 2025/26 due to long lead times from point of order of 12 months or more, we are aiming to have 90%+ of the original budget committed to replacement fleet purchases.

City Development

116. The delivery of the main **York Central highway infrastructure** by Homes England is progressing with the Phase 1 delivering the alternative route around the National Railway Museum expected to be complete by end of the 2024/25 financial year, allowing the stopping up of Leeman Rd to be certified.

117. Road construction has progressed to enable Leeman Road to be stopped up. This includes construction of the new spine road as well as the main cycle/pedestrian route and improvements to Station Rise.

118. Phase 2 of the scheme to connect the new spine road through to Water End is expected to be complete in 2026. Ground improvement works and foundations have progressed for the embankments and bridges.

119. **Castle Gateway –** In November 2023 Executive agreed the way forward to deliver some of the masterplan proposals, and work has now commenced to revise designs for the Castle / Eye of York and assess the potential for the delivery of Affordable Housing at Castle Mills. The strategic importance of St George's Field as a parking location was acknowledged and proposals for improving parking provision there, with coach drop off facilities, are being progressed. The proposals, including a business case, must be reported back to Executive for approval prior to delivery.

120. Public and stakeholder engagement has been undertaken on the stage 2 designs for the Castle and Eye of York scheme. The feedback from the engagement, along with the updated costings for the designs will inform the next stage of design development which is due to start in November 2024.

121. The phasing spend for Castle Gateway Infrastructure (Castle Mills Bridge and cycle route) has been pushed back a year to 2026/27. This is linked to the wider review of WYCA spend on capital projects.

Property Services

122. Works on the LED replacement scheme at West Offices and Hazel Court are nearing completion and anticipated to be complete January, £95k funding from the Carbon Reduction scheme has been provided.

123. Following design work on Swinegate's heating system, works have now been completed. Various works to CYC schools were completed over the summer. Works scheduled to roofs and windows are due to commence this financial year.

124. Options for locating the data centre at West Offices have been explored which took some time with Planning, tender documents are now being finalised and the works are anticipated early part of next financial year. It is requested that the £380k budget is slipped to next year.

Corporate Services - IT

125. The ICT capital programme has a budget of £2,803k for 2024/25 which includes £294k slippage from last year. At Monitor 3 there are plans to spend all the allocation during the year and a nil variance is reported.

126. Key purchases completed or in hand to date include:
    - 300 laptops to enable and sustain hybrid working.
    - SNOW (software asset management) hosting, support, and maintenance for 2 years from May 24
    - Elements of the infrastructure tech refresh programme
    - Cisco Firewall
    - New contracts for iTrent and Civica Pay (Icon)

Organisational Impact and Implications

127. The report has the following implications:

- ***Financial*** - are contained throughout the main body of the report. Given the forecast financial position of the Council and the need to reduce expenditure, there will be a review of the capital programme. This review will need to identify ways in which capital expenditure can also be reduced.

- ***Human Resources (HR)*** - There are no direct HR implications as a result of this report. Any variations to the capital programme that have staffing implications will follow appropriate consultation and HR policies and procedures.
- ***Legal -*** Whilst this report itself does not have any further legal implications, the schemes within the capital programme themselves will be in receipt of legal advice where necessary.
- ***Procurement*** – Whilst there are no direct procurement implications relating to the report itself, procurement will be a main tool used to deliver schemes in the capital programme. Any services of works required, will be procured in accordance with the Public Contract Regulations 2015, soon to be Procurement Act 2023 and the Council's Contract Procedure Rules. Further advice regarding the procurement process and development of procurement strategies must be sought from the Commercial Procurement team.
- ***Health and Wellbeing****,* reductions in spend in some areas could impact on the health and wellbeing of both our staff and residents. The impact of any reductions in the capital programme will be carefully monitored so that implications can be considered and mitigated where possible.
- ***Environment and Climate action****,* as this report is mainly for information to update on the progress of delivery of schemes within the programme, there are no direct environment and climate action implications as a result of this report.
- ***Affordability****,* as this report is mainly for information to update on the progress of delivery of schemes within the programme, there are no direct affordability implications as a result of this report.
- ***Equalities and Human Rights*** -– as this report is mainly for information to update on the progress of delivery of schemes within the programme, there are no direct equalities and human rights implications as a result of this report. All individual schemes will be subject to Impact Assessments in the usual way.
- ***Data Protection and Privacy,*** *As there is no personal data, special categories of personal data or criminal offence data being processed, there is no requirement to complete a data protection impact assessment (DPIA).*
- ***Communications****,* the information set out in this report does not have any specific communications implications. The finance and performance monitor report elsewhere on this agenda includes

details of the communications activity in relation to the overall council finances.

- **Economy**, there are no direct implications related to the recommendations.

Risks and Mitigations

128. 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.

Wards Impacted

129. All wards are impacted by the issues detailed in the report.

Contact details

For further information please contact the authors of this Decision Report.

Author

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Service Area:	Financial Services
Telephone:	01904 551633
Report approved:	Yes
Date:	12/12/2024

Background papers

- Capital Budget Report Executive 25th January 2024 and Full Council 22 February 2024
- Capital Programme Outturn 2023-24– Executive 18 July 2024
- Capital Programme Monitor 1– Executive 12th September 2024
- Capital Programme Monitor 2 – Executive 14th November 2024

Annexes

- Annex 1 – Capital Programme 2024/25 to 2028/29

Abbreviations used in this report:
CCTV – Closed Circuit Television
CYC – City of York Council
DESNZ – Department for Energy Security & Net Zero
DFE – Department for Education
DFT – Department for Transport
EV – Electric Vehicle
GF - General Fund
HRA - Housing Revenue Account
HUG – Homes Upgrade Grant
ICT – Information & Communications Technology
LED - Light-emitting diode
PPA - Planning, preparation, and assessment
PV – Photovoltaic
SEND – Special Educational Needs and Disability
SHDF – Social Housing Decarbonisation Fund
TSAR – Traffic Signals Asset Renewal
WYCA – West Yorkshire Combined Authority
WYTF – West Yorkshire Transport Fund
YORR – York Outer Ring Road

Annex 1 - Capital Programme by Year 202425 to 2029/30

	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	Capital Programme 2024/25-2028/29 £000
CHILDRENS SERVICES						
DfE Maintenance	1,729	2,269	1,300	0	0	**5,298**
Basic Need	100	4,042	125	0	0	**4,267**
St Oswald's Classrooms	600	1,400	0	0	0	**2,000**
SEND - St Paul's Nursery ERP Expansion	268	1,400	0	0	0	**1,668**
SEND - Applefields Extension (Phase 3)	430	1,161	0	0	0	**1,591**
Schools Essential Mechanical & Electrical Work	500	1,081	0	0	0	**1,581**
Hob Moor Oaks Classrooms	600	500	0	0	0	**1,100**
Huntington Science Labs	1,100	0	0	0	0	**1,100**
Schools Essential Building Work	600	381	0	0	0	**981**
SEND - Specialist SEMH Expansion	946	0	0	0	0	**946**
Mainstream Schools SEND fund	275	500	0	0	0	**775**
SEND - Huntington School ERP	452	310	0	0	0	**762**
Clifton Green Primary - Re-organisation and Security	626	0	0	0	0	**626**
NDS Devolved Capital	206	206	206	0	0	**618**
Danesgate Outdoor Learning Area	600	0	0	0	0	**600**
Children in Care Residential Commissioning Plan	200	392	0	0	0	**592**
Improving School Accessibility	420	0	0	0	0	**420**
Fulford School Expansion 2020 Phase 1 and 2	405	0	0	0	0	**405**
Early Years Expansion Premises Investment	334	0	0	0	0	**334**
Expansion and Improvement of Facilities for Pupils with SEND	50	276	0	0	0	**326**
Danesgate Extension 2022	204	0	0	0	0	**204**
Family Hubs Capital Investment	167	0	0	0	0	**167**
Early Years Additional Places (Lowfield Green)	104	0	0	0	0	**104**
Healthy Pupils Capital Fund	93	0	0	0	0	**93**
Millthorpe School	49	0	0	0	0	**49**
SEND - Haxby Road ERP Expansion (Lakeside site)	5	0	0	0	0	**5**
ADULT SOCIAL CARE						
Telecare Equipment and Infrastructure	275	283	291	300	309	**1,458**
Disabled Support Grant	261	270	280	290	300	**1,401**
Major Items of Disability Equipment	157	152	157	162	167	**795**
Proof of Concept for robotics & AI within social care	161	0	0	0	0	**161**
OPA - the Centre@Burnholme including enabling works	62	0	0	0	0	**62**
OPA-Ashfield Estate Sports Pitches	17	0	0	0	0	**17**
HOUSING (HRA & GF)						
Major Repairs & Modernisation of Local Authority Homes	10,280	11,941	11,027	11,243	11,400	**55,891**
LA Homes - Burnholme	6,980	7,789	0	0	0	**14,769**
Disabled Facilities Grant (G/fund)	2,076	2,375	2,565	2,565	2,100	**11,681**
Bell Farm Modernisation	2,050	2,740	0	0	0	**4,790**
Duncombe Barracks	3,110	1,532	0	0	0	**4,642**
Assistance to Older & Disabled People	901	840	650	660	680	**3,731**
Local Authority Homes - Phase 2	2,785	900	0	0	0	**3,685**
Local Authority Homes - Project Team	1,000	1,370	889	0	0	**3,259**
Glen Lodge Refurbishment	2,639	565	0	0	0	**3,204**
LA Homes - Hospital Fields/Ordnance Lane	1,932	0	0	0	0	**1,932**
LA Homes Energy Efficiency Programme	1,548	0	0	0	0	**1,548**
Home Upgrade Grant (G/fund)	1,242	0	0	0	0	**1,242**
Shared Ownership Scheme	1,217	0	0	0	0	**1,217**
Resettlement Housing	1,209	0	0	0	0	**1,209**
Alex Lyon House - Renewable Heating Upgrade	1,051	0	0	0	0	**1,051**
Housing Environmental Improvement Programme	332	170	170	170	170	**1,012**
Willow House Housing Development	500	500	0	0	0	**1,000**
Honeysuckle House heat pump communal heating upgrade	844	0	0	0	0	**844**
Lowfield Housing	269	286	0	0	0	**555**
Lowfield Plot A specialised housing	480	0	0	0	0	**480**
Water Mains Upgrade	360	50	0	0	0	**410**
Tang Hall Library Site Enabling Works (G/fund)	4	0	0	0	0	**4**
Chaloners Road Site Enabling Works	8	0	0	0	0	**8**
COMMUNITIES (INCL CLIMATE CHANGE)						
Future Libraries Investment Programme	2,907	0	0	0	0	**2,907**
Climate Change schemes including Northern Forest	132	1,750	0	0	0	**1,882**

Annex 1 - Capital Programme by Year 202425 to 2029/30

	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	Capital Programme 2024/25-2028/29 £000
Mansion House	373	900	0	0	0	**1,273**
Crematorium Waiting Room	221	0	0	0	0	**221**
Castle Museum Repairs	200	0	0	0	0	**200**
Westfield Multi Use Games Area	42	150	0	0	0	**192**
S106 Sports Development	166	0	0	0	0	**166**
Changing Places (Toilets)	121	0	0	0	0	**121**
Energise Roof	58	0	0	0	0	**58**
Registry office Phase 2 Refurbishment	46	0	0	0	0	**46**
TRANSPORT, HIGHWAYS & ENVIRONMENT						
York Outer Ring Road - Dualling	1,114	9,164	22,394	19,563	5,603	**57,838**
Highway Schemes	7,395	7,905	7,905	7,905	7,905	**39,015**
Replacement Vehicles & Plant	3,808	5,169	3,392	7,323	8,510	**28,202**
WYTF - Station Frontage	8,108	5,189	1,000	0	0	**14,297**
Integrated Transport	2,487	5,197	1,570	1,570	1,570	**12,394**
Bus Service Improvement Plan	1,981	7,748	0	0	0	**9,729**
Innovative Flood Resilience	1,605	1,490	1,937	0	0	**5,032**
WYTF - Castle Gateway Development	0	0	4,523	0	0	**4,523**
Drainage Investigation & Renewal	1,021	900	900	900	900	**4,621**
Haxby Station	100	1,000	2,000	873	0	**3,973**
Special Bridge Maintenance (Struct maint)	1,348	615	622	617	605	**3,807**
Flood Alleviation Schemes including Germany Beck	0	3,254	0	0	0	**3,254**
York City Walls - Repairs & Renewals (City Walls)	564	300	505	505	505	**2,379**
Askham Bar Hyperhub (Levi)	0	2,043	0	0	0	**2,043**
Essential Bridge Maintenance (Lendal Bridge)	207	1,800	0	0	0	**2,007**
Replacement of Unsound Lighting Columns	559	578	578	0	0	**1,715**
Flood Scheme Contributions	0	1,500	0	0	0	**1,500**
Electric Vehicle Charging Infrastructure (LEVI)	0	1,486	0	0	0	**1,486**
Castle Mills Lock	400	700	0	0	0	**1,100**
Access Barrier Review	173	300	200	200	200	**1,073**
Built Environment Fund - Hostile Vehicle Mitigation	950	0	0	0	0	**950**
Waste Vehicle Replacement	725	0	0	0	0	**725**
Garden Bin Replacement	150	150	150	150	0	**600**
Smarter Travel Evolution Programme	120	467	0	0	0	**587**
Street Lighting LED Conversion	352	0	0	0	0	**352**
National Cycle Network 65 Targeted Repairs	207	100	0	0	0	**307**
EV Charging Asset Replacement	25	256	0	0	0	**281**
ZEBRA	237	0	0	0	0	**237**
Highways Drainage Works	200	0	0	0	0	**200**
TCF - Tadcaster Road Improvements	200	0	0	0	0	**200**
Fordlands Road Flood Defences	188	0	0	0	0	**188**
Public Realm & Waste Equipment	163	0	0	0	0	**163**
River Bank repairs	0	148	0	0	0	**148**
Fleet & Workshop Compliance	105	0	0	0	0	**105**
Highways - Tadcaster Road	100	0	0	0	0	**100**
Knavesmire Culverts	0	81	0	0	0	**81**
Better Play Areas	55	0	0	0	0	**55**
Flood Sign Renewal and Rainfall monitoring	35	0	0	0	0	**35**
Air Quality Monitoring	3	3	0	0	0	**6**
CITY DEVELOPMENT						
York Central Infrastructure	450	26,100	7,700	2,800	1,920	**38,970**
Castle Gateway (Piccadilly Regeneration)	448	980	2,882	0	0	**4,310**
Improvements to City Centre & High Streets (UKSPF)	660	0	0	0	0	**660**
Rural Prosperity Fund	400	0	0	0	0	**400**
Guildhall	40	87	0	0	0	**127**
Built Environment Fund - Shopping Area Improvements	12	0	0	0	0	**12**
PROPERTY SERVICES						
Asset Maintenance + Critical H&S Repairs	433	275	275	275	275	**1,533**
West Offices - LED Lighting	976	0	0	0	0	**976**
West Offices Data Centre	0	380	0	0	0	**380**
Commercial Buildings LED Lighting Renewal	354	0	0	0	0	**354**
LCR Revolving Investment Fund	300	0	0	0	0	**300**

Annex 1 - Capital Programme by Year 202425 to 2029/30

	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	Capital Programme 2024/25-2028/29 £000
Hazel Court - LED Lighting	258	0	0	0	0	**258**
Removal of Asbestos	22	200	0	0	0	**222**
Commercial Property Acquisition	146	0	0	0	0	**146**
West Offices - Major repairs	100	0	0	0	0	**100**
Hazel Court welfare facilities	0	95	0	0	0	**95**
Photovoltaic Energy Programme	0	81	0	0	0	**81**
Fire Safety Regulations - Adaptations	15	62	0	0	0	**77**
ICT						
IT Development plan	2,803	3,170	2,820	2,820	2,820	**14,433**
IT Superconnected Cities	120	0	0	0	0	**120**
CORPORATE SERVICES						
Project Support Fund	370	370	369	200	200	**1,509**
Capital Contingency	1,176	0	0	0	0	**1,176**
GROSS EXPENDITURE BY DEPARTMENT						
CHILDRENS SERVICES	**11,063**	**13,918**	**1,631**	**0**	**0**	**26,612**
ADULT SOCIAL CARE	**933**	**705**	**728**	**752**	**776**	**3,894**
HOUSING (HRA & GF)	**42,817**	**31,058**	**15,301**	**14,638**	**14,350**	**118,164**
COMMUNITIES (INCL CLIMATE CHANGE)	**4,266**	**2,800**	**0**	**0**	**0**	**7,066**
TRANSPORT, HIGHWAYS & ENVIRONMENT	**34,685**	**57,543**	**47,676**	**39,606**	**25,798**	**205,308**
CITY DEVELOPMENT	**2,010**	**27,167**	**10,582**	**2,800**	**1,920**	**44,479**
PROPERTY SERVICES	**2,604**	**1,093**	**275**	**275**	**275**	**4,522**
ICT	**2,923**	**3,170**	**2,820**	**2,820**	**2,820**	**14,553**
CORPORATE SERVICES	**1,546**	**370**	**369**	**200**	**200**	**2,685**
TOTAL BY DEPARTMENT	**102,847**	**137,824**	**79,382**	**61,091**	**46,139**	**427,283**
TOTAL GROSS EXPENDITURE	**102,847**	**137,824**	**79,382**	**61,091**	**46,139**	**427,283**
TOTAL EXTERNAL FUNDING	42,128	50,509	38,200	26,058	8,821	**165,716**
TOTAL INTERNAL FUNDING	60,719	87,315	41,182	35,033	37,318	**261,567**

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CITY OF YORK COUNCIL

Meeting:	Executive
Meeting date:	21 January 2025
Report of:	Debbie Mitchell. Director of Finance.
Portfolio of:	Councillor Katie Lomas. Executive Member for Finance, Performance, Major Projects, Human Rights, Equality & Inclusion.

Decision Report: Treasury Management Quarter 3 report and Prudential Indicators 2024/25.

Subject of Report

1. The purpose of this report is to provide a regular update to the Executive Member for Finance on Treasury Management activity for the first three quarters of the 2024/25 financial year to 30th November 2024 and to provide the latest update of the Prudential Indicators which are included at Annex A to this report.

Benefits and Challenges

2. Treasury Management is the effective management of the Council's cash flow. Doing this effectively protects the Council from risks and ensures the ability to meet spending commitments as they fall due.

Policy Basis for Decision

3. The CIPFA (Chartered Institute of Public Finance and Accountancy) Code of Practice for Treasury Management 2021 requires that full Council be updated with, review and approve, as a minimum three reports annually. These reports are the Treasury Management Strategy Statement setting out policy for the forthcoming year, a mid-year review report, and an annual report detailing the treasury activities and performance for the previous year. Quarterly reports are also required to provide an update on treasury

management activities and can be assigned to a designated committee or member as deemed appropriate.

4. This report is the Treasury Management quarter 3 report covering the period 1st April 2024 to 30th November 2024, detailing the activities and performance so far, and the monitoring and update of the Prudential Indicators. This report ensures this Council is implementing best practice in accordance with the Code.

Financial Strategy Implications

5. The Treasury Management function is responsible for the effective management of the Council's investments, cash flows, banking, and money market transactions. It also considers the effective control of the risks associated with those activities and ensures optimum performance within those risk parameters.

Recommendation and Reasons

6. Executive is asked to note:
   - The 2024/25 Treasury Management activity to date up to the period ending 30th November 2024.
   - The Prudential Indicators outlined in Annex A (updated where applicable) and note the compliance with all indicators.

   Reason: To ensure the continued effective operation and performance of the Council's Treasury Management function and ensure that all Council treasury activity is prudent, affordable and sustainable and complies with policies set.

7. It is a statutory duty for the Council to determine and keep under review the affordable borrowing limits. During the period 1st April 2024 to 30th November 2024, the Council has operated within the Treasury and Prudential Indicators set out in the Council's Treasury Management Strategy Statement for 2024/25.

8. There are no policy changes to the Treasury Management Strategy Statement 2024/25 for members to agree and approve; the details in this report update the Treasury Management position and Prudential Indicators in the light of the updated economic position and budgetary changes already approved.

Background

9. This quarterly Treasury Management report has been prepared in compliance with the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management, and covers the following:
   - A brief economic update and latest interest rate forecast.
   - A review of the Treasury Management Strategy Statement and Annual Investment Strategy.
   - A review of the treasury position as at 30th November 2024.
   - A review of the Council's investment portfolio.
   - A review of the Council's borrowing strategy.
   - A review of compliance with the Treasury and Prudential Limits.
   - An update to the prudential indicators (set out at Annex A).

Economic Update

10. The third quarter of the 2024/25 financial to 30th November 2024 year saw:
    - The Bank of England announce a base rate cut of 0.25% from 5.00% to 4.75% on 7th November 2024. The Bank of England's Monetary Policy Committee (MPC) voted by a majority of 8–1 in favour of the cut. This followed a vote to maintain the rate at 5% on 19th September 2024 and a cut of 0.25% from 5.25% to 5% on 1st August 2024.
    - On 19th December 2024 the Bank of England's Monetary Policy Committee (MPC) voted 6-3 to maintain base rate at 4.75%.
    - Consumer Prices Index (CPI) inflation rise to 2.6% in the 12 months to November 2024, up from 2.3% in the 12 months to October 2024 and 1.7% in the 12 months to September 2024.
    - Core CPI rises by 3.5% in the 12 months to November 2024, up from 3.3% in October 2024 and 3.2% in September 2024.
    - Services consumer price inflation rise to 5% in November 2024, unchanged from October 2024, slightly up from 4.9% in September 2024, and above its long-run average of 3.5%.

11. In its monetary policy meeting ending on 6th November 2024, the Bank of England's MPC voted by a majority of 8–1 to decrease the base rate by 0.25% from 5.00% to 4.75% continuing their gradual approach to removing policy restraint. It was noted that the combined effects of the Autumn Budget on 30th October 2024 are provisionally expected to boost the level of GDP by around 0.75% and CPI by around 0.5% at their peak in a years' time relative to the previous projections. At the 18th December meeting the MPC voted 6-3 to maintain base rate at 4.75%, and the message in the report minutes was that the MPC would closely monitor the risks of inflation persistence and continue its gradual approach to cutting base rate, deciding the appropriate *'degree of policy restrictiveness at each meeting'*, with monetary policy needing *'to continue to remain restrictive for sufficiently long until the risks to inflation returning sustainably to the 2% target in the medium term have dissipated*

further.' It was noted that November CPI inflation at 2.6% was slightly higher than previous expectations, services consumer price inflation remained elevated, and Headline CPI inflation is expected to continue to rise slightly in the near term.

Interest Rate Forecast

12. 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.

13. Table 1 is Link Groups Interest Rate forecast at 11th November 2024 for both the bank base rate and Public Works Loans Board (PWLB) certainty borrowing rates (gilt yields plus 80 bps).

	Bank rate %	PWLB borrowing rates % (including certainty rate adjustment)			
		5 year	10 year	25 year	50 year
Dec 2024	4.75	5.00	5.30	5.60	5.40
Mar 2025	4.50	4.90	5.10	5.50	5.30
Jun 2025	4.25	4.80	5.00	5.40	5.20
Sep 2025	4.00	4.60	4.80	5.30	5.10
Dec 2025	4.00	4.50	4.80	5.20	5.00
Mar 2026	3.75	4.50	4.70	5.10	4.90
Jun 2026	3.75	4.40	4.50	5.00	4.80
Sep 2026	3.75	4.30	4.50	4.90	4.70
Dec 2026	3.50	4.20	4.40	4.80	4.60
Mar 2027	3.50	4.10	4.30	4.70	4.50
Jun 2027	3.50	4.00	4.20	4.60	4.40
Sep 2027	3.50	4.00	4.20	4.50	4.30
Dec 2027	3.50	3.90	4.10	4.50	4.30

Table 1 – Link's interest rate forecast at 11th November 2024

14. Link Groups Bank Rate forecast is now 50bps – 75bps higher than previous, and PWLB forecasts have been increased to reflect increased concerns around the future path of inflation and the increased level of UK Government borrowing over the term of the current Parliament.

15. Following the MPC's most recent messages in its 19th December 2024 and 7th November 2024 report minutes and the current economic and political environment following the UK Budget on 30th October and US Presidential election, Markets are predicting fewer base rate cuts in the year ahead and Market expectations are that there will be more gradual cuts to the base rate in the next couple of years.

Treasury Management Strategy Statement 2024/25

16. Full Council approved the Treasury Management Strategy Statement for 2024/25 on 22nd February 2024. Details can be viewed here https://democracy.york.gov.uk/ieListDocuments.aspx?CId=331&MID=13928#AI67008 and here https://democracy.york.gov.uk/ieListDocuments.aspx?CId=733&MId=13934&Ver=4.

17. There are no investment policy changes and the details in this report do not amend the Statement.

Overall Treasury Position 30th November 2024

18. Table 2 shows the Councils net Treasury debt and investment position for the period ending 30th November 2024, shown with the 2023/24 financial year end position.

	30/11/24 Principal	30/11/24 Average Rate	31/03/2024 Principal	31/03/2024 Average Rate
General Fund Borrowing	£180.79m	3.49%	£175.79m	3.42%
Housing Revenue Account (HRA) Borrowing	£149.26m	3.32%	£149.26m	3.31%
Total Borrowing	**£330.05m**	**3.41%**	**£325.05m**	**3.37%**
Other Long-term Liabilities	£40.66m		£41.74m	
Total External Debt	**£375.71m**		**£366.79m**	
Investment balance	£9.99m	5.02%	£5.04m	4.86%
Debt less Investments	**£360.72m**		**£361.75m**	

Table 2 Summary of the current Treasury position 30th November 2024

Investment Portfolio

19. The Treasury Management Strategy Statement includes the Council's Annual Investment Strategy outlining the Council's investment priorities as follows:
    - Security of capital
    - Liquidity
    - Yield

Environmental, Social & Governance (ESG) criteria, will be considered as a fourth criteria after the fulfilment of the three core investment priorities.

20. The Council's investment policy is governed by MHCLG guidance and sets out the approach for choosing investment counterparties based on credit ratings provided by the three main credit rating agencies, supplemented by additional market data, (such as rating outlooks, credit default swaps, bank share prices etc.). The Council will also consider environmental, social and governance factors when placing investments after the core investment priorities of security, liquidity and yield have been assessed.

21. The Council continues to aim to achieve the optimum return (yield) on investments commensurate with the proper levels of security and liquidity and the Councils risk appetite. The Council had no liquidity difficulties during the first 8 months of the 2024/25 financial year.

22. Investment returns the Council earns on its surplus cash is dependent on the level of cash held for investment purposes, cash backed reserves and cash flow requirements which is due to the timing of precept payments, receipt of grants, receipt of developer contributions, borrowing for capital purposes, payments to its suppliers of goods and services and spend progress on the Capital Programme. Cash balances are therefore only available on a temporary basis depending on cash flow movement.

23. The average level of cash balances available for investment purposes in the first 8 months of the year up to 30th November 2024 was £30.87m (£29.33m for period ending 30th November 2023). The average rate of return earned on cash balances in this period was 5.02% (4.79% for period ending 30th November 2023).

24. During the first 8 months of the year up to 30th November 2024, the level of cash balances has been roughly similar when compared to the same period last year due to a similar profile of receipts and payments.

25. The Council uses a benchmark indicator to assess the Councils investment performance, and this is the average Sterling Overnight Index Average (SONIA). SONIA is based on actual transactions reflecting the average of the interest rates that banks pay to borrow sterling overnight.

26. The Council's average rate of return for the period 1st April 2024 to 30th September 2024 is in table 3.

	2024/25 (to 30th Nov 24)	**2023/24 (to 30th Nov 23)**	**2023/24 (Full year)**
Average CYC Rate of Return	5.02%	4.79%	4.86%

Benchmark			
Average Overnight SONIA	5.05%	4.85%	4.96%

Table 3: CYCs investment rate of return performance vs. SONIA benchmark

27. The average rate of return achieved for invested cash during the first 8 months of 2024/25 has remained below the average overnight SONIA rate due to the Council keeping cash in highly liquid Money Market Funds which provide instant access to cash.

28. Figure 1 shows the average SONIA rates for a number of investment durations compared with the Bank of England base rate and the Council’s rate of return achieved in the 8 months of 2024/25. It shows that the Councils average rate of return is tracking lower than, but broadly in line with, both Bank base rate and overnight SONIA rate. This is expected as cash has been held in liquid funds.

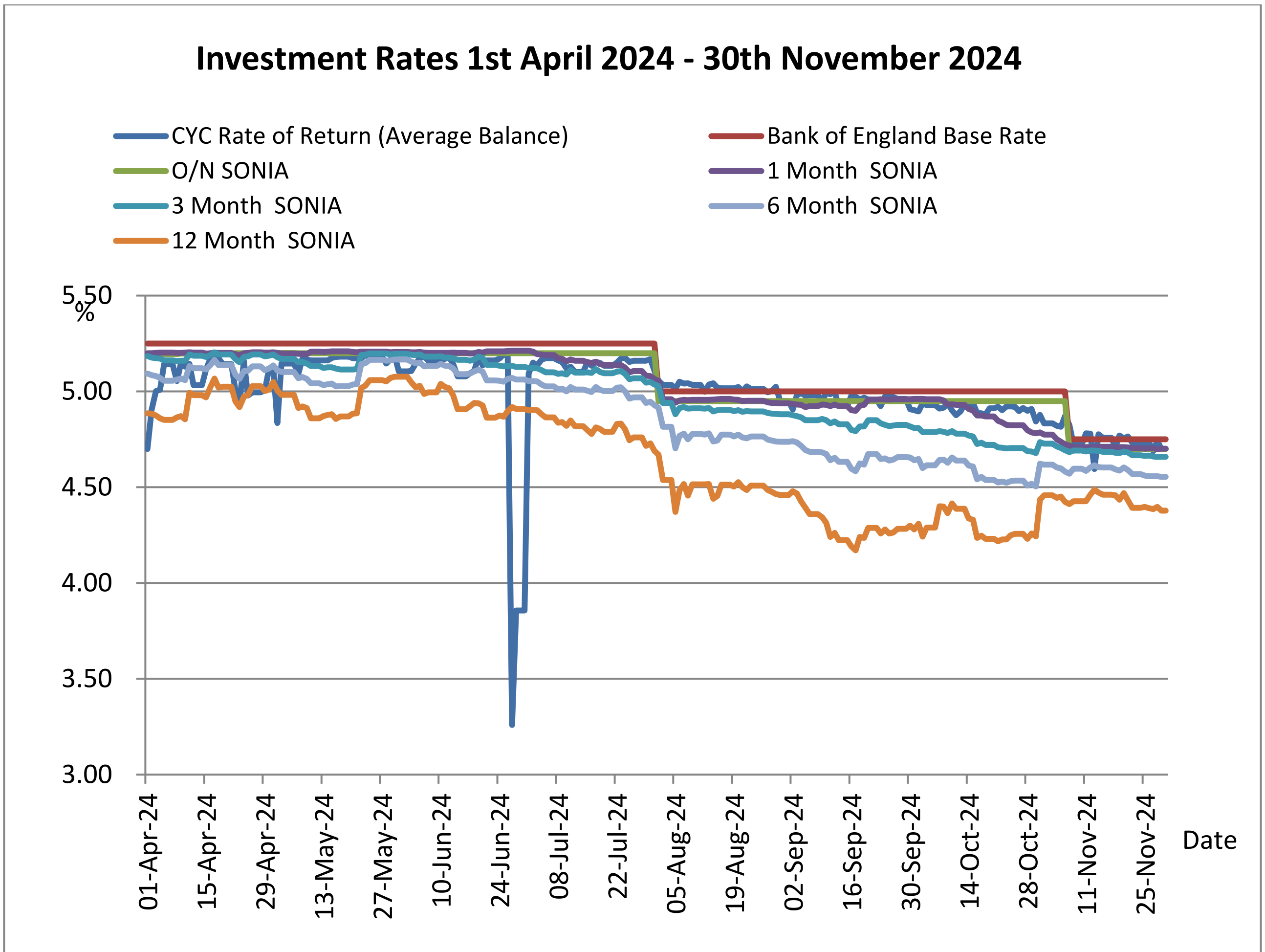

Figure 1 CYC Rate of Return vs Bank of England base rate and SONIA up to 30th November 2024

29. Table 4 shows the current investments at 30th November 2024.

Institution Type	Principal Balance 30/11/24	Average Balance 01/04/24-30/11/24	Average Rate
Fixed Term Deposits	£0.00m	£0.00m	0.00%
Call / Notice	£0.00m	£0.00m	0.00%
Money Market Funds	£9.80m	£30.37m	5.10%
Cash in bank	£0.19m	£0.50m	0.00%
Total Investments	£9.99m	£30.87m	5.02%

Table 4: Investment Portfolio by type 30th November 2024

30. Figure 2 shows the investments portfolio held corporately by the Councils Treasury Management team split by cash in bank, deposits in short term call accounts, fixed term investments and Money Market Funds. Money Market Funds used have an AAAm credit rating and the cash in bank account has an AA- credit rating.

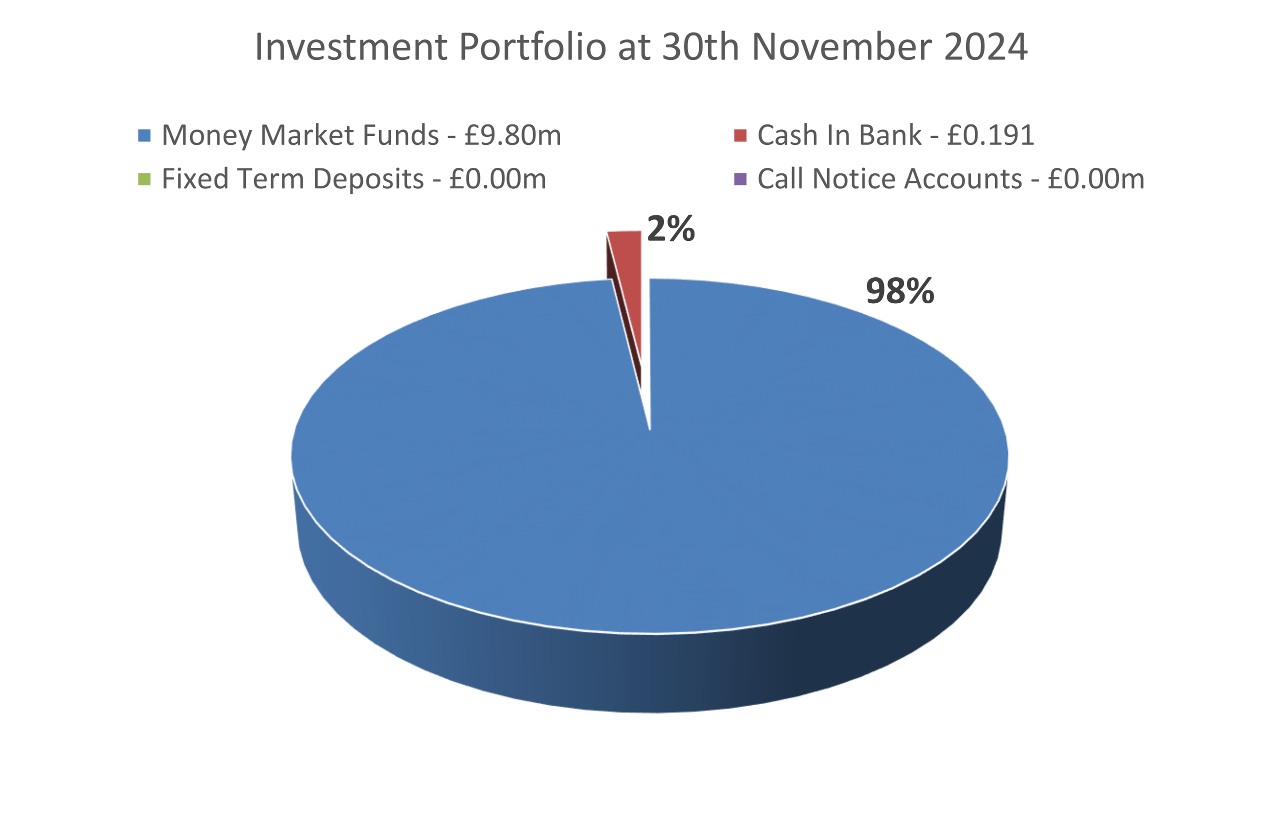

Figure 2 Investment Portfolio by type 30th November 2024

31. The Council is using its cash balances to delay taking on long-term borrowing. The overall effect of using cash balances to support the Council's under-borrowed CFR position is that as cash balances are used there is less cash available for longer term investment and cash balances are held in more liquid funds meaning lower interest returns.

32. Opportunities that arise for notice and fixed investments which could generate higher yields are considered in terms of the Councils short to medium term cash flow requirement and it's under borrowed CFR position.

Borrowing Requirement and Debt

33. The Council undertakes long-term borrowing in accordance with the investment requirements of the capital programme and all borrowing is therefore secured for the purpose of its asset base.

34. Under regulation, the Council can borrow in advance of need and Markets are therefore constantly monitored and analysed to ensure that advantage is taken of favourable rates and the increased borrowing requirement is not as dependant on interest rates in any one year.

35. The level of borrowing taken by the Council is determined by the Capital Financing Requirement (CFR) which is the Councils underlying need to borrow for capital expenditure purposes. Borrowing needs to be affordable, sustainable, and prudent.

36. On the reverse side, the Council's level of borrowing can also be below the Capital Financing Requirement. This would mean that instead of increasing the Council's level of borrowing, surplus funds held for investment purposes would be utilised.

37. Table 5 shows the Council's underlying need to borrow to finance capital expenditure (the CFR).

	31 March 2025 Projected (30th Nov 2024)	**31 March 2025 Budget (As at TMSS)**	**31 March 2024 Actual (As at Outturn)**
CFR General Fund	£335.05m	£399.76m	£313.16m
CFR HRA	£136.13m	£149.33m	£147.34m
CFR Other Long-term Liabilities	£43.29m	£43.21m	£41.74m
Total CFR	£514.47m	£592.30m	£502.24m

Table 5 Capital Financing Requirement 30th November 2024

38. The borrowing strategy takes into account the borrowing requirement, the current economic and market environments, and is also influenced by the interest rate forecasts.

39. During the first 8 months of 2024/25, the Council has maintained its under-borrowed position. This meant that the capital borrowing need, (the CFR) has not been fully funded with loan debt, and cash supporting the Council's reserves, balances and cash flow has continued to be used as an interim measure to fund the capital programme. The under-borrowed position can be seen on the Councils Liability Benchmark graph as shown by the gap between the loans outstanding and CFR.

40. While this strategy is still prudent in 2024/25 as long-term borrowing rates have remained elevated across the curve, where debt is required to finance the capital programme the Treasury team will look at temporary and short-term borrowing options if internal borrowing cannot be maintained. Where there are opportunities to draw down long term debt at more favourable rates, through either PWLB or market borrowing, these will be considered to try to minimise the longer-term impact of debt costs.

41. In the first eight months of 2024/25 the Council has taken one new loan from the PWLB which will require refinancing in early 2025/26 (see Table 7). This has increased the Council's refinancing interest rate risk as a greater proportion of its overall debt will mature in late 2024/25 and early 2025/26 (see figure 4) but this is still within the approved maturity limits set as part of Prudential Indicator 8. The decision to take short term debt from PWLB was felt prudent as forecasted borrowing rates at the point of the debt drawdown showed a decrease in the second half of 2024/25. As 2024/25 has progressed interest rates forecasts have been revised upwards and borrowing rates, while still forecasted to decrease over the medium and longer term, are forecasted to do so at a slower pace.

42. Current PWLB and temporary borrowing rates via local authorities remain elevated and are at similar levels to those seen last year. The reason for this is the current economic environment and the gilt market which PWLB rates are based on, and demand and supply in the local authority temporary borrowing market.

Borrowing Portfolio

43. The Councils long-term borrowing started the year at a level of £325.05m. The current borrowing portfolio position as at 30th September 2024 is £335.05m.

	30th November 2024			31st March 2024		
Institution Type	**No. of Loans**	**Principal**	**Average Rate**	**No. of Loans**	**Principal**	**Average Rate**
Public Works Loan Board PWLB – Money borrowed from the Debt Management Office (HM Treasury)	57	£322.70m	3.43%	59	£317.70m	3.38%
Market Loans	1	£5.00m	3.88%	1	£5.00m	3.88%

LOBO Loans – Lender Option Borrower Option						
West Yorkshire Combined Authority WYCA – Zero interest loans the purpose of which are to help to fund York Central infrastructure projects.	4	£2.35m	0.00%	4	£2.35m	0.00%
Total Borrowing (GF & HRA)	**62**	**£330.05m**	**3.41%**	**64**	**£325.05m**	**3.37%**

Table 6 Current borrowing position 30th November 2024

44. During the first half of 2024/25 financial year one new loan was taken totalling £10.00m. This is detailed in Table 7 below. This borrowing was anticipated because of continued capital expenditure, the increasing CFR and the decrease in cash balances as a result of internal borrowing.

Lender	Issue Date	Repayment Date	Amount	Rate	Duration (years)
PWLB	30/04/2024	30/04/2025	£10.00m	5.39%	1.00
			£10.00m		

Table 7 New loans up to 30th November 2024

45. During the 8 months of 2024/25 3 existing loans have matured totalling £5.00m, 1x £3.00m loan on 13th October 2024, and 2x £1.00m loans on 5th November 2024. These are set out in Table 8 below. The next loan maturity is due on 29th January 2025.

46. There are currently 9 scheduled repayments of long-term borrowing that will occur in financial year 2024/25 totalling £43.40m. These are detailed in Table 8 below.

Lender	Issue Date	Repayment Date	Amount	Rate	Duration (years)
PWLB	13/10/2009	13/10/2024	£3.00m	3.910%	15.00
PWLB	23/11/2000	05/11/2024	£1.00m	4.750%	23.95
PWLB	03/04/2001	05/11/2024	£1.00m	4.750%	23.59
PWLB	29/01/2024	29/01/2025	£10.00m	5.350%	1.00
PWLB	28/02/2024	28/02/2025	£10.00m	5.460%	1.00
PWLB	27/03/2024	27/03/2025	£5.20m	5.390%	1.00
PWLB	27/03/2024	27/03/2025	£4.80m	4.990%	1.00

PWLB	28/03/2012	31/03/2025	£4.00m	2.870%	13.01
PWLB	28/03/2012	31/03/2025	£4.40m	2.870%	13.01
			£43.40m		

Table 8 Maturing loans in 2024/25

47. No loan rescheduling was done during the 8 months of the 2024/25 financial year.

48. The Councils £330.05m of fixed interest rate debt, is split between £149.26m for HRA (£119.65m self-financing debt) and £180.79m for General Fund as shown in Figure 3.

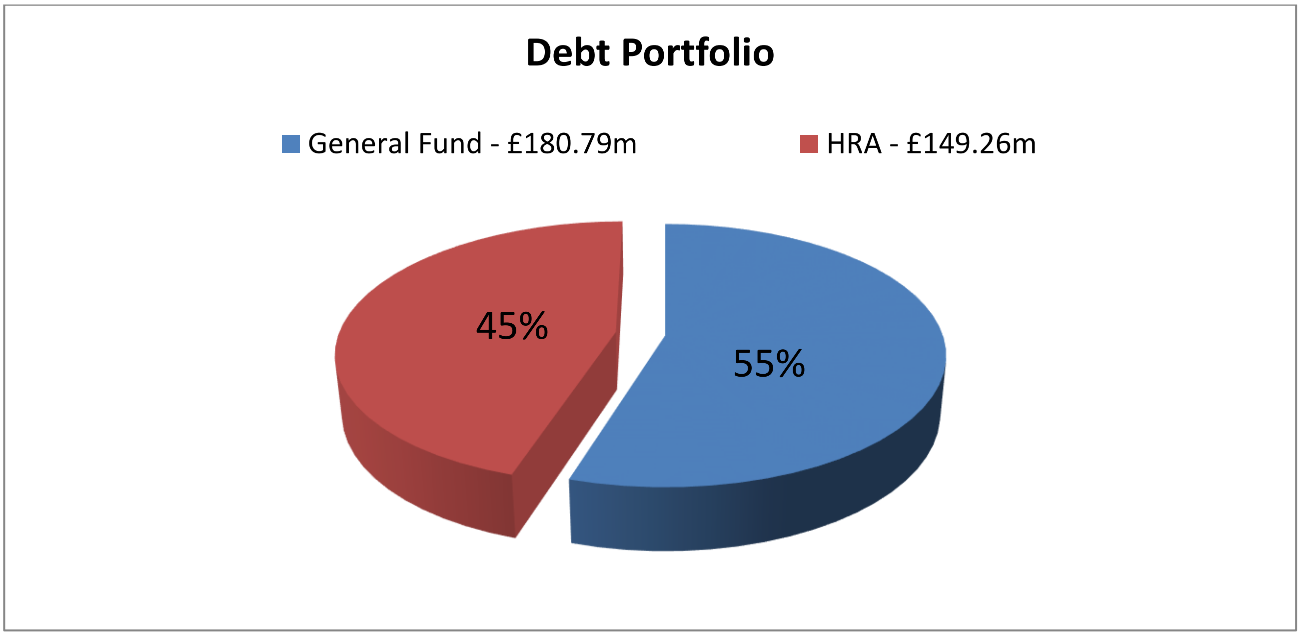

Figure 3 General Fund and HRA debt 30th November 2024

49. Figure 4 illustrates the 2024/25 maturity profile of the Council's debt portfolio at 30th November 2024. The maturity profile, aside from the £40m PWLB debt all taken with 1 year maturities in the final quarter of 2023/24 and the first quarter of 2024/25, shows that there is no large concentration of loan maturity in any one year, thereby spreading the interest rate risk dependency.

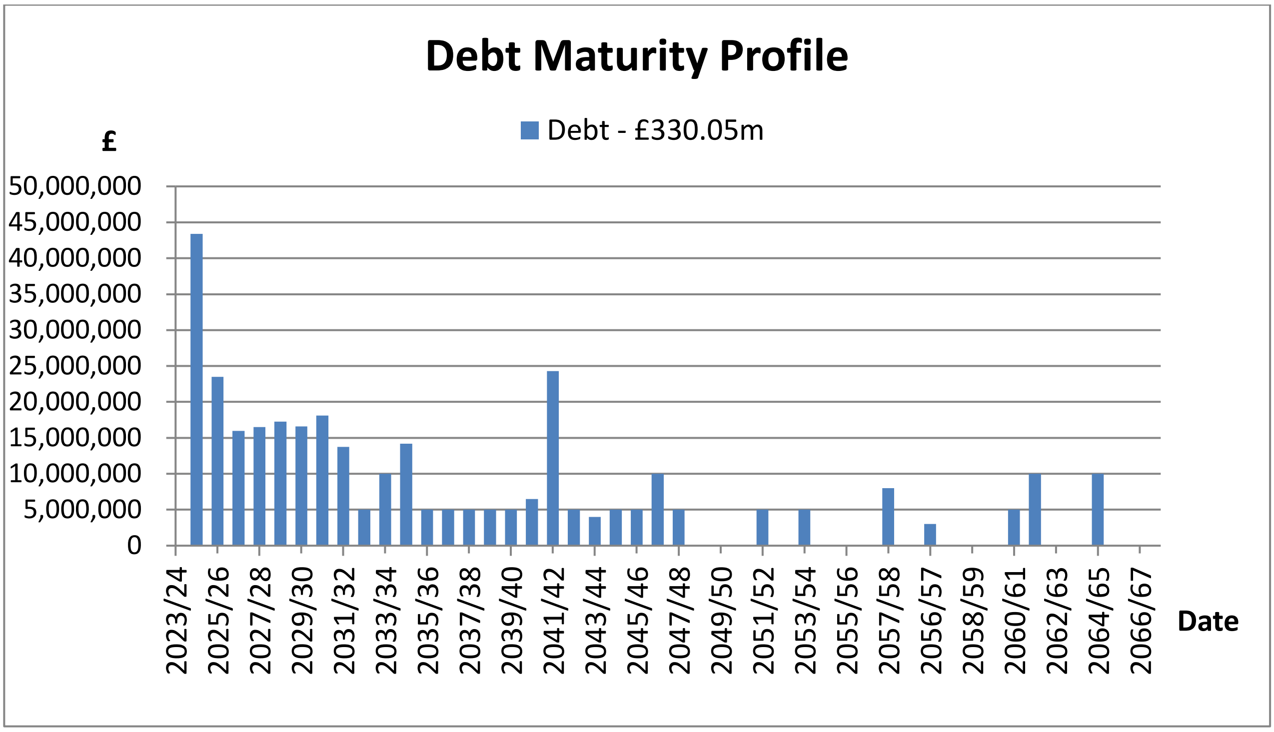

Figure 4 – Debt Maturity Profile 30th November 2024

50. The timing of when that debt is drawn down depends on the progress of the capital programme. Where greater value can be obtained in borrowing for shorter maturity periods the Council will assess its risk appetite in conjunction with budgetary pressures to minimise total interest costs. Temporary borrowing, including inter authority borrowing, is another borrowing option. Longer-term borrowing could also be undertaken for the purpose of certainty, where that is desirable, or for smoothing the maturity profile of debt repayments.

51. It is anticipated that the total of £40m PWLB loans with 1 year maturities will be re-financed in the last quarter of 2024/25, likely on the same 1 year maturity basis, while waiting for further falls in borrowing rates for longer term debt durations as the current market and Link Group forecasts show. This is because cash balances continue to be utilised and the Council will need to cover its under-borrowed position and replace its working cash balances.

52. There is a continued element of interest rate risk to this strategy as borrowing rates over the past 8 months of 24/25 financial year have not fallen as fast as previous market predictions had indicated and it is likely that the re-financing of these loans will now be done at similar borrowing rates to those originally taken in the final quarter of 2023/24 and the first quarter of 2024/25. In the current interest rate environment, with borrowing rates remaining elevated and at similar levels to last year financial year, it is still felt the most prudent course of action to look to renew maturing loans on short maturity durations as this is a better option for the longer-term Treasury Management budget, meaning that higher interest rate loans mature sooner.

53. Cash balances will continue to be used, where cash flow allows, to finance the capital programme and assessment on the longer-term financing of the under-borrowed position will be taken when borrowing rates are projected to fall towards their more neutral long-term forecast position.

54. Table 9 shows PWLB Certainty borrowing rates available for selected loan durations between 1st April 2024 and 30th November 2024 at the highest, lowest and average rates.

	PWLB Certainty borrowing rates by duration of loan				
	1 Year	**5 Year**	**10 Year**	**25 Year**	**50 Year**
High	5.61%	5.14%	5.35%	5.77%	5.53%
Low	4.78%	4.31%	4.52%	5.08%	4.88%
Average	5.20%	4.79%	4.94%	5.41%	5.19%

Table 9 – PWLB Borrowing Rates 1st April 2024 to 30th November 2024

Compliance with Treasury Policy and Prudential Indicators

55. The Prudential Indicators for 2024/25 included in the Treasury Management Strategy Statement (TMSS) are based on the requirements of the Council's capital programme and approved at Budget Council on 22nd February 2024 and can be viewed here https://democracy.york.gov.uk/ieListDocuments.aspx?CId=331&MID=13928#AI67008 and here https://democracy.york.gov.uk/ieListDocuments.aspx?CId=733&MId=13934&Ver=4.

56. The Treasury Management budget was set in light of the council's expenditure plans and the wider economic market conditions based on advice from Link Group.

57. It is a statutory duty for the Council to determine and keep under review the "Affordable Borrowing Limits" included in the Prudential Indicators. During the first 8 months of financial year 2024/25 the Council has operated within the Treasury limits and Prudential Indicators set out in the TMSS for 2024/25.

58. An update of the Prudential Indicators is shown in Annex A.

Consultation Analysis

59. 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 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. As outlined in the Treasury Management Strategy Statement (TMSS) to enable effective treasury management, all operational decisions are delegated by the Council to the Director of Finance who operates within the framework set out in the TMSS 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.

Options Analysis and Evidential Basis

60. 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.

61. The Treasury Management quarter 3 report and Prudential Indicators detail the Treasury Management portfolio at 30th November 2024 and is for the review of the Executive Member for Finance to show compliance with Treasury policy and ensure the continued performance of the Treasury Management function.

Organisational Impact and Implications

62. The Treasury Management function aims to achieve the optimum return on investments commensurate with the proper levels of security, and to minimise the interest payable by the Council on its debt structure. It thereby contributes to all Council Plan priorities.

- ***Financial*** - The financial details of the Treasury Management quarterly report are contained in the body of the report.

- ***Human Resources (HR)*** - n/a

- ***Legal*** – 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.

- ***Procurement*** - n/a

- ***Health and Wellbeing*** - n/a

- ***Environment and Climate action*** - n/a

- ***Affordability*** - The financial implications of the Treasury Management quarterly report are contained in the body of the report and as set out in the Prudential Indicators at Annex A.

- ***Equalities and Human Rights*** - n/a

- ***Data Protection and Privacy*** - n/a

- ***Communications*** - n/a

- ***Economy*** - n/a.

- ***Specialist Implications Officers*** - n/a

Risks and Mitigations

63. The Treasury Management function is a high-risk area because of the volume and level of large money transactions. As a result, there are procedures set out for day-to-day Treasury Management operations that aim to reduce the risk associated with high volume high value transactions as set out as part within the Treasury Management Strategy Statement at the start of each financial year. 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.

Wards Impacted

All

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Date:	19/12/2024

Background Papers

- Treasury Management Strategy Statement and Prudential Indicators for 2024/25 to 2028/29 and Annexes A, B, C and D to that report. https://democracy.york.gov.uk/ieListDocuments.aspx?CId=733&MId=13934&Ver=4.

Annexes

- Annex A – Prudential Indicators 2024/25 Q3 (30.11.24)

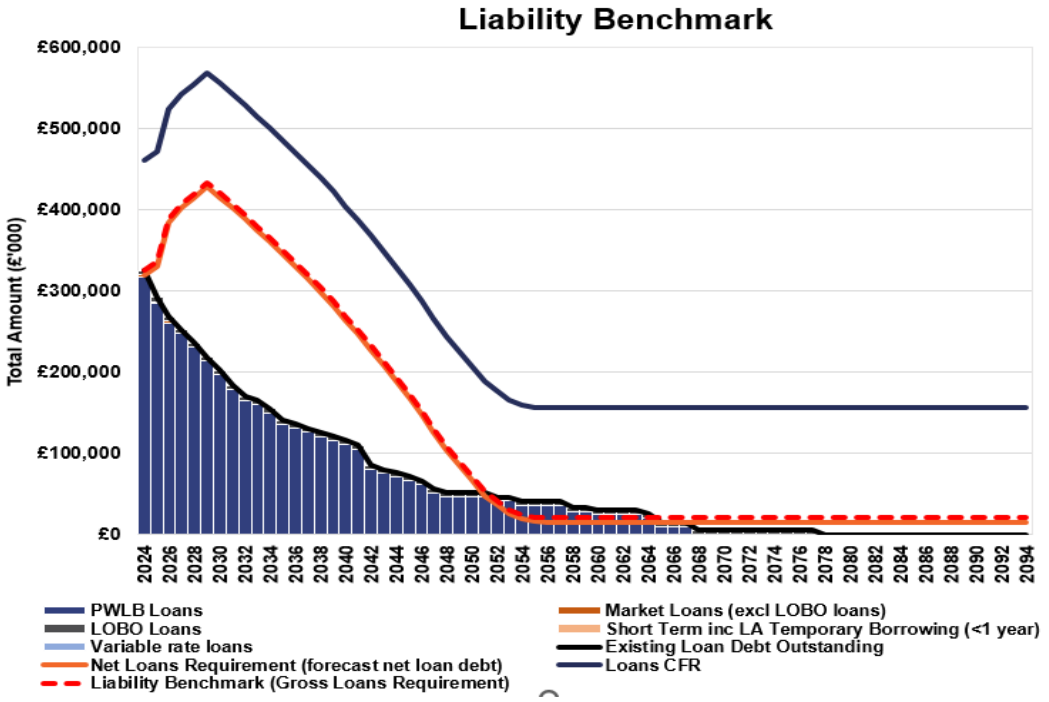
Glossary of Abbreviations used in the report.

CIPFA	Chartered Institute of Public Finance & Accountancy
CFR	Capital Financing Requirement
CPI	Consumer Prices Index
CYC	City of York Council
GDP	Gross Domestic Product
GF	General Fund
HRA	Housing Revenue Account
MHCLG	Ministry of Housing, Communities and Local Government
MPC	Monetary Policy Committee

MRP	Minimum Revenue Provision
PWLB	Public Works Loan Board
SONIA	Sterling Overnight Index Average
TMSS	Treasury Management Strategy Statement

Annex A

Prudential Indicators 2024/25 Q3 (30.11.24)

	Prudential Indicator		**2024/25**	**2025/26**	**2026/27**	**2027/28**	**2028/29**	
1	**Capital Expenditure** To allow the authority to plan for capital financing as a result of the capital programme and enable the monitoring of capital budgets.	GF HRA Other LT Total	£63.4m £39.5m £3.3m £106.2m	£109.1m £28.7m £0.5m £138.3m	£66.6m £12.7m £0.5m £79.8m	£49.0m £12.1m £0.5m £61.6m	£33.9m £12.3m £0.5m £46.7m	
2	**CFR** Indicates the Council's underlying need to borrow money for capital purposes. The majority of the capital programme is funded through government support, government grant or the use of capital receipts. The use of borrowing increases the CFR.	GF HRA Other LT Total	£335.1m £136.1m £43.3m £514.5m	£387.7m £136.1m £41.9m £565.7m	£406.6m £136.1m £40.6m £583.3m	£418.8m £136.1m £39.3m £594.2m	£432.2m £136.1m £38.0m £606.3m	
3	**Liability Benchmark** The Liability Benchmark is based on current capital plans and cash flow assumptions, therefore giving the Council an indication of how much it needs to borrow, when it is likely to need to borrow, and where to match maturities to its planned borrowing needs. The liability benchmark makes no assumption about the level of future prudential borrowing in unknown capital budgets.							
4	**Ratio of Financing Costs to Net Revenue Stream** An estimate of the cost of borrowing in relation to the net cost of Council services to be met from government grant and council taxpayers. In the case of the HRA the net	GF HRA Total	13.25% 13.51% 13.30%	15.92% 13.22% 15.40%	17.16% 12.89% 16.35%	17.61% 12.64% 16.68%	17.92% 12.40% 16.91%	

	Prudential Indicator		**2024/25**	**2025/26**	**2026/27**	**2027/28**	**2028/29**	
	revenue stream is the income from rents. *Note that financing costs include debt and other long-term liabilities such as PFI and Leases.*							
5	**External Debt** To ensure that borrowing levels are prudent over the medium term the Council's external borrowing, net of investments, must only be for a capital purpose and so not exceed the CFR.	Gross Debt Invest Net Debt	£399.3m £5.0m £394.3m	£459.0m £5.0m £454.0m	£484.3m £5.0m £479.3m	£506.0m £5.0m £501.0m	£529.7m £5.0m £524.7m	
6 a	**Authorised Limit for External Debt** The authorised limit is a level set above the operational boundary in acceptance that the operational boundary may well be breached because of cash flows. It represents an absolute maximum level of debt that could be sustained for only a short period of time. The council sets an operational boundary for its total external debt, gross of investments, separately identifying borrowing from other long-term liabilities.	Borrowing CFR / Other long-term liabilities	£602.3m £30.0m £632.3m (£632.3m set at 2024/25 Strategy)	£575.7m £30.0m £605.7m (Based on current CFR projection)	£593.3m £30.0m £623.3m (Based on current CFR projection)	£604.2m £30.0m £634.2m (Based on current CFR projection)	£616.3m £30.0m £646.3m (Based on current CFR projection)	

Annex A

	Prudential Indicator		2024/25	2025/26	2026/27	2027/28	2028/29	
6 b	**Operational Boundary for External Debt** The operational boundary is a measure of the most likely, prudent, level of debt. It takes account of risk management and analysis to arrive at the maximum level of debt projected as part of this prudent assessment. It is a means by which the authority manages its external debt to ensure that it remains within the self-imposed authority limit. It is a direct link between the Council's plans for capital expenditure; our estimates of the capital financing requirement; and estimated operational cash flow for the year.	Borrowing CFR / Short Term Liquidity Requirement	£514.5m £87.8m £602.3m (£602.3m set at 2024/25 Strategy)	£565.7m £10.0m £575.7m (Based on current CFR projection)	£583.3m £10.0m £593.3m (Based on current CFR projection)	£594.2m £10.0m £604.2m (Based on current CFR projection)	£606.3m £10.0m £616.3m (Based on current CFR projection)	

Annex A

	Prudential Indicator		2021/22	2022/23	2023/24	2024/25	2025/26	
7	**Maturity Structure of Borrowing** To minimise the impact of debt maturity on the cash flow of the Council. Over exposure to debt maturity in any one year could mean that the Council has insufficient liquidity to meet its repayment liabilities, and as a result could be exposed to risk of interest rate fluctuations in the future where loans are maturing. The Council therefore sets limits whereby long-term loans mature in different periods thus spreading the risk.	Maturity profile of debt against approved limits	**Maturity Profile**	**Debt (£)**	**Debt (%)**	**Approved Minimum Limit**	**Approved Maximum Limit**	
			Less than 1 yr 1 to 2 yrs 2 to 5 yrs 5 to 10 yrs 10 yrs and above Total	£57.4m £12.5m £46.7m £77.7m £135.8m £330.1m	17% 4% 14% 24% 41% 100%	0% 0% 0% 0% 30% -	30% 30% 40% 40% 90% -	In line with the TMSS Lobo loans are shown as due at their next call date as this is the date the lender could require payment.
7	**Upper Limit for Total Principal Sums Invested for Over 364 Days** The Council sets an upper limit for each forward financial year period for the level of investments that mature in over 364 days. These limits reduce the liquidity and interest rate risk associated with investing for more than one year.	Limit / (Current investments greater than 364 days maturing in year)	£15.0m (£0.0m)	£15.0m (£0.0m)	£15.0m (£0.0m)	£15.0m (£0.0m)	£15.0m (£0.0m)	

Meeting:	Executive
Meeting date:	21/01/2025
Report of:	Debbie Mitchell, Director of Finance
Portfolio of:	Councillor Katie Lomas, Executive Member for Finance, Performance, Major Projects, Human Rights, Equality & Inclusion.

Decision Report: FINANCIAL STRATEGY 2025/26 to 2029/30

Subject of Report

1. This report presents the financial strategy 2025/26 to 2029/30, including detailed revenue budget proposals for 2025/26, and asks Members to recommend to Council approval of the proposals. The financial strategy delivers a balanced budget for 2025/26. There are separate reports on the agenda covering the capital budget, the capital and investment strategy and the treasury management strategy.

Benefits and Challenges

2. The budget proposals outline some significant investment into both adults and children's social care to enable the Council to continue delivering vital support to our most vulnerable residents. This essential funding will deliver a financially sound budget, that reflects current pressures, whilst also ensuring a safe and effective service can be delivered across all statutory care services.

3. Additional investment totalling £300k is also being made to support those residents experiencing the ongoing effects of the cost of living crisis, with funding being made available for food and fuel vouchers through the York Financial Assistance Scheme (YFAS). More funding opportunities for organisations across the city who are supporting residents will also be available through Financial Inclusion Steering Group grants.

4. The Capital Budget report elsewhere on this agenda details the additional investment being made into a range of schemes including:

   - £500k for a Park Improvement Fund.
   - £600k in riverbank repairs to facilitate the delivery of improved walking and cycling provision between Leeman Road and the city centre.
   - £800k in repairs and modernisation of council homes.
   - £5.2m to both provide new Gypsy and Traveller pitches and invest in existing pitches and sites to improve the quality of accommodation and facilities for residents.

5. The challenges continue to be the uncertainty around future funding from Government alongside managing increasing demand across all services, especially within social care.

6. The significant financial challenges facing Local Government are a national concern. As outlined in previous reports to Executive, many Councils across the country are experiencing significant financial pressures and are struggling to balance their budgets. This is a national challenge, and inflationary cost pressures, increasing demand for services and short term funding settlements from Government continue to have a financial impact on the Council.

7. Analysis from the Local Government Association (LGA) shows that, due to inflation and wage pressures alongside cost and demand pressures, Councils in England face a £2.3 billion funding gap in 2025/26, rising to £3.9 billion in 2026/27.

8. Changes in the way Local Government is funded have masked the reductions in funding for Councils since 2010/11. However, when comparing Core Spending Power (the measure used by Government) whilst this has increased by 22% since 2010/11, in real terms and mainly due to inflation, there has been a reduction in spending power of 11.7% for York.

9. Despite the overall improvement of the Council's financial position, the next few years will bring some of the most significant financial challenges we have ever experienced. The delivery of the Financial Strategy will remain extremely challenging for residents, other partners, members and officers. It is important that we continue to

not underestimate the scale of the challenge ahead. The level of savings required over the next four years will inevitably require reductions in service levels and will result in some services stopping completely. Maintaining robust financial management, clear priorities and a focus on cost control is essential to ensuring our continued financial sustainability and resilience.

10. Whilst the local and national financial position for local government is clearly very strained, considerable work is ongoing to secure inward investment into the city to ensure that the Council's priorities can still be achieved.

11. To date, projects across York have secured over £18 million in funding from the York and North Yorkshire Combined Authority. This includes the following funding directly awarded to the Council:

- £430k to deliver a spatial plan for the city centre
- £70k for the York Construction Skills initiative
- Approval in principle of £460k for a cultural passport for young people programme
- £1,540k for Electric Vehicle charging infrastructure
- An initial £150k for the development of the York Movement and Place Plan, total cost circa £1m
- £3,112k funding for brownfield housing (Lowfield phase 2 and Ordnance Lane)

12. Other funding secured includes:

- £2.4m over two years of NHS England funding for a 24/7 mental health hub
- Libraries Improvement Fund grant of £250k from the Department for Culture, Media and Sports.

13. Other key issues included in the budget proposals are as follows.

- A proposed basic council tax increase of 2.99% in 2025/26. Any increase above this amount would require a referendum.
- In addition, an increase of 2% in line with the government's adult social care precept, equating to additional income of £2m, which provides support for social care

- Revenue savings of £6.4m in 2025/26
- Ensuring a financially prudent budget by addressing known budget pressures, including likely pay awards and inflationary pressures
- A net revenue budget of £156.921m, which will be funded by:
    i. Council tax income of £120.680m
    ii. Retained business rates of £36.241m

Policy Basis for Decision

14. The Financial Strategy aims to ensure that, as far as possible, resources are aligned to the Council's priorities. It is vital that the Council sets a robust budget each year. Alongside the income generation and other savings included in Annex 2 to this report, the Council's transformation programme is key to the delivery of a balanced budget. The cross-cutting transformation programme will coordinate activity that ensures the Council has a sustainable and more efficient operating model, prioritising the delivery of statutory services alongside those initiatives that will contribute to the achievement of the Council Plan.

Financial Strategy Implications

15. The following table shows the 2025/26 budget position after taking account of the expenditure and funding changes outlined throughout the report. Further detail is provided at annex 1.

Summary	**2025/26 £'000**
Total investment (Table 2)	22,011
Total net funding changes (Table 3)	-7,914
Total changes in council tax (Table 4)	-6,753
Total changes in business rates income (Table 5)	-900
Total savings and income generation (Table 6)	-6,444
Budget gap	**0**

Table 1 – Budget position summary

16. Should the recommendations in this report be approved, this will result in a 4.99% increase in the City of York element of the council tax, 2% of which would relate to the social care precept. The total council tax increase including the parish, police and fire authority precepts, will be agreed at a meeting of Full Council on 27 February 2025.

17. In considering the budget, members 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

Recommendation and Reasons

18. 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 £156.921m
- A council tax requirement of £120.180m
- The revenue growth proposals as outlined in paragraphs 51 to 53
- The 2025/26 revenue savings proposals as outlined in annex 2
- The fees and charges proposals as outlined in annex 3
- The Housing Revenue Account (HRA) 25/26 budget set out in annex 5
- The Dedicated Schools Grant (DSG) proposals outlined from paragraph 141

- The Flexible Use of Capital Receipts Policy set out in annex 7, including delegation to the Director of Finance to determine the costs that can be charged to the transformation programme

Reason: To ensure a legally balanced budget is set

19. Members are asked to approve the average rent increase of 2.7% to be applied to all rents for 2025/26.

    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.

20. Members are asked to approve the Discretionary Rate Relief Policy set out in annex 9 and the Hardship Policy set out in annex 10.

    Reason: To ensure policies reflect the latest statutory guidance.

Background

National context and funding issues

21. The Government published the provisional local government finance settlement for 2025/26 on 18th December 2024. A policy statement issued on 28th November had already announced the key principles applied in the provisional settlement.

22. At the national level the headlines were:

    - Council Tax can be increased by up to 2.99% and social care authorities can apply a further 2% Adult Social Care Precept making a total increase of 4.99%
    - Local authorities will receive a one year settlement for 2025/26.
    - Adult Social Care grant will increase by £880m (£600m of which was announced in the 2024 budget).

23. It is expected that the final settlement will be announced in February, this will include the grant that we will receive to cover the National Insurance increases but otherwise it is unlikely to differ significantly from the provisional figures.

24. 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 2025/26

of 2.99%, plus an additional increase of 2% 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

25. As outlined in previous reports to Executive, the Council is continuing to see significant financial pressures because of inflation and increased demand for our services. There remain underlying budget pressures across both adult and children's social care, despite the allocation of growth each year. All services across the Council are operating in an extremely challenging environment.

26. Demand for services continues to increase with an ageing population and 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 in turn constitute a financial risk to the Council.

27. The national census in 2021 predicts that 8.27% of York's population will be over 75 years old and has raised from 7.58% in 2011. At this level York's over 75-year-old population is higher than both the national (7.84%) and regional (7.89%) comparators. POPPI, a measure of older people provided by central government, is predicting a 28% rise in the number of people aged 80-84 in York between 2023 and 2027, resulting in further demographic pressures.

28. Nationally there is significant pressure on budgets in children's services. Whilst some additional funding has been allocated to social care as part of the provisional 2025/26 settlement, it does not cover the increased costs being incurred across the sector.

29. The Council Plan 2023 to 2027, One City for All is establishing the conditions that aim to make York a healthier, fairer, more affordable, more sustainable, and more accessible place where everyone feels valued, creating more regional opportunities to help today's residents and benefit future generations.

30. It is vital that the financial strategy supports the Council's priorities as outlined in the Council Plan. However, delivering Council priorities at a time of significant financial challenge requires a more transformational, long term approach to continue to reduce costs overall whilst ensuring resources are prioritised to where they are needed most.

Council priorities

31. *One City, for all* is the Council's corporate strategy and guides the council's priorities, whilst providing a framework for financial and performance management, and helps the city identify and respond to new opportunities or challenges.

32. It sets out the Council's contribution to delivering the vision for the city and long-term ambitions contained within the 10-Year Plan and 10-Year Strategies (York 2032), which is collectively owned by, and developed with, city partners.

33. Underpinning the priorities set out in the Council Plan are Four Core Commitments that will be put at the heart of Council services and the decisions we make:

    - Equalities - providing equal opportunity, balancing human rights, standing up to hate, championing communities
    - Affordability - finding new ways so everyone benefits from the city's success, targeting support where it's most needed
    - Climate - understanding the impact our decisions have on the environment, adapting the city to prepare for extreme weather events
    - Health - improving health and wellbeing, reducing health inequalities, targeting areas of deprivation

34. The plan recognises there are significant funding challenges facing local government as a sector, and the Council will need to make difficult decisions in the coming years. To deliver against the ambition will require the Council to work closely with the city and partners to unlock investment and identify opportunities.

35. The budget reflects the Council priorities, with targeted investment in a number of areas, or protection of existing spending, as set out in both the capital budget and this report.

Principles that have shaped the budget process

36. The Council's Financial Strategy continues to invest in statutory areas, including adult social care and support for children.

37. 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 where possible. 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. We have again prioritised investment in statutory social care services.

Consultation

38. Starting back in May 2024, the council has undertaken a comprehensive budget consultation which concluded in December 2024, prior to more formal public participation both at this meeting and at Budget Council in February.

39. By following a staged approach, the council is iteratively building an understanding of both the impact of proposals on different demographics and community groups, together with how partners, businesses and residents can work together to deliver our shared ambitions for the city.

40. The stages the budget consultation has followed is set out below.

[1]**What**	**When**	**Purpose**	**Consultation activities**
Stage 1 - Corporate Improvement Framework	May to June 2024	To understand how to be a more efficient and effective organisation, informing the Corporate Improvement Action Plan and Working as One City transformation programme Feedback is published on the Opendata platform: Corporate Improvement	Resident online and offline consultation Workshops with Trade Unions, staff and partners who participated in the LGA Peer Challenge

[1] Our Big Budget Conversation – City of York Council

		Framework Consultation 2024/25 - Datasets - York Open Data	
Stage 2 - Our Big Budget Conversation - ideas	July to September 2024	To understand more about what York residents and businesses believe should be the council's priorities and where they would like to see cuts or reductions in services, with all the feedback independently assessed and published on the OpenData platform	Resident and business online/offline consultations Independently facilitated workshops with residents, community groups and businesses Workshops with partners Staff ideas hub
Stage 3 - Our Big Budget Conversation - budget proposals	October to December 2024	To understand the impact and considerations of the proposed cuts or reductions in service	Resident and business online/offline consultation
Stage 4 - Budget approval	January - February 2025.	Public participation in democratic decision making	Executive Full Council

41. The final stage of Our Big Budget Conversation surveyed a total of 673 residents and businesses from various locations across York. Of these, 612 respondents were from the online survey, and 61 respondents were gathered through face-to-face surveying. 39 out of the 673 respondents indicated they were providing feedback on behalf of a business or organisation.

42. The consultation provided a robust evidence base to shape the 2025/26 draft budget proposals. Resident feedback offered key insights into attitudes toward council priorities, proposed measures, and the broader financial challenges faced by the City of York Council.

43. Awareness of the council's approximate £30 million deficit was relatively high, particularly among residents who participated in earlier consultations. Those with greater awareness provided more meaningful feedback and demonstrated empathy for the council's financial position. In contrast, residents with less knowledge about council services or the implications of inaction were less engaged and more likely to oppose proposals. This underscores the importance of ongoing communication to ensure residents are informed about the broader context of budget decisions.

44. Key themes from resident feedback are outlined below

- **Council tax:** While opposition to the proposed 4.99% increase outweighed support, concerns were largely focused on perceived inefficiencies and poor value for money. Feedback indicated that reassurance through improved transparency and a demonstrated commitment to efficiency could increase resident support.

- **Tourist-focused revenue:** Proposals perceived as primarily impacting visitors, such as increased parking fees in city centre car parks, garnered higher levels of support. Residents viewed these measures as a way to protect essential services without adding financial strain on local communities. Strong support was also shown for introducing a visitor levy or tourist tax as a fair and equitable long-term funding solution.

- **Resident impacts:** Feedback revealed a preference for budget measures with minimal direct impact on residents. Proposals such as changes to Blue Badge schemes and reducing funding for Make It York were seen as reasonable and fair. Conversely, proposals affecting road maintenance and bus subsidies faced strong opposition, as residents perceived these as disproportionately shifting the burden onto local communities.

- **A balanced strategy:** Residents consistently supported a balanced approach to addressing the deficit, which included revenue-raising, efficiency improvements, and making cuts only as a last resort. Transparent communication about the council's efforts to explore all options before reducing services helped mitigate opposition and frustration.

- **Communication preferences:** Residents expressed a strong preference for updates via newsletters and the council website, with these being perceived as accessible and effective. While public meetings were initially less favoured, they gained popularity as residents experienced them firsthand, underscoring the value of face-to-face engagement.

- **Accessible messaging:** The consultation emphasised the need for straightforward and accessible language. When proposals were framed clearly and with context, residents were more likely to understand and support them. Overly technical or complex language led to disengagement and increased opposition.

45. Feedback from this consultation shaped key budget decisions, including prioritising investments in adult social care and children's services while exploring revenue-raising measures, such as parking fee increases, that align with resident preferences. The consultation also provided valuable recommendations for future engagement strategies, including the importance of accessible messaging, a balanced approach to budget framing, and diversified communication methods.

46. This evidence ensures the budget proposals align with resident priorities while providing a foundation for transparent communication about upcoming changes.

47. Full details of the consultation responses are available through the York Open Data platform.

Budget analysis

48. The budget setting process has taken into account the following issues, which are considered in more detail in following paragraphs.

    i. Consideration of the 2024/25 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. How to best deliver services effectively for local residents, businesses, and communities

    iv. Consideration of reductions in grant funding.

    v. Ensuring that the budget is robust and prudent and is based upon the strategic financial advice of the s151 officer.

vi. 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.

2024/25 position

49. As part of the budget approved in February 2024, considerable investment was made in priority services to ensure sufficient resources to deliver statutory and priority services.

50. Despite this investment the latest finance and performance report still forecasts an overspend of c£2.6m. Whilst this is a significant improvement on the £11m forecast overspend last year at this time, and cost control measures remain in place across the Council to reduce spending, there remains a risk that we will need to use reserves to balance the final position.

Additional Investment

51. The following bullet points set out the areas where additional investment is being made.

- Neighbourhood Caretakers - **£150k** to improve public realm spaces in our communities by improving services across departments, tapping into local knowledge and expertise and maximise the impact of volunteering.

- Health and Adult social care - **£8m** to cover unavoidable contractual price increases and demographic pressures, including the cost of ongoing care for adults as they transition from children's services.

- Children's Services - **£2.8m** to cover unavoidable contractual price increases and demographic pressures, including looked after children costs. This includes £369k of new grant funding.

- Pay, pension and other contractual price increases **£9m** - to cover pay inflation and unavoidable contractual price increases in other service areas, mainly ICT, insurance, transport and waste.

52. In addition to investment outlined above, one off financial investment totalling £300k will be made:

- £130k increase to the York Financial Assistance Scheme providing fuel and food vouchers to residents

- £50k for York Hungry Minds
- £20k to explore options for Dial and Ride replacement
- £50k for disability equality training
- £50k increase for Financial Inclusion grants to support organisations giving support to those experiencing the ongoing effects of the cost of living crisis

53. As set out earlier, there remain potential pressures and risks within social care. The budget provides for a significant investment within both children's and adult care. However, it is recognised there remain a number of risks in this area, with significant pressures for social care providers across the private and voluntary sector. The Council's statutory responsibilities in respect of market management and provider failure, as well as the requirement to meet the assessed eligible care needs of older and disabled adults, requires due consideration of the social care market's financial issues.

Investment Summary

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

Investment	**2024/25 £'000**
Recurring investment	
- Revenue cost of borrowing	1,800
- Adult social care prices and demographic	8,032
- Children's Services prices and demographic	2,765
- Pay and Prices	8,964
- Other Service Growth	450
Total Investment	**22,011**

Table 2 – Summary of investment

Specific Grant Funding Changes

55. Table 3 shows the net change in specific grants, totalling £7.914m. The council will receive additional grants of £3.2m to fund adult existing social care pressures and this is included in the prices and demographic growth in table 2 above and is covered in further detail elsewhere in the report.

56. A new Children's Services Prevention Grant of £369k has been included in the draft settlement. This will be used to invest in the national rollout of Family Help. The sum allocated however, is unlikely to cover the costs of the work that will need to be done.

57. New Homes Bonus funding has continued for a further year. However, it has been confirmed that this is the final year that New Homes Bonus will operate.

58. The other significant change in funding is the Extended Producer Responsibility grant of £4m. This is new funding allocated to cover the costs of recycling and disposal of household packaging. The funding is again only guaranteed for 2025/26.

Funding Changes	**2025/26** **£'000**
- Increase in ASC specific grants	-3,222
- New Children's Services Prevention Grant	-369
- Net increase in other grants including RSG	-325
- New Extended Producer Responsibility Grant	-3,998
Net Funding Changes	**-7,914**

Table 3 – Grant funding changes

Council Tax Funding Changes

59. Table 4 shows the net changes to council tax funding.

60. The first line in Table 4 shows the 4.99% increase in council tax which will generate additional income of £5.684m on the existing taxbase.

61. A further £0.569m council tax is generated due to an increase in taxbase as shown in the second line of Table 4. The taxbase is calculated by the s151 Officer each year and represents the total

number of Band D equivalent properties in the city. In 2025/26, this has grown by approximately 328 properties. 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.

62. The third line is the reversal of the collection fund surplus from the prior year. There was an estimated deficit declared in 2023/24 of which York's share was £711k. This was funded in year from the collection fund reserve.

63. The council tax collection fund surplus or deficit for the year 2024/25 is estimated on 15 January 2025, 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 2024/25. Instead, a deficit of £584k is estimated of which York's share of £473k will need to be repaid during 2025/26 from the collection fund reserve, set aside for this purpose.

64. In summary the Table 4 shows an estimated £6.753m additional income from council tax in 2025/26.

Council tax	**2025/26** **£'000**
- Increase in charge	-5,684
- Increase in taxbase	-569
- Second Homes Premium	-500
- Reversal of collection fund surplus 2023/24	0
- Collection fund surplus/deficit 2024/25	473
- One off funding of 2024/25 deficit	-473
Net council tax changes	**-6,753**

Table 4 – Council Tax funding changes

Business rates income

65. Table 5 shows there is a net increase in the level of business rates. Further details on business rates income and assumptions are included later in the report.

66. In 2024/25 City of York Council were part of a 50% business rates pool with Leeds City Region and this is set to continue in 2025/26. This is covered in further detail later in the report.

Business rates	**2025/26 £'000**
- Business Rates increase/reduction	-900
Change in income	**-900**

Table 5 –Change in business rates Income

Savings proposals and Expenditure Reduction

67. Proposals totalling £6.4m have been identified to contribute towards balancing the 2025/26 budget. £1.7m of the 2025/26 savings are the full year effect of prior year savings previously agreed by Executive.

68. Table 6 summarises the 2025/26 savings to be delivered.

Savings	**2025/26 £'000**
-Fees & charges	-2,810
-Transport, Environment & Planning	-135
- Corporate	-3,499
Total expenditure reductions	**-6,444**

Table 6 – 2025/26 Expenditure Reduction

Net Budget Composition

69. Taking into account funding changes summarised in Tables 3, 4 and 5, Table 7 below summarises the funding available from council tax and business rates for 2024/25.

	2025/26 £'000

Council Tax	120,680
Business Rates	36,241
Total Net Budget	**156,921**

Table 7 – Net budget composition for 2025/26

Fees and charges

70. Whilst the Council recognise the challenges of the cost of living crisis for businesses and residents, it has been necessary to increase fees and charges for 2025/26 to achieve a balanced budget. The proposals are to use a 5% increase in most instances where possible which is higher than current inflation levels but reduces the need for other budget savings.

71. 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 2.

72. The proposals include a significant increase in parking charges in order to promote the use of sustainable transport options to visit the city centre with minimum charge per hour for the first two hour of £4.85 meaning that the first two hours charge of £9.70 is more reflective of the cost of using public transport. It is also proposed to introduce a 10% supplement for using council car parks and on-street when the city is busiest, including on Fridays and Saturdays all year round and over the period from the beginning of the St Nicholas Fayre in mid-November through to the New Year.

73. Inflationary increases have also been applied to fees charged by Registrars and Bereavement Services, although the basic cremation fee will remain unchanged.

Council Tax

74. The existing components of the current (2024/25) band D council tax for a City of York Council resident are shown in Table 8 below. It should be noted that these figures exclude parish precepts which are an additional charge in some areas.

	£
City of York Council – Basic	1,407.49
City of York Council – Social Care Precept	241.29
North Yorkshire Police	306.86
North Yorkshire Fire and Rescue	83.02
TOTAL	**2,038.66**

Table 8 - Make Up of 2024/25 Council Tax

75. 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 City of York element of the council tax surplus is estimated to be nil and this is included in the budget assumptions.

Referendum Limits

76. The council tax referendum limit (excluding social care precept) for 2025/26 is 3%. 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.

77. 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 cost of £315k. If the referendum could be combined with another election this would reduce the cost by approximately 50%. In addition, there are the costs of rebilling which is estimated at £65k.

Social care precept

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

79. As referred to earlier in this report, the recommendation made in these papers is that from April 2026 the City of York element of the council tax will increase by 4.99%, 2% of the increase relating to the social care precept.

80. A 2% social care precept increase generates additional income of approximately £2m for the council which will be used along with additional grant funding to partly 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

81. 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 27 February.

82. Table 9 demonstrates both the cash and percentage increase in 2024/25 for these which resulted in a total band D council tax for a York property of £2,038.66.

	2023/24	2024/25		
	Charge (£)	Increase (£)	Increase (%)	Council Tax (£)
CYC	1,570.42	78.36	4.99%	1,648.78
Police	295.09	11.77	3.99%	306.86
Fire	80.61	2.41	2.99%	83.02

Total	1,946.12	92.54	4.76%	2,038.66

Table 9 – 2024/25 Council Tax Figures for City of York Area

83. 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)

84. The business rates multipliers for standard and small business rates Have up to now been aligned together and in recent years these have been frozen at 49.9p.

85. The Non-Domestic Rating Act 2023 allowed for the de-coupling of the small and standard business rating multipliers. It also changed the indexation factor from RPI to CPI. In the provisional settlement for 2025/26, the government confirmed that it will again freeze the small business rates multiplier and index the standard multiplier to 55.5p (from 54.6p in 24/25).

86. In respect of the small business rates multiplier, the impact of under-indexation for local authorities will be fully funded. York will therefore receive a compensation grant (Section 31 grant) and an uplift to its Baseline Funding level.

87. The council is projecting retained business rates/RSG income in 2025/26 of £36.241m, which is an increase of £0.9m compared to 2024/25 allowing for the increase in the Baseline Funding Level set by the government for York.

88. A prudent approach continues to be taken in respect of Business Rates growth, although some growth has been allowed for in 2025/26 (£400k).

89. The government's Autumn Statement (October 2024) removes the mandatory charitable NNDR relief from private schools with effect from 1st April 2025. This will raise addition NNDR revenue of approx. £350k. This change to our NNDR relief policy requires member approval. This paper asks members to approve this change.

90. In addition, a budget of £150k is being set for income redistributed back to member authorities in the Leeds City Region Business Rates Pool. The performance of the pool over the past 3 years gives assurance that this is a reasonable assumption although this will need to be assessed each year once the continuance of the pool has been confirmed to government.

91. These adjustments allow for an increase in business rates income of £900k in 2025/26. If business rates perform better than budgeted this will enable the Council to build up a reserve in light of the significant risks the Council may face after a business rates reset.

Business Rates Pooling

92. City of York Council is currently a member of the Leeds City Region (LCR) Business Rates Pool, and this will continue in 2025/26.

93. The Council is classed as a ‘tariff’ paying authority as its NNDR receipts are greater than its funding needs.

Reserves and Contingency

General reserves and contingency

94. Table 10 shows the position on the general fund reserve which, it is anticipated, will remain at £7.441m by the end of 2024/25.

95. The projected reserves at the end of 2024/25 are based on the assumption that Members agree no usage of reserves in 2025/26 as part of the final recommendations to Council.

96. 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 £7.4m remains an appropriate figure. However, in light of the risks facing the council, in relation to major capital programme schemes and the budget pressures within children’s and adult social care, it is considered that the Council should make every effort to maintain some headroom above the minimum level. Further consideration of reserves will be made during the early part of 2025/26 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.

	2024/25 Projected Out-turn	Budget
	£’000	**£’000**
General reserve at start of year	7,441	7,441
Increase to General Reserve (one off growth)	0	0
In Year use of reserves	0	0
General reserve at end of year	7,441	7,441
Prudent minimum reserves	7,400	7,400
Headroom (+)/Shortfall (-) in reserves	41	41

Table 10 – Projected general reserves

97. In addition to general fund reserves, the budget includes a £500k general contingency. In recent years this has always been required.

98. As mentioned earlier in the report, 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

99. The balance on the venture fund reserve is anticipated to be £3.9m at the end of 2024/25.

100. As covered in previous budget reports Executive have already agreed commitments in future years to major projects including £3m to York Central and £131k to Mental Health. After taking into account these commitments, the forecast year end balances on the venture fund are included below in Table 11.

	Forecast Year end Venture Fund Balance
	£’000

2025/26	2.991
2026/27	1,440
2027/28	1,905
2028/29	2,351

Table 11 –Venture Fund Balance

Medium term planning

Medium Term Outlook and Funding Reform

101. The Government published the provisional settlement on 18 December 2025. It is a one year settlement. Additional funding has been allocated to both adult and children's social care, however the funding remains insufficient to meet the increased costs of demand and complexity being seen.

102. As part of the 2025/26 settlement, there has been a redistribution of funds towards areas with higher levels of deprivation and less ability to generate income from council tax. This was achieved by abolishing the Rural Services Delivery Grant and creating a new Recovery Grant. No additional funding was allocated to York.

103. Government also announced consultation seeking views on the approach to local authority funding reform through the local government finance settlement from 2026/27.

104. Whilst this review has been long awaited, the continued uncertainty and lack of information about future years funding settlements remains an area of risk to the Council.

105. The consultation is clear that there will be a full business rates baseline reset. This could have significant implications for a high growth authority such as York. Whilst there will be transitional arrangements, the broad outcome expected is that Councils will lose most, or all of the business rates growth built up since 2013/14.

Medium term strategy and approach to savings

106. As outlined above, alongside the provisional settlement Government also announced a consultation on updating how local authorities are funded, seeking views on the approach to determining new funding allocations. It also covers ways in which demands on local

government can be reduced and increase local flexibility. Whilst a review and subsequent reform of how councils are funded is welcomed and long overdue, this brings with it some risks in that it means, yet again, we are unable to plan beyond the next financial year. Whilst the Spending Review is an opportunity to highlight the issues facing local government finances, there is also a risk that York could lose funding as a result of the Spending Review.

107. 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 12, sets out the headline figures for the Council's medium term financial forecast to 2028/29 based on some very broad assumptions. In light of the pending 2025 spending review, these forecasts aim to outline what the expected pressures are for the Council, in particular around inflation and the impact of employer's national insurance increases on contracts.

108. It is difficult to predict beyond this timescale.

	2026/27	**2027/28**	**2028/29**
	£'000	**£'000**	**£'000**
GROWTH			
Pay and price inflation	9,800	7,000	7,350
Demographic (mainly social care) and service growth	4,500	4,200	4,200
Capital Programme	1,850	1,900	1,950
Total growth	**16,150**	**13,100**	**13,500**
RESOURCES			
Council Tax	6,350	6,700	6,900
Total resources	**6,350**	**6,700**	**6,900**
FUNDING GAP	**9,800**	**6,400**	**6,600**

Table 12 – Medium Term Forecast to 2028/29

109. These figures are based on the assumption that funding for adult social care continues in a similar manner and that the pay award will be approximately 3%. Clearly there are several factors that could

change these figures, and uncertainty will remain until the announcement of future settlements, but they provide the broad basis on which the Council will need to consider decisions over coming years.

110. The funding gap figure in Table 12 represents the amount of savings that are required each year to balance the budget. Whilst settlements for local government have been better in recent years, this is not guaranteed to continue in future years in light of the factors outlined earlier in the ‘medium term outlook’ section of the report.

111. There are three very major pressures facing the Council. These relate to inflation, social care, and the impact of the capital programme.

112. Inflation continues to cause budget pressures on external provider contracts across the Council. This pressure will increase in 2025/26 due to increases in the rate of employer’s national insurance. Whilst the Council will receive Government funding for the increased cost in relation to our own staff, we will not receive any funding for the increased costs of contracts.

113. 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 £1.8m every year.

114. The current pressures on the social care budget are expected to continue in the medium term and are reflected in the figures in Table 12.

115. 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 across a number of service areas.

116. There remains a funding gap of between £6m and £10m 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 following the Spending Review in 2025. Whilst every effort will be, and is being, made to identify alternative sources of income, secure grant funding and effectively control costs – this may not be enough to deliver the scale of the savings needed.

117. In order to deliver a further £23m of savings the Council will need to down size the organisation and seriously consider the level of spend across a range of services. A significant focus in 2025/26 will be on changing the way the Council works through a comprehensive and wide ranging transformation programme. This work will be funded through the use of capital receipts.

118. Every aspect of Council spending will need to be considered ranging from libraries to bus subsidies to grants to voluntary organisations. There will be no areas that are left unaffected by the financial challenge being faced.

<u>Use of Capital Receipts</u>

119. The government continues to allow flexibility for councils in how they make use of capital receipts – money received when an asset such as a building is sold. Councils were previously only allowed to spend such money on capital projects. The flexibility allows money from asset sales (excluding Right to Buy receipts) to be used on the revenue costs of transformation projects, subject to certain conditions.

120. The Council has reviewed the assets it holds and has a programme of releasing these for sale. Alongside previous capital receipts, money realised from these sales will be used to offset the internal cost of transformation work, that in turn will deliver more efficiencies in the medium term.

121. Annex 7 to this report sets out the Flexible Use of Capital Receipts policy and the Council intends to use capital receipts up to the value of £750k to fund a programme of work that will fund a series of strategic service reviews and council wide cross cutting transformational schemes that will seek to deliver both service improvement and recurring budget savings.

122. We will develop business cases that support the Medium Term Financial Strategy by establishing those conditions that effectively support residents, with streamlined interactions with council services, ensuring we manage our resources as effectively as possible.

123. As this early stage, we have identified 6 key areas of strategic review

- Safe, effective and efficient social care service. Work will continue to develop Adult Social Care strengths based practice and steer a council wide approach to improving customer experience to prevent, reduce and delay the need for social care support.

- One contact, one story. Establishing integrated neighbourhood teams so residents only need to share their story once, to ensure joined up approaches to preventing or meeting need across health, care and communities.

- Independent living. We will refresh the way we manage homelessness and social housing, including housing allocations, adaptations, and supported housing to place people who need homes in the homes they need.

- Working closely with health, care and community partners to review development income that could improve health outcomes.

- Reviewing contracting and commissioning arrangements to encourage joint working around shared outcomes.

- Making it easier to support residents to resolve the need or query they have more quickly by automating back office processes, focussing on systems and high volume transactional services, to manage demand differently and reducing failure demand.

124. As this work progresses, regular updates will be provided to Executive through the quarterly Finance and Performance Reports.

Housing Revenue Account (HRA) Budget

125. Local Authorities with housing stock 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.

126. The Housing Revenue Account, similar to General Fund, is facing significant budget pressures due to inflationary factors, the cost of living crisis as well as an increased focus on the state of the property stock following national stories where stock suffers from damp and disrepair.

127. The HRA is also carrying a significant debt of £149.3m (including £119.65m from self-financing) which is forecast to rise to further over the coming years.

128. When the latest HRA budget for 2024/25 was agreed in February 2024 the real annual surplus for the year was set at £2.023m which equates to less than 1.5% of total debt and lower than a prudent level of surplus where resources are set aside for debt repayments as is practice in general fund.

129. It is important to note that the HRA is paying £5.1m interest per annum funding the debt and the average interest rate on the debt (3.4%) is lower than current interest rates meaning that refinancing is not an attractive option. The first tranches of self-financing debt are maturing over the coming years and current interest rates are circa 2% higher than the average rate when the debt was originally taken out.

130. Additionally, the HRA is planning to fund 100% affordable housing schemes at Ordnance Lane / Hospital Fields Road, Lowfield Extra Care and Willow House which will all require additional borrowing in order to develop.

Rent Increase

131. The rent standard allows council to increase rents by CPI+1%. The increase is based on September 2024 CPI rate which stood at 1.7%. This would allow an increase of 2.7%. Whilst Members have the option to increase rents by a lower amount any lower rent would reduce the surplus made by HRA.

132. The additional income from a 2.7% increase on rents will deliver additional income to HRA of £1.1m.

Spending Pressures

133. We have undertaken a review of likely cost increases across the HRA and these are primarily expected to be greater than the rent increase allowed. These are considered in the table below.

Cost Pressures		£’000
Pay incl. overheads	3% increase plus £1k per member of staff NI increase	242
Repairs	4.5% to cover materials sub-contractors and pay	465

Capital Repairs	Additional allowance to cover additional depreciation charge that funds capital repairs	284
Other	Other inflationary charges across the HRA.	309
	Total Pressures	**1,300**

Table 13 - HRA pressures

134. The cost pressures identified total £1,300k which is £200k higher than the additional rent that is anticipated to be received. It is necessary therefore to identify areas where budgets can be reduced. The following items have been identified through budget monitoring and reviews.

Savings		£'000
Landlord Services	Review of unused general budgets eg car allowance, stationary etc	-50
Voids	Reduction in void assumptions to be closer to 1% target	-100
Overheads	Seek to cash limit overhead increase	-50
	Total Savings	**-200**

Table 14 - HRA savings

135. The result of the above changes is that the HRA will be forecasting a surplus in 2025/26 of £2,023k excluding the debt repayment if £9,500k. The deficit is £7,477k including the debt repayment. The overall HRA general reserve is forecast to reduce to £16,110k by the end of 2025/26. The detailed budgets are shown at Annex 5.

136. There is a need to undertake a thorough longer term financial forecast for the HRA. It is proposed that there is a review of the assumptions within the business plan over 2025/26 to review HRA capacity particularly in light of the changes to Right to Buy legislation, likely capital investment required for HRA developments and completion of developments at Duncombe Barracks and Burnholme.

Rent Changes 2025/26

137. The expected effect on rent levels over the next years is shown in the table below:

Year	Estimated Average Rent Per week	Estimated Average Increase per week
2024/25	£97.08	
2025/26	£99.70	£2.62

Table 15 – Rent Changes 2025/26

138. It is also proposed that rents that do not fall within the definition of “social housing rents” for the purposes of the Welfare Reform and Work Bill 2015 will similarly be capped at the 2.7% level set out in the report. This includes shared ownership, Gypsy Roma and Traveller accommodation as well as any specialist supported housing that is exempt from the rent reduction legislation.

139. It is also recommended that Shared Ownership rents increase at the same level of 2.7%.

140. Housing Officers will work with all residents to minimise impacts as far as possible, maximising household incomes and supporting as outlined above.

Dedicated Schools Grant (DSG) and the Schools Budget

141. The Dedicated Schools Grant (DSG) is ring-fenced for funding the provision of education or childcare for 2 to 16 year olds in all settings, and Special Educational Needs & Disabilities (SEND) provision for pupils up to age 25. It covers funding delegated to individual Local Authority (LA) maintained schools, academies and private, voluntary & independent (PVI) nursery providers through the Local Management of Schools (LMS) & Early Years funding formulae, plus funding for other pupil provision which is retained centrally by the LA to support SEND and some central education services.

142. The DSG does not include funding for home to school transport, assessing pupils and administering the SEND system and other statutory LA education responsibilities such as monitoring schools’ performance, all of which have to be funded from the council’s general fund budget.

143. The overall DSG is allocated to LAs via four sub blocks; schools, high needs, early years and central school services. The funding that LAs receive in each block is now determined by specific national funding formulae (NFF). These arrangements are

continued for 2025/26 but with some changes to the early years NFF, and a continuing reduction in the funding allocated to the LA for centrally retained budgets.

144. The total DSG allocation for 2025/26 is estimated at £195.090m, an increase of £12.748m (7.0%) from 2024/25 and broken down as follows:

DSG Funding Block	Adjusted 2024/25 £m	2025/26 £m	Increase £m	Increase %
Schools Block	132.743	133.689	0.946	0.7%
Early Years Block	19.099	29.260	10.161	53.2%
High Needs Block	28.470	30.340	1.870	6.6%
Central School Services Block	2.031	1.801	(0.230)	(11.3%)
Total DSG	**182.343**	**195.090**	**12.747**	**7.0%**

Table 16 –DSG Allocations

Schools Block

145. The vast majority of the Schools Block DSG (£133.551m) 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 LA agreed to introduce the DfE's new national funding formula (NFF) at school level from April 2018. For 2025/26 the LA is again proposing to follow the NFF for schools.

146. The funding factors used in the 2025/26 NFF remain the same, however the factor values will increase by the following amounts:

- 0.6% to the basic entitlement, free school meals at any time in the last 6 years (FSM6), income deprivation affecting children index (IDACI), lower prior attainment (LPA), English as an additional language (EAL), sparsity and the lump sum
- 1.0% to pupils currently accessing free school meals (FSM),
- 0% on the premises factors, except for the PFI factor which has increased by RPIX

147. On top of these uplifts, the DfE have increased the basic entitlement, the FSM6 and the lump sum factors to reflect the rolling

in of the teachers' pay additional grant (TPAG), teachers' pension employer contribution grant (TPECG) and core schools budget grant (CSBG) into the NFF, with more details set out in the paragraphs below.

148. The minimum per pupil levels in 2025/26 will be set at £4,995 per pupil for primary schools and £6,465 per pupil for secondary schools. These amounts include additional funding for the rolling in of TPAG, TPECG and CSBG plus a further 0.6% increase.

149. The 2025/26 NFF funding floor has been set at 0.0%. This means that every school will, as a minimum, have their pupil-led funding per pupil protected at their 2024/25 baseline per pupil funding level. Funding floor baselines have also been increased to take account of the rolling in of TPAG, TPECG and CSBG.

150. At a national level, school funding through the NFF is increasing by 1.6% per pupil. However, the average increase for York schools is estimated at 0.7% per pupil as a higher proportion of York schools are already receiving protection through the funding floor and the minimum per pupil amounts, which only increase by 0.0% and 0.5% respectively in 2025/26. Local authorities will continue to determine the final allocations for all local mainstream schools in 2025/26.

151. In addition the DfE have said that further funding in respect of the increase in employer National Insurance contributions will be provided by a new separate grant outside of the NFF.

152. The remaining £0.138m of the Schools Block DSG is allocated to the 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.

153. The amount of growth funding allocated to the LA by the DfE continues to fall, down from £0.383m in 2024/25 (£0.800 in 2018/19). 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 five years the fund has been oversubscribed and this is likely to continue in 2025/26. Therefore, for all allocations made since the 2020/21 academic year onwards, the LA has implemented a cash limit on this 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 will be reduced pro-rata.

Early Years Block

154. Earlier last year the DfE announced a significant phased expansion of the entitlement to funded childcare which accounts for the majority of the increase. By September 2025 working parents of all 9 month to 4 year olds will be entitled to access 30 hours per week of government funded childcare. In addition, increased support for Maintained Nursery Schools (MNS) has been announced through the MNS supplementary factor.

155. The hourly rates received by York for 2024/25, plus the new 2025/26 hourly rates are set out in the table below:

	2024/25 £/hr	2025/26 £/hr	Increase £/hr	%
3 & 4 Year Olds Universal & Working Parents	5.47	5.71	**0.24**	**4.4%**
2 Year Old Disadvantaged & Working Parents	7.59	7.91	**0.32**	**4.2%**
9 Month to 2 Years Old Working Parents	10.30	10.72	**0.42**	**4.1%**
MNS Supplement	4.64	5.27	**0.63**	**13.6%**

Table 17 – Early Years National Funding Formula Rates

156. Under the early years entitlements funding system, the DfE distributes funding to LAs who in turn distribute this funding to their providers using their own local funding formulae. In setting their local formulae, LAs must adhere to regulations and should comply with guidance set by the DfE stipulating how funding for the entitlements should be spent.

157. Following agreement with the Schools Forum it is proposed to continue the arrangements introduced in 2024/25 following detailed consultation with providers. This would mean that for 2025/26 each of the formulae (under 2s, 2 year olds and 3/4 year olds) would utilise the respective hourly rates provided by the DfE in the following way:

- 93.50% allocated to the base rate
- 1.25% allocated to the deprivation rate
- 1.25% allocated to the SEND Inclusion Fund
- 4.00% allocated to fund LA Early Years services (centrally retained fund)

158. The eligibility criteria and proportion of funding for deprivation will continue to be based on the child's home address postcode and the Income Deprivation Affecting Children Index (IDACI). With postcodes in top 30% most deprived areas attracting deprivation funding.

159. Subject to the outcome of a consultation with providers and the views of the Schools Forum on 23 January, the following early years funding rates for all York providers are proposed for 2025/26:

	Base Rate £/hour	**Deprivation Rate £/hour**	**Nursery School Lump Sum £**
3 & 4 Year Olds Universal & Working Parents	5.34	0.56	166,026
2 Year Old Disadvantaged & Working Parents	7.40	0.77	NA
9 Month to 2 Years Old Working Parents	10.02	1.05	NA

Table 18 – York's Proposed EYSFF Funding Rates for 2025/26

High Needs Block

160. The high needs block DSG increases by £1.870m (6.6%) in 2025/26. This is a lower increase than in recent years where high needs allocations have increased between 5% and 8% per year. As has been previously reported, the high needs budget is already under significant pressure due to rising demand from increased numbers of SEND pupils. For 2024/25 net in year expenditure within the high needs block is projected to be £1.350m higher than the core DSG funding allocated by government.

161. However, as part of the safety valve agreement that the LA has made with the DfE, additional grant of £1.460m is due to be received by the end of the financial year. The effect of this additional grant produces a net in year high needs block surplus of £0.110m and reduces the projected high needs deficit carry forward to 2025/26 to £0.181m.

162. It should be noted that the original safety valve agreement with the DfE planned for a balanced high needs budget by the end of 2025/26. However, given the funding settlement for 2025/26, it is not now expected that a balanced position will be achieved until 2029/30.

163. The original plan included a commitment from the DfE to allocate additional funding to York of £17.1m over the period 2021/22 to 2025/26, subject to certain conditions. To date £15.6m of this funding has been received by the LA, with a further £1.5m due in 2025/26.

Central School Services Block

164. 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 LAs and their Schools Forums (historic commitments), there is a significant net reduction of £0.230m (11.3%) in 2025/26. This follows similar reductions in the previous two financial years. This net reduction is made up of a 2.7% reduction in the allocation for the on-going responsibilities that the LA continues to have for all schools, and a 20% reduction in the allocation for historic commitments.

165. For 2025/26 this means allocations of £0.994m for LA on-going responsibilities and £0.807m for historic commitments. As historic commitments currently total £1.009m in 2024/25 the LA will need to identify budget reductions totalling £0.202m for 2025/26.

166. Outturn expenditure in 2023/24 for termination of employment costs and prudential borrowing totalled £0.683m and it is expected that the DfE will continue to protect the LA's historic commitments allocation at at least this level. As the LA removed all of its other remaining historic commitment budgets in 2024/25, the 2025/26 expected required reduction (£0.202m) will need to be taken from the School Improvement Commissioning budget. That means a

reduction in the budget from £0.326m in 2024/25 to £0.124m in 2025/26.

Equalities

167. 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.

168. In addition, this Council has committed to ensure that Care Leavers are treated as if they also have a protected characteristic.

169. 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.

170. 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.

171. It is accepted that the EIA accompanying the budget report (at Annex 4) 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.

172. 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.

173. 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.

174. 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

Specialist Implications

175. This report has the following implications.

Financial

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

Human Resources (HR)

177. The savings proposals contained within the overall budget may require the reduction of some posts in 2025/26.

178. 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 2025/26 is likely to be a mixture of post reductions and working for redesigned services. Should there be sufficient reductions to posts and proposed redundancies, the necessary notification will be made to Redundancy Payments Service and a HR1 will be submitted.

179. 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.

180. Equality Impact Assessments will also be undertaken to assess the impact of each agreed budget proposal and emphasis on any interdependent impacts on the workforce and services will also be assessed.

181. 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

182. The council is required to set a council tax for 2024/25 before 11 March 2024. 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 2024, 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.

183. There is no statutory requirement to set a detailed budget in any particular form. They are produced as an important tool to assist the

Council in setting the council tax precept and managing its finances effectively with a view to balancing its budget.

184. 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.

185. 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 she considers that a decision taken by the Council would be unlawful and likely to cause a financial deficiency.

186. 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. Members should also be conscious that, whilst Council is responsible for setting the budget envelope for the relevant financial year, Executive is responsible for individual spending decisions within that budget envelope.

187. Members must also bear in mind the Council's 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 under the Equalities Act 2010. In making their decision, Members must have due regard to their public sector equality duty and the need to eliminate

discrimination, to advance equality of opportunity and to foster good relations between persons who share a protected characteristic and those who do not. Members must also take into consideration any crime and disorder implications of the decision. A failure to follow these principles could open the Council to judicial review.

188. There is legal authority for the proposition that if there is discretion left as to how budget envelope is spent, or if the envelope itself can be changed (virement etc) any relevant statutory duties (such as the PSED) can be discharged when spending decisions within the envelope are taken. The early consideration of potential equalities impact on service changes is however advised as set out in this report.

189. 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.

190. 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.

191. 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 and the 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.

192. 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.

193. 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.

194. 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.

195. 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 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.

196. **Procurement**, there are no direct implications arising from the report.

197. **Health and Wellbeing**, reductions in spend in some areas could impact on the health and wellbeing of both staff and residents. The impact of any reductions in spending will continue to be carefully monitored so that any implications can be monitored and mitigated where possible.

198. **Environment and Climate action,** there are no direct implications related to the recommendations, but aspects of the budget and spending decisions will need to consider the environment and climate implications as they progress through any future decisions.

199. **Affordability,** implications are contained through the main body of the report. Where decisions impact on residents on a low income these impacts will be recorded in the individual Equalities and Human Rights analysis for individual savings proposals.

200. **Equalities and Human Rights**, implications are set out in the Equalities section earlier in the report.

201. **Data Protection and Privacy**, there are no implications related to the recommendations.

202. **Communications**, the information set out in this report necessitates both internal and external communications. This will be on an ongoing basis throughout the year.

203. **Economy**, there are no direct implications related to the recommendations.

Statutory Advice from the s151 Officer

Introduction

204. 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

205. 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.

206. 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.

207. 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 2024/25 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

208. 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.

209. 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.

Risks

210. The report outlines the key risks to the 2025/26 budget, and these are considered further in the following paragraphs.

211. Continued increasing costs across all areas of spend remains an area of concern. Whilst inflation levels have started to settle, this only means that prices are not increasing as much – they remain at the previously high levels. Given the Councils significant capital programme, rising costs are to be expected and may result in some schemes being delayed or costing more than estimated and there are already some emerging issues and concerns over the rising costs of some major schemes

212. Therefore, the number of complex capital schemes currently being undertaken remains a key risk for the Council. Where there is a gap between the initial proposal and the start of works, there is an even greater risk that costs will increase from those originally estimated. 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.

213. 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 will result in additional business rates but will 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 but given the current economic outlook and higher than previously expected interest rates, this borrowing will be more expensive than previously expected.

214. The current pressures being experienced within both adults and children's services remain of concern and the ongoing action being taken 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.

215. The savings proposed rely on generating additional income, especially from car parking charges. The figures proposed are achievable and an allowance has been made for reduced activity. However, there is a risk that activity drops off more than assumed which would result in the savings not being achieved. In addition, any future proposals to reduce the provision of Council car parks would have a higher financial impact in light of the increased charges.

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. The Council is also about to embark on a significant programme of transformation which will require all parts of the Council to contribute towards working differently. Any change can be unsettling, and the process of change itself can bring financial risks. It will be vital to have a sound governance structure so that the investment being made in transformation delivers lasting change and ongoing budget savings.

218. Finally, there remains again the potential for significant changes to the system of local government finance in coming years. The Government published the provisional settlement on 18 December 2024. It is a one year settlement pending the 2025 Spending Review.

219. Changes in funding as a result of the Spending Review funding could be significant and make forecasting beyond 2025/26 virtually impossible. The government originally launched the Fair Funding Review in 2016 and the review has been postponed numerous times. 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.

<u>Reserves</u>

220. 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.

221. 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. Based on the range of factors and risks outlined in this report it is my view that the general reserve should be a figure of £7.4m.

222. 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.

223. The proposed 2025/26 budget does not use the general reserve to balance and therefore reserves remain sufficient to deal with any further risks.

Summary

224. The uncertainty over recent years, following the pandemic, cost of living crisis and inflationary pressures, along with increasing demand for our services, means financial planning needs to be robust.

225. Additional funding allocated in the provisional settlement is welcome but is insufficient to deal with the increased complexity and demand being seen within all council services, especially social care.

226. Identifying and subsequently delivering recurring budget savings remains the key to balancing the financial strategy. The medium term outlook demonstrates the need to future savings to be

delivered and members are reminded that the settlement for 2025/26 is again a one year settlement pending the Spending Review. No formal confirmation or other guarantees have been received on funding allocations beyond 2025/26.

227. 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. 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.

228. Considering all the factors and risks outlined in this report, I continue to advise against the use of one off reserves, or any other one off funding, to delay the need to identify and deliver recurring savings without a clear strategy for how we will tackle the known financial challenges. Whilst Council is only required, statutorily, to balance the budget for the year ahead, not acting now could result in unmanageable savings requirements in future years and I would caution Council against this.

229. 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. With the savings identified in this report, I am satisfied that this report represents a robust budget on which the council can rely in setting council tax.

230. I am aware that as with all budgets there is the potential for amendments to be proposed/agreed which could change the overall package of proposals. In that respect, I would highlight that I would amend/add to my statement if a decision was proposed that lead to the council’s reserves falling below the minimum level (assuming the current budget comes in line with budget). In addition, any other amendments I would consider against the scale of the overall budget and depending upon the extent of the amendment I may revise my statement.

Risk Management

231. An assessment of risks is completed as part of the annual budget setting exercise and further details are included in annex 6 of this report. These risks are managed effectively through regular reporting and corrective action being taken where necessary and appropriate.

232. As the Council's Section 151 Officer, the Director of Finance 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.

Wards Impacted

233. All

Contact details

For further information please contact the authors of this Decision Report.

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Service Area:	Finance
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Date:	10/01/2025

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Background Papers:

Consultation information on open data platform

https://data.yorkopendata.org/dataset/budget-consultation

Annexes:

1 – 2025/26 Budget Summary

2 – 2025/26 Savings Proposals

3 – 2025/26 Fees & Charges

4 – Impact Assessment

5 – HRA 2025/26 Budget

6 – Risk Analysis

7 – Flexible Use of Capital Receipts Policy

8 – Consultation report

9 – Discretionary Rate Relief Policy

10 – Hardship Policy

Abbreviations used in this report:

ASC – Adult Social Care

CIPFA – Chartered Institute of Public Finance & Accountancy

CPI – Consumer Price Index

CSBG – Core Schools Budget Grant

CYC – City of York Council

DSG – Dedicated Schools Grant

DSED -

EAL – English as an Additional Language

EIA – Equalities Impact Assessment

ESG – Education Services Grant

EYSFF – Early Years Single Funding Formula

FSM – Free School Meals

HRA - Housing Revenue Account

ICT – Information & Communications Technology

IDACI - Income Deprivation Affecting Children Index

LA – Local Authority

LGA – Local Government Association

LCR – Leeds City Region

LMS – Local Management of Schools

LPA – Lower Prior Attainment

NFF – National Funding Formula

NI – National Insurance

NHB – New Homes Bonus

NNDR – National Non Domestic Rates

MNS – Maintained Nursery Schools

PSED – Public Sector Equality Duty

PVI - Private, Voluntary and Independent

RSG – Revenue Support Grant

RPI – Retail Price Index

SEND – Special Educational Needs & Disabilities

SFA – Settlement Funding Assessment

TPECG – Teachers Pension Employer Contribution Grant

TPAG - Teachers' Pay Additional Grant

TUPE – Transfer of Undertakings (Protection of Employment)

YFAS – York Financial Assistance Scheme

Annex 1 Summary of 2025/26 Budget

	2025/26 £000's
Expenditure	
Net Expenditure Brought Forward	**149,268**
Expenditure Pressures	
Unavoidable Cost Pressures:	
- Revenue cost of borrowing	1,800
- Adults Services: Prices and Demographic	8,032
- Childrens Services: Prices and Demographic	2,765
- Other: Pay and Prices	8,964
Discretionary Growth	450
Total Expenditure Pressures	**22,011**
Savings	
- Full year effect of 2024/25 savings	(1,699)
- Income from Increased Fees & Charges	(2,810)
- Efficiencies from Transformation Programme	(1,800)
- Other Savings	(135)
Total Expenditure Reductions	**(6,444)**
Changes in Income	
- Net increases in social care grants	(3,591)
- Net increase in specific grants	(4,323)
Total Changes in Income	**(7,914)**
Revised Projected Budget Requirement	**156,921**
Funding	
Funding Streams:	
- Council Tax	(120,180)
- Council Tax -Second homes premium	(500)
- Business rates	(36,241)
Total Funding	**(156,921)**
Overall Funding Gap	**0**

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Annex 2 2025/26 Savings Proposals

Ref	Proposal Description	2025/26 Impact £000	2026/27 Impact £000	Total Saving Impact £000
Corporate				
CORP01	**Prior Year Savings** This is the full year effect of the 24/26 savings previously agreed	1,699		1,699
CORP02	**Transformation** A number of projects through the Working as One City programme will be targeted to achieve savings. Projects will include:			
	i) Improved contract management and securing joint funding	500		500
	ii) Increased external funding generated	200		200
	iii) Business Process Re-engineering and Senior Management target to reduce staffing across the Council through efficiency and staff turnover	600		600
	iv) A target to more effectively manage the demand for adult social care through prevention, including reviews.	500		500
Fees & Charges				
CORP03	**Fees & Charges** Increases across all fees and charges, as detailed in annex 3	502		502
TEP01	**Additional Garden Waste Income** Increase of income budget in line with uptake of garden waste service	560		560
TEP02	**Increase in Garden Waste Fee** Inflationary increase in fee	110		110
TEP03	**Increases in Parking Fees** There are various proposals around increasing parking charges a) New minimum hourly rate £736k b) Friday,Saturday & Event premium £546k c) Respark Increases £166k d) Season Ticket Increase £40k e) Previously agreed savings £-250k	1,238		1,238
TEP04	**Increases in Planning Fees** Central government are increasing statutory household planning application fees by 100% from 1st April 2025	200		200
TEP05	**Recycling Income** Income from Allerton Waste Recovery Plant is above budget and a recurring increase in the income budget can be achieved	200		200
Transport, Environment & Planning				
TEP06	**Hostile Vehcile Magagement Staffing** Security staff operations can be rationalised at 2 sites where HVM bollards have been installed	70		70
TEP07	**Community Safety** Review of service to move enforcement elements of the service into Public Protection and reduce management capacity across the service	65		65
	TOTAL SAVINGS	**6,444**	**0**	**6,444**

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Annex 3a

YORK LEARNING Adult and Community Learning (VAT EXEMPT)	PH (per hour) or PC (Per course)	2024/25 Charge (Inc VAT if applicable)	2025/26 Proposed Charge (Inc VAT if applicable)	Increase
		£	£	£
DELIVERY OF FUNDED PROVISION - ESFA / WYCA / UKSPF*				
Delivery Accredited Learning - if co funded	PH	144.00	144.00	0.00
Delivery non accredited wider community learning (arts, languages, health)	PH	81.00	82.00	1.00
Delivery to learners outside of area - Double the total costs of the course they have interest in	PC	varies	varies	
Delivery to learners who are not UK residents for **ESOL**				
Per course non accreded Pre Entry/ Entry One	PC	252.00	252.00	0.00
Entry 2/ Entry 3/ Level 1/ Level 2 (accredited)	PC	1,290.00	1290.00	0.00
Delivery of accredited maths/English courses to External employers registered as apprenticeship providers	PC	500.00	500.00	0.00
Wider Community Learning - resource costs = dependent on course		5.00-25.00		
Discretion to those on low incomes towards co-funded provision - under 6 weeks	PC	35.00	40.00	5.00
Discretion to those on low incomes towards co-funded provision - over 6 weeks	PC	35.00	50.00	15.00
Delivery includes all costs i.e. Teaching - Per Hour and includes venue, exam costs, support etc.				
PRIVATE CANDIDATES - NOT FUNDED				
Full Costs - non accredited wider community learning only	PH	80.00	82.00	2.00
#GCSE - maths , taught and exams	PC	1,495.00	1,495.00	0.00
#GCSE - English , taught and exams	PC	1,590.00	1,590.00	0.00
#GCSE - Exam only maths		245.00	245.00	0.00
#GCSE - exam only English		350.00	350.00	0.00
additional support costs for private candidates **starts at**		50.00	55.00	5.00
Retake if grade => grade 4 same prices as exam only above for maths or English				
GCSE maths self study access to our learning portal and resources and tutor contact	PC	495.00	495.00	0.00
Outside of area learners to attend non accreited or accredited provision Digital	PH	20.00	23.00	3.00
Childcare provision provided privately (not funded delivery) per a childcare worker	PH	22.00	25.00	3.00
INDIVIDUAL COSTS				
Senior Management time	PH	39.00	40.95	1.95
Curriculum, Operations or MiS management time Grade 9s	PH	25.00	26.25	1.25
Lead Tutor - Grade 8s	PH	21.50	23.25	1.75
Tutor time only - Grade 7s	PH	19.00	20.00	1.00
Admin/Data time - Grade 4/5s	PH	16.00	17.00	1.00
Workbook Loan deposit per a course / per a learner - Digital and AAT		10.00	10.00	0.00
L2 digital course paid for learning and exams ICDL - not funded	PC	285.00	299.00	14.00
L2 digital course paid for learning only ICDL - not funded	PC	220.00	230.00	10.00
AAT registration fee: L2 Bookkeeping (if not funded)	PC	140.00	140.00	0.00
AAT registration fee: L1 Bookkeeping (if not funded)	PC	42.00	42.00	0.00
AAT registration fee: L1 Business (if not funded)	PC	42.00	42.00	0.00
AAT registration and teaching cost L1 SAGE - not funded	PC	445.00	445.00	0.00
Counselling (CPCAB) CPCAB registration fees per a person		120.00	125.00	5.00
FULL COSTS Level 3 Counselling (CPCAB) no longer funded fees per a person	PC	936.00	1077.00	141.00
HNS Management fee - per a learner		1550.00	1627.00	77.00
IQA of subcontracting provision	PH	21.50	23.25	1.75
*Courses are often free to those eligible, prices only apply to those who are not eligible. Eligibility is set by ESFA # costs recently calculated and therefore no rise until 2025/26 academic year				

Annex 3b

FOSTER CARE ALLOWANCES
From 1st April 2025

Weekly Child Allowance

Age	National Weekly Allowance 2024/25 £	Delegated Authority 2024/25 £	Total Weekly Allowance 2024/25 £	2025/26
0-4	£170.03		**£170.03**	The rates for 2025/26 allowances are subject of a report being considered by Executive at its meeting on 11th February 2025.
5-10	£187.04	£14.42	**£201.46**	
11-15	£213.01	£16.35	**£229.36**	
16-17	£249.06	£17.31	**£266.37**	

National weekly allowances are set by government are are updated every April, CYC always uses these rates.

Foster Carer Fees and Capacity Payments

	Current				**2025/26**		
Grade	**Fee**	**Capacity - Total payments**					
		2	**3+**				
	£	**£**	**£**				
Level 1	65.08	32.54	65.08	The rates for 2025/26 allowances are subject of a report being considered by Executive at its meeting on 11th February 2025.			
		50%	100%				
Level 2	173.55	43.39	86.78				
		25%	50%				
Level 3	496.61	99.32	198.64				
		20%	40%				

Annex 3c

ADDITIONAL FOSTER CARERS ALLOWANCES PAYABLE FROM 1st APRIL 2025

Annex 3c

The setting of Foster Care Allowances for 2025/26 are subject to report scheduled to be considered by Executive on 11th February 2025

Annex 3d

Adoption, SGO & CAO
Allowances
PAYABLE FROM 1st APRIL 2025

Age	Weekly Allowance 2024/25 £	Weekly Allowance 2025/26 £	Percentage Increase %
0-4	£170.03	£170.03	0.0%
5-10	£187.04	£187.04	0.0%
11-15	£213.01	£213.01	0.0%
16-17	£249.06	£249.06	0.0%

National weekly allowances are set by government are are updated every April, CYC always uses these rates.
Note: An amount equivalent to the Child Benefit entitlement will be deducted from this allowance.

Annex 3e

SHORT BREAKS ALLOWANCES

PAYABLE FROM 1st APRIL 2025

Time Band	Standard Sharing Care Updated Weekly Allowance 2023/24 £	Standard Sharing Care Updated Weekly Allowance 2025/26 £	Allowance paid to carer of child with additional health needs (i.e.std allow. + 70% enhancement) Proposed Weekly Allowance 2025/26 £	Allowance paid to carer of child with more complex care needs (i.e.std allow. + 60% enhancement) Proposed Weekly Allowance 2025/26 £
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 2024/25 £	Weekly Allowance 2025/26 £
Contract Carers	368.28	368.28

These fees may vary following a review by the service during the year

ENVIRONMENTAL HEALTH	2024/25	2025/26	
	Charge (Before VAT)	Charge (Before VAT)	Increase (Before VAT)
	£	£	£
HEALTH & SAFETY			
SKIN PIERCERS			
High/Medium risk activities (cosmetic piercing & tattooing)	233.00	249.00	16.00
Low risk activities (Acupuncture/ Semi-permanent skin colouring/Ear piercing/Electrolysis/ Micro-blading)	149.00	161.00	12.00
Adding a high/medium risk activity to registration	233.00	249.00	16.00
Adding a low risk activity to registration	149.00	161.00	12.00
Change of name on registration	44.00	46.00	2.00
FOOD & SAFETY UNIT			
Export Certificate - Paper Certificate	84.00	89.00	5.00
Export Certificate - Electronic Certificate	59.50	62.50	3.00
ANIMAL HEALTH			
Animal Boarding / Dog Breeding / Pet Shop:			
- grant (yearly)	367.00	417.00	50.00
- renewal (2 year licence)	588.00	676.00	88.00
- renewal (3 year licence)	636.00	733.00	97.00
- request for re-inspection for re-rating purposes	119.00	154.00	35.00
Additional Activity (1 year)	173.00	201.00	28.00
Additional Activity (2 years)	282.00	318.00	36.00
Additional Activity (3 years)	282.00	318.00	36.00
Home Boarding / Day Creche:			
- grant (yearly)	248.00	283.00	35.00
- renewal (2 year licence)	392.00	441.00	49.00
- renewal (3 year licence)	440.00	499.00	59.00
- request for re-inspection for re-rating purposes	84.00	154.00	70.00
Additional Activity (1 year)	58.00	100.00	42.00
Additional Activity (2 years)	118.00	167.00	49.00
Additional Activity (3 years)	118.00	167.00	49.00
Home Boarding Franchises:			
- grant (yearly)	132.00	148.00	16.00
- renewal (2 year licence)	180.00	205.00	25.00
- renewal (3 year licence)	229.00	262.00	33.00
Riding Establishments ~ 1-10 horses (excluding vet fees):			
- grant (yearly) - with inspection	371.00	398.00	27.00
- grant (yearly) - without inspection	210.00	264.00	54.00
- renewal (2 year licence) - with inspection	595.00	657.00	62.00
- renewal (2 year licence) - without inspection	435.00	523.00	88.00
- renewal (3 year licence) - with inspection	649.00	714.00	65.00
- renewal (3 year licence) - without inspection	488.00	580.00	92.00
- request for re-inspection for re-rating purposes	119.00	160.00	41.00
Riding Establishments ~ 11-20 horses (excluding vet fees):			
- grant (yearly) - with inspection	427.00	451.00	24.00
- grant (yearly) - without inspection	226.00	283.00	57.00
- renewal (2 year licence) - with inspection	685.00	709.00	24.00
- renewal (2 year licence) - without inspection	479.00	542.00	63.00
- renewal (3 year licence) - with inspection	730.00	767.00	37.00
- renewal (3 year licence) - without inspection	524.00	599.00	75.00
- request for re-inspection for re-rating purposes	151.00	179.00	28.00

Annex 3f

ENVIRONMENTAL HEALTH	2024/25	2025/26	
	Charge (Before VAT)	Charge (Before VAT)	Increase (Before VAT)
Riding Establishments ~ 21+ horses (excluding vet fees):			
- grant (yearly) - with inspection	502.00	484.00	-18.00
- grant (yearly) - without inspection	245.00	283.00	38.00
- renewal (2 year licence) - with inspection	799.00	810.00	11.00
- renewal (2 year licence) - without inspection	539.00	609.00	70.00
- renewal (3 year licence) - with inspection	852.00	868.00	16.00
- renewal (3 year licence) - without inspection	595.00	666.00	71.00
- request for re-inspection for re-rating purposes	186.00	216.00	30.00
Performing /Exhibition of Animals:			
- Grant and renewal (3 yr licence)	367.00	434.00	67.00
- Request for re-inspection for re-rating purposes	84.00	126.00	42.00
Dangerous Wild Animals - valid for 2 years (excluding vet fees)	309.00	380.00	71.00
Zoos Licence Grant (4 year licence)	358.00	465.00	107.00
Zoos Licence Renewal (6 year licence)	474.00	617.00	143.00

Annex 3g

PUBLIC PROTECTION (Excluding Licensing)	2024/25	2025/26	
	Charge (Before VAT)	Charge (Before VAT)	Increase (Before VAT)
	£	£	£
FEES FOR THE TESTING AND VERIFICATION OF WEIGHING AND MEASURING INSTRUMENTS			
Standard Hourly Charge	84.00	88.00	4.00
Consultancy and Court Cases (per hour)			
Officer (Grade 8)	71.00	75.00	4.00
Officer (Grade 9)	77.00	81.00	4.00
Officer (Grade 10)	84.00	88.00	4.00
Officer (Grade 11)	92.00	97.00	5.00
Officer (Grade 12)	101.00	106.00	5.00
Officer (Grade 13)	112.00	118.00	6.00

Annex 3h

REGULATORY SERVICES (Licensing)	2024/25	2025/26	
	Charge (Excl. VAT)	Charge (Excl. VAT)	Increase (Excl. VAT)
	£	£	£
GAMBLING ACT			
a) Bingo			
Grant	2,800.00	2,800.00	0.00
Variation	1,400.00	1,400.00	0.00
Transfer	960.00	960.00	0.00
Reinstatement & Conversion of Provisional Statement	960.00	960.00	0.00
Provisional Statement	2,800.00	2,800.00	0.00
Annual Charge	840.00	840.00	0.00
b) Family Entertainment Centre			
Grant	1,600.00	1,600.00	0.00
Variation	800.00	800.00	0.00
Transfer	760.00	760.00	0.00
Reinstatement & Conversion of Provisional Statement	760.00	760.00	0.00
Provisional Statement	1,600.00	1,600.00	0.00
Annual Charge	635.00	635.00	0.00
c) Adult Gaming Centre			
Grant	1,600.00	1,600.00	0.00
Variation	800.00	800.00	0.00
Transfer	960.00	960.00	0.00
Reinstatement & Conversion of Provisional Statement	960.00	960.00	0.00
Provisional Statement	1,600.00	1,600.00	0.00
Annual Charge	840.00	840.00	0.00
d) Betting (Track)			
Grant	2,000.00	2,000.00	0.00
Variation	1,000.00	1,000.00	0.00
Transfer	760.00	760.00	0.00
Reinstatement & Conversion of Provisional Statement	760.00	760.00	0.00
Provisional Statement	2,000.00	2,000.00	0.00
Annual Charge	840.00	840.00	0.00
e) Betting Premises (Bookmakers)			
Grant	2,400.00	2,400.00	0.00
Variation	1,200.00	1,200.00	0.00
Transfer	960.00	960.00	0.00
Reinstatement & Conversion of Provisional Statement	960.00	960.00	0.00
Provisional Statement	2,400.00	2,400.00	0.00
Annual Charge	515.00	515.00	0.00
STREET TRADING CONSENTS			
INSIDE CITY WALLS			
Ice Cream - various locations	Fees assessed by individual location, to rise by 5 %		
Food - various locations			
Non Food - various locations			
Artists	2,400.00	2,520.00	120.00
Buskers 1 day	22.00	23.00	1.00
Buskers 5 days	64.50	67.50	3.00
Buskers 10 days	108.00	113.00	5.00
Buskers 1 month	210.00	220.00	10.00
OUTSIDE CITY WALLS			
Ice Cream	1,875.00	1,970.00	95.00
Food	1,750.00	1,830.00	80.00
Non Food	850.00	890.00	40.00
OCCASIONAL			
Food	62.00	65.00	3.00
Non Food	45.00	47.00	2.00
Charities	15.00	15.50	0.50

Annex 3h

REGULATORY SERVICES (Licensing)	2024/25	2025/26	
	Charge (Excl. VAT)	Charge (Excl. VAT)	Increase (Excl. VAT)
	£	£	£
CAR BOOT SALES (commercial)			
Less than 15 traders	80.00	83.50	3.50
15 - 50 traders	157.00	164.00	7.00
50 - 100 traders	315.00	325.00	10.00
More than 100 traders	440.00	460.00	20.00
*if the operator is paying rent for using private land the fees are reduced by half			
Charities	15.00	15.50	0.50
SEX ESTABLISHMENTS *			
Grant sex shop/cinema - application fee	1,022.00	1,163.00	141.00
Grant sex shop/cinema licence fee - grant	525.00	622.00	97.00
Grant sexual entertainment venue - application fee	1,453.00	1,609.00	156.00
Grant sex entertainment venue licence fee - grant	659.00	756.00	97.00
Renewal sex shop/cinema *	767.00	926.00	159.00
Renewal sexual entertainment venue *	1,127.00	1,297.00	170.00
Trans/Vary sex shop/cinema	1,022.00	1,163.00	141.00
Trans/Vary sexual entertainment venue	1,453.00	1,609.00	156.00
Scrap Metal Dealers - renewable 3 yearly			
Grant / renewal site licence	509.00	542.00	33.00
Grant / renewal site licence (2 sites)	707.00	756.00	49.00
Grant / renewal site licence (3 sites)	842.00	896.00	54.00
Grant / renewal collectors licence	375.00	433.00	58.00
Variation	173.00	181.00	8.00
Variation change of name / address	103.00	105.00	2.00
Miscellaneous			
Hypnotism Licence	81.00	88.00	7.00
Film Classification	118.00	125.00	7.00
Replacement Charitable Collection Permit	13.50	15.00	1.50
Consultancy and Court Cases (per hour) - Licensing			
Officer (Grade 5)	53.71	56.18	2.47
Officer (Grade 6)	57.03	59.64	2.61
Officer (Grade 7)	60.07	62.81	2.74
Officer (Grade 8)	64.15	67.07	2.92
Officer (Grade 9)	70.04	73.21	3.17
Officer (Grade 10)	76.97	80.44	3.47
Officer (Grade 11)	85.90	89.74	3.84

Annex 3i

TAXI LICENSING	2024/25	2025/26	
	Charge	Charge	Increase
	£	£	£
PRIVATE HIRE LICENCE FEES			
Driver's licence - new application (3 Year Licence) application fee	188.00	190.00	2.00
Driver's licence - new application (3 Year Licence) grant fee	188.00	190.00	2.00
Driver's licence - renewal (3 Year Licence)	267.00	273.00	6.00
Vehicle licence - new application	273.00	276.00	3.00
Vehicle licence - renewal	205.00	207.00	2.00
Vehicle licence - new plate renewal (change every 3 years)			
Vehicle inspection (including admin fee)	85.00	85.00	0.00
Vehicle re-test (including admin fee)	42.50	42.50	0.00
Change of vehicle fee	59.00	65.00	6.00
Drivers badge - replacement charge	19.50	19.95	0.45
Internal vehicle plate - replacement charge	10.50	11.00	0.50
Vehicle plates - cost to new apps (includes internal plate)	49.00	50.00	1.00
Vehicle plates - replacement charge (set of 2)	44.00	45.00	1.00
Operator's licence - 1 - 10 vehicles (5 Year Licence)	238.00	240.00	2.00
11 - 50 vehicles (5 year licence)	414.00	490.00	76.00
51 - 90 vehicles (5 year licence)	597.00	809.00	212.00
90+ vehicles (5 Year Licence)	695.00	1040.00	345.00
change of company name	29.50	30.00	0.50
Door stickers private hire replacement		14.00	n/a
Vehicle licence transfer fee	42.00	67.00	25.00
Plates and signage exemption	68.00	70.00	2.00
Duplicate licence fee	19.00	20.00	1.00
Change of name or address	19.00	20.00	1.00
Administration charge DBS check (not part of grant or renewal)	23.00	25.00	2.00
Administration charge for various activities including bounced cheques	35.00	37.00	2.00
HACKNEY CARRIAGE LICENCE FEES			
Driver's licence - new application (3 Year Licence) - application fee	188.00	190.00	2.00
Driver's licence - new application (3 Year Licence) - grant fee	188.00	190.00	2.00
Driver's licence - renewal (3 Year Licence)	267.00	275.00	8.00
Vehicle licence - new application	285.00	310.00	25.00
Vehicle licence - renewal	235.00	236.00	1.00
Vehicle inspection (including admin fee)	85.00	85.00	0.00
Vehicle re-test (including admin fee)	42.50	42.50	0.00
Change of vehicle fee	59.00	67.00	8.00
Driver's badge - replacement charge	19.50	19.95	0.45
Internal vehicle plate - replacement charge	10.50	11.00	0.50
Vehicle plate - replacement charge	37.00	41.00	4.00
Vehicle Crest	18.50	20.00	1.50
Vehicle licence transfer fee	42.00	65.00	23.00
Duplicate licence fee	19.00	20.00	1.00
Change of name or address	19.00	20.00	1.00
Administration charge DBS check (not part of grant or renewal)	23.00	25.00	2.00
Administration charge for various activities including bounced cheques	35.00	35.00	0.00

Annex 3j

Housing Services Fees & Charges 2025-26

HOUSING - HRA Lease agreement for existing tenants set at Sept CPI +1% (2.7%)		2024/25 Charge		2025/26 Charge	Proposed Increase
		£		£	£
Garages					
Normal	Council tenant	10.00		10.27	0.27
	Private **	16.00		18.00	2.00
High Demand	Council tenant	12.00		12.32	0.32
	Private (local connection) **	37.00		39.00	2.00
	Private (no local connection) **	47.00		50.00	3.00
Low Demand	All tenures	5.00		5.00	
Land Sales	Enquiries for purchase of plots of land owned by HRA **			600.00	
	Includes RICS land valuation fee Refundable on the completion of sale				
** Charges include VAT					

HOUSING - GENERAL FUND		2024/25 Charge		2025/26 Charge	Proposed Increase
		£		£	£
Houses in Multiple Occupation Fees & Charges					
New Licence Applications*					
	Band A	1,382		1,451	69.00
	Band B	1,613		1,694	81.00
	Band C	1,763		1,851	88.00
	Band D	1,982		2,081	99.00
Licence Renewals					
	Band A	1,006		1,451	445.00
	Band B	1,075		1,694	619.00
	Band C	1,115		1,851	736.00
	Band D	1,232		2,081	849.00
Other HMO Charges					
	Penalty fee**	275		289	14.00
	Letters of Advice	127		133	6.00
	Immigration Inspection	187		196	9.00
	Copy of Register	606		636	30.00
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	851		894	43.00
	Transfer of Licence (no variations)	291		306	15.00
	Variation to Licence	620		651	31.00
	Annual Inspection - 50 units or more	620		651	31.00
	Annual Inspection - 49 units or fewer	485		509	24.00
	Fit and Proper Person test mobile homes	462		485	23.00
Landlord Training Fees					
	1 x 3 hour Landlord Training course per person (Not related to HMO qualification)	116		122	6.00
	2 x 3 hour Landlord Training course per person (Not related to HMO qualification)	142		149	7.00
	New online training course (Not related to HMO qualification)	79		83	4.00

Annex 3j

HOUSING - GENERAL FUND		2024/25 Charge		2025/26 Charge	Proposed Increase
		£		£	£
Charging for Notices					
Housing Notices	Officer's Hourly rate				
Works in default	Officer's Hourly rate				
Hourly Rates	Grade 8	71.00		75.00	4.00
	Grade 9	77.00		81.00	4.00
	Grade 10	84.00		88.00	4.00
	Grade 11	92.00		97.00	5.00
	Grade 12	101.00		106.00	5.00
	Grade 13	112.00		118.00	6.00
Administration of Private Sector grants/loans					
	Home Safety Loan (Includes VAT)	200		200	0.00
	Home Appreciation Loan (as % of eligible works)	12%		12%	0.00
	Energy Repayment Loan (as % of eligible works)	12%		12%	0.00
	Empty Property Loans (as % of eligible works)	12%		12%	0.00
Yorkshire Handyperson Service					
	Hourly rate (includes VAT)	25.00		28.00	3.00

COMMUNITY SAFETY	2024/25 Charge		2025/26 Charge	Proposed Increase
	£		£	£
Fixed Penalty Notices				
Littering Fine	120.00		500.00	500.00
Littering Fine early payment	90.00		250.00	250.00
Fly-posting	110.00		500.00	500.00
Fly-posting early payment	80.00		250.00	250.00
Reclaim Fee (Statutory fee)	77.00		80.00	80.00
Kennels Fees - Statute only allows the local authority to recover the	13.00		14.00	14.00
Failure to comply with a Community Protection Notice	100.00		100.00	100.00
Failure to comply with a Community Protection Notice (early payment)	75.00		75.00	75.00
Breach of Public Space Protection Order	100.00		100.00	100.00
Breach of Public Space Protection Order (early payment)	75.00		75.00	75.00
Advertising 2 or more vehicles for sale on the highway	100.00		100.00	100.00
Advertising 2 or more vehicles for sale on the highway (early payment)	75.00		75.00	75.00
Repairing a motor vehicle on the highway for commercial gain	100.00		100.00	100.00
Repairing a motor vehicle on the highway for commercial gain (early	75.00		75.00	75.00
Failure to produce evidence of authority to transport commercial waste	300.00		300.00	300.00
Failure to produce evidence of authority to transport commercial waste	180.00		180.00	180.00
Dog Fouling (no early payment discount)	75.00		75.00	75.00
Small-scale fly-tipping (less than a small van load)	1,000.00		1,000.00	1000.00
Small-scale fly-tipping (less than a small van load) - early payment	500.00		500.00	500.00
Failure to provide an authorised officer with written waste information	400.00		400.00	400.00
Failure to provide an authorised officer with written waste information (early payment)	240.00		240.00	240.00
Failure to comply with the requirement to provide adequate waste receptacles (no early payment discount)	100.00		100.00	100.00
Inappropriate presentation of domestic waste	60.00		60.00	60.00
Failure to comply with domestic waste duty of care requirement	300.00		600.00	600.00
Failure to comply with domestic waste duty of care requirement (early payment)	190.00		300.00	300.00

* Early payment requires penalty notice to be paid within 10 days

TRANSPORT	2024/25 Charge (exc VAT) £	2025/26 Proposed Charge (exc VAT) £	Increase £
Bus Stop			
Installation & removal of temporary bus stop	115.00	121.00	6.00
Removal of permanent bus stop during work	215.00	226.00	11.00
Damage to bus stop or unauthorised removal	215.00	226.00	11.00
Road Safety*			
School Children cycle training: (cost per child)			
Pre Basic Cycle Training Level 1	40.00	40.00	0.00
Basic Cycle Training Level 2	120.00	120.00	0.00
Cycle Training Level 1 and 2 combined	120.00	120.00	0.00
Advanced Cycle Training Level 3	40.00	50.00	10.00
Adults (cost per person):			
1:1 adult training (first hour)	40.00	42.00	2.00
1:1 adult training (90 minutes)	55.00	58.00	3.00
Pedestrian Training:			
School training by class (2 x 1.5hr class)	110.00	110.00	0.00
*Road Safety training charges only levied if costs cannot be covered by grant funding			
Replacement charge for YOzone card & ENCTS cards	12.50	12.50	0.00
Monks Cross parking charge	6.00	6.00	0.00
Highways Section 278 and Section 38 - Design checking and site supervision fees (minimum fee £2,500)	10% of scheme costs	10% of scheme costs	n/a
Highways Section 278 and Section 38 - Design checking - Drawings submission validation fee (initial drawing check to ensure all required information is provided to required standards - non-refundable)	500.00	500.00	0.00
Dilapidation survey (charge per hour)	-	40.00	40.00
White Bar Markings			
Application and Initial Placement	160.00	168.00	8.00
Refreshment (to new and existing)	104.00	110.00	6.00
Scaffold & Hoarding licences			
Initial consent and 1 month permission	183.00	193.00	10.00
Each additional month or part thereof	93.00	98.00	5.00
Late notification fee (less than 5 working days)	56.00	59.00	3.00
Failure to comply with terms of licence	111.00	117.00	6.00
Retrospective Application /Additional fee for dealing with unlicensed scaffold / hoarding	365.00	384.00	19.00
Skip/ Container/ Building Materials licence for 14 days	68.00	72.00	4.00
Late notification fee (less than 3 working days)	50.00	53.00	3.00
Failure to comply with terms of licence (for example defective signing & guarding or placed in wrong location)	68.00	72.00	4.00
Additional fee for dealing with unlicensed skips/ scaffolding	248.00	261.00	13.00
Cherry picker licence - up to 1 day	98.00	103.00	5.00
Cherry picker licence - more than 1 day	185.00	195.00	10.00
Crane - up to 1 week	185.00	195.00	10.00
Crane - per additional week	185.00	195.00	10.00
Retrospective Application /Additional fee for dealing with unlicensed cherry picker/crane	372.00	391.00	19.00
Vehicle Crossing Fees (Assessment & Inspection Fee)	219.00	250.00	31.00
Refused Application Admin Charge	54.00	60.00	6.00
Shared crossings - Assessment & Inspection Fee (charged once)	219.00	250.00	31.00
Shared crossings - Admin charge for other dwelling(s) (charged per dwelling)	59.00	60.00	1.00
Installing a new access from the highway (outside S278 agreement) & vehicle crossing for non-residential properties	1,070.00	1,124.00	54.00
Change to Permanent Traffic Regulation Order - removal from Res Park zone	3,000.00	3,000.00	0.00

TRANSPORT	2024/25 Charge (exc VAT) £	2025/26 Proposed Charge (exc VAT) £	Increase £
Change to Permanent Traffic Regulation Order - other changes	6,000.00	6,000.00	0.00
Road Closures, dependant on scale (exc VAT and advertising costs)	1,800.00	1,800.00	0.00
Road Closures - validation fee (to ensure all required information is provided to required standards - non-refundable)	200.00	200.00	0.00
*Non-Commercial/ Charitable Events may be exempt or reduced, advertising costs will			
Temporary Waiting Restrictions (exc cost of work, coning & advertising)	246.00	259.00	13.00
Authority to contravene Moving Traffic Order (ACAMTO)	61.00	65.00	4.00
Annual Parking Waiver	111.00	117.00	6.00
Waiver to contravene a Parking Order			
1 day	32.00	34.00	2.00
2 - 7 days	72.00	76.00	4.00
8 - 14 days	144.00	152.00	8.00
Combined parking waiver and ACAMTO (per vehicle, day)	-	76.00	76.00
Brown Sign Applications			
1 sign	387.00	407.00	20.00
2 signs	645.00	678.00	33.00
Charge per sign for each additional sign over 2 signs	129.00	136.00	7.00
Additional charge for signs on the trunk road network	966.00	1,015.00	49.00
Any additional works costs per sign	per application	per application	
Noticeboard/structure (in highway)	321.00	338.00	17.00
Licence to plant	321.00	338.00	17.00
Section 180 licence (openings and cellars under highway)	321.00	338.00	17.00
Approval consent for Development signs (maximum 24 month period)			
4 signs or less	454.00	477.00	23.00
5 to 8 signs	530.00	557.00	27.00
9 signs or more	605.00	636.00	31.00
Retrospective Application /Additional fee for dealing with unlicensed Development signs (maximum 24 month period)			
4 signs or less	909.00	955.00	46.00
5 to 8 signs	1,060.00	1,113.00	53.00
9 signs or more	1,210.00	1,271.00	61.00
AA type signage for events (up to 10 signs for 1 month maximum) - Non-Commercial/ Charitable Events may be exempt or reduced		100.00	100.00
Pavement Cafe Licence - New (Under Levelling-up and Regeneration Act, once	500.00	500.00	0.00
Pavement Cafe Licence - Renewal (Under Levelling-up and Regeneration Act, once	350.00	350.00	0.00
Section 115E licence (except pavement cafés)* - annual	800.00	840.00	40.00
* For Section 115E licences granted for café type activity (not falling under specific Pavement Café related legislation, the fee charged will be the same as applied for pavement cafes)			
General Solicitor Highway and PRoW Enquiries			
Simple	111.00	117.00	6.00
Complex (including legal documents)	300.00	315.00	15.00
PRoW - Public Path Orders (diversions, creations and extinguishments - indicative charge as cost depends on complexity, excluding advertising costs)			
Application validation (New Charge) - Checking and recording of the application		100.00	100.00
Initial consultation - Preparation and administration of the initial consultation (In the event the applicant wishes to significantly change the proposal after initial consultation has been completed this fee must be paid again. A significant change includes changing the alignment of the way or changing its status)		825.00	825.00
Section 116, 118, 119 unopposed	3,575.00	3,754.00	179.00
Section 116, 118, 119 opposed	6,064.00	6,368.00	304.00
PRoW - Highways Act 1980 s31(6) declarations	259.00	272.00	13.00
PRoW dilapidation surveys - charge per hour	38.00	40.00	2.00

Annex 3k

TRANSPORT	2024/25 Charge (exc VAT) £	2025/26 Proposed Charge (exc VAT) £	Increase £
NRSWA (Some fees are set nationally*)			
Section 50 Licence Fee (Including Site Meeting - applicable for up to 200m)	450.00	473.00	23.00
- Additional S50 licence fee for larger site (per additional 200m)	180.00	189.00	9.00
- Inspection Fees (set nationally)	120.00	120.00	0.00
- Variation fee (i.e. change of dates for TM)	57.00	60.00	3.00
Section 171 Excavation of the Highway (incl Permit Application)	365.00	384.00	19.00
- Joint Site Meeting (Priority Routes)	81.00	86.00	5.00
- Variation fee (i.e. change of dates for TM)	57.00	60.00	3.00
To raise a permit for private street works and road works in public highway	60.00	63.00	3.00
Variation fee (i.e. change of dates for TM)	60.00	60.00	0.00
Traffic lights & lane closure additional permit fee	180.00	190.00	10.00
Inspection fees			
- Investigatory inspection / Third Party	120.00	120.00	0.00
- Sample inspection	50.00	50.00	0.00
Administration Fees (incl letters/searches/re-issuing of licences)	57.00	60.00	3.00
Working in the public highway without HA authorisation	500.00	500.00	0.00
Reduced Charge for Early Payment of FPN Working Without a Permit	300.00	300.00	0.00
Breach of a permit condition (FPN)	120.00	120.00	0.00
Reduced Charge for Early Payment of FPN Breach of Permit condition	80.00	80.00	0.00
Permit charges - as per CYC Permit Scheme https://democracy.york.gov.uk/documents/s145139/Annex%20B%20Fee%20Levels.pdf	Per permit		
Charges for Casualty Accident Data			
Statistic Only Requests - Up to 10 years Statistics			
Up to 16km stretch of road including junctions e.g. A1237	265.00	280.00	15.00
Up to 32km stretch of road including junctions e.g. A64	345.00	365.00	20.00
Whole of York	438.00	460.00	22.00
Standard Collision Requests			
Accident Request - up to 5 years			
Single Junction/roundabout and up to 200m radius surrounding it	110.00	116.00	6.00
Single Junction/roundabout and up to 600m radius surrounding it	150.00	158.00	8.00
Up to 600m stretch of carriageway	N/A	158.00	N/A
Up to 1km stretch of carriageway	N/A	200.00	N/A
Up to 16km stretch of road including junctions e.g. A1237	345.00	Price on application	N/A
Up to 32km stretch of road including junctions e.g. A64	437.00	Price on application	N/A
Whole of York	516.00	Price on application	N/A
Extra Plan by vehicle type or pedestrian	95.00	Price on application	N/A
Accident Request - up to 10 years			
Single Junction/roundabout and up to 200m radius surrounding it	171.00	180.00	9.00
Single Junction/roundabout and up to 600m radius surrounding it	265.00	280.00	15.00
Up to 600m stretch of carriageway	N/A	210.00	N/A
Up to 1km stretch of carriageway	N/A	260.00	N/A
Up to 16km stretch of road including junctions e.g. A1237	516.00	Price on application	N/A

TRANSPORT		2024/25 Charge (exc VAT) £	2025/26 Proposed Charge (exc VAT) £	Increase £
Up to 32km stretch of road including junctions e.g. A64		606.00	Price on application	N/A
Whole of York		683.00	Price on application	N/A
Extra Plan by vehicle type or pedestrian		171.00	Price on application	N/A
Traffic Survey Data				
Automatic traffic count data (ATC): per site for 1 year's data broken down by date, direction and hour		140.00	150.00	10.00
Each additional years' data for same site		N/A	75.00	N/A
Classified count data	Admin fee covers cost of commissioning survey	50% of the survey cost + £75 admin fee	100% of the survey cost + £75 admin fee	N/A

Annex 3I

WASTE SERVICES	2023/24	2024/25	
	Charge (inc VAT if applicable)	Proposed Charge (inc VAT if applicable)	Proposed Increase
	£	£	£
Charges for Replacement Bins/Containers			
180L	53.00	53.00	0.00
240L	59.50	59.50	0.00
360L	68.00	71.40	3.40
Recycling box	0.00	0.00	0.00
Garden Waste Subscription Service	46.50	49.00	2.50
Bulky Household Collections			
1 to 3 Bulky Items	30.00	31.50	1.50
4 to 10 Items	50.00	52.50	2.50
White Goods - Fridges/Freezers only (domestic collections)	18.00	23.00	5.00
Bonded Asbestos Collections for quantities up to 200 kg, including assessment visit (incs VAT)	129.50	136.00	6.50
Bonded Asbestos Collections greater than 200 kg, price quoted on application (excluding VAT)			n/a
Hazel Court - Household Waste Recycling Centre			
Material Charges:			
Bonded Asbestos per sheet (less than 1.8m by 0.6m)	9.00	9.50	0.50
Bonded Asbestos per sheet (more than 1.8m by 0.6m)	18.50	19.50	1.00
Bonded Asbestos per bag (able to be lifted by one person)	9.00	9.50	0.50
Gas bottles up to 10Kg	11.00	11.50	0.50
Gas bottles up to 20Kg	18.50	19.50	1.00
Gas bottles large (over 20kg) or specialised	50.00	52.50	2.50
Trade Waste Charges			
Waste to be charged per tonne or part thereof :-			
Residual Waste to Landfill per tonne	200.00	220.00	20.00
Minimum Charge	100.00	110.00	10.00
Recycling or Waste for Composting per tonne	100.00	105.00	5.00
Minimum Charge	55.00	57.50	2.50
Minimum percentage of waste be recycable to qualify for charge for recycling or waste for composting rate = 85%			
Commercial Waste			
Commercial Collection	Set by the Head of Environmental Services in consultation with the Deputy s151 Officer subject to service required/customer requirements		

Annex 3m

DEVELOPMENT MANAGEMENT

Section A - Advice as to whether permission / consent is required

Category	Current Fee (excl VAT) 2024/25 £	Proposed (excl VAT) 2025/26 £	Increase (excl VAT) 2025/26 £
Householder Enquiry (ie house extensions, garages/sheds, etc)	90.00	95.00	5.00
Other Commercial Development (to establish if "development" or whether "permitted development" or not	90.00	95.00	5.00

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 (excl VAT) 2024/25 £	Proposed (excl VAT) 2025/26 £	Increase (excl VAT) 2025/26 £
Householder (see note 4)	90.00	95.00	5.00
Advertisements (see note 4)	90.00	95.00	5.00
Commercial - where no new floorspace (see note 4)	133.00	140.00	7.00
Change of Use - with no building works (see note 4)	133.00	140.00	7.00
Telecommunications (see note 4)	183.00	192.50	9.50
Other (See note 3 & 4)	183.00	192.50	9.50
Small Scale Commercial Development			
(Incl shops offices, other commercial uses)			
* Upto 500m2	460.00	485.00	25.00
* 500-999m2	921.00	970.00	49.00
Small Scale Residential			
* less than 4 Dwellings - fee per dwelling	182.00	191.50	9.50
* 4-9 Dwellings	921.00	970.00	49.00

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
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 (excl VAT) 2024/25 £	Proposed (excl VAT) 2025/26 £	Increase (excl VAT) 2025/26 £
Major new residential			
Student accommodation developments (10 or more students)			
* 10-25 Dwellings	1,610.00	1,690.00	80.00
* 26-199 Dwellings - additional fee per dwelling	64.00	67.50	3.50
Small Scale Commercial Development			
(inc shops, offices, other commercial uses)			
* 1,000 m2 to 3,000m2	2,775.00	2,915.00	140.00

Note 1 - All fees above are subject to VAT
Note 2 - With site visit and meeting if Development Management Officer considered to be required

Annex 3m

DEVELOPMENT MANAGEMENT

Category - Very Large Scale Developments

Proposed Development Type	**Current Fee (excl VAT) 2024/25** £	**Proposed (excl VAT) 2025/26** £	**Increase (excl VAT) 2025/26** £
* 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 £64.00 per dwelling	Minimum fee of £67.50 per dwelling	3.50
* 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 £4,990	Fee to be negotiated with a minimum fee of £5,265.00	275.00

Note 1 - All fees above are subject to VAT
Note 2 - With multiple meetings including a lead officer together with Development
Note 3 - The fee for pre-application advise expected to be not less than 20% of anticipated

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 (excl VAT) 2024/25** £	**Proposed (excl VAT) 2025/26** £	**Increase (excl VAT) 2025/26** £
Section 106 Confirmation Letter (Simple) (ie does not require site visit or document retrieval)	35.00	36.67	1.67
Section 106 Confirmation Letter (Complex) (ie requires site visit and/or document retrieval)	117.00	125.00	8.00
Decision Notices for applications decided before January 2006	22.00	23.50	1.50
Copies of S106 Agreements	60.00	64.00	4.00

Note 1 - All fees above are subject to VAT

Category	**Current Fee (excl VAT) 2024/25** £	**Proposed (excl VAT) 2025/26** £	**Increase (excl VAT) 2025/26** £
Section 106 Monitoring Fees: Set by the Head of Planning and Development Services in consultation with the Chief Finance Officer subject to individual Section 106 agreement requirements			

Annex 3m

DEVELOPMENT MANAGEMENT

Section D - Building Control

Category	Current Fee (excl VAT) 2024/25 £	Proposed (excl VAT) 2025/26 £	Increase (excl VAT) 2025/26 £
Letter of confirmation } Completion Certificates } Approvals }	53.00	56.00	3.00
Note 1 - All fees above are subject to VAT			
Schedule of Building Control Charges - Plans/Inspection/Notices/Regularisation/Misc			
Set by the Head of Planning and Development Services in consultation with the Chief Finance Officer subject to client requirements.			

Section E - Land Charges

Category	Current Fee (excl VAT) 2024/25 £	Proposed (excl VAT) 2025/26 £	Increase (excl VAT) 2025/26 £
Basic search - over the counter	123.00	129.17	6.17
Basic search - electronic	123.00	129.17	6.17
Business search	239.00	251.67	12.67
Optional enquiries	68.00	71.67	3.67
Additional enquiries	38.00	40.00	2.00

Section F - Naming & Numbering

Category	Current Fee (excl VAT) 2024/25 £	Proposed (excl VAT) 2025/26 £	Increase (excl VAT) 2025/26 £
Renaming of property	62.50	66.00	3.50
Naming of new property	125.00	132.00	7.00
New developments up to 10 units	312.00	330.00	18.00
New developments over 10 units (per additional unit)	62.50	66.00	3.50
Confirmation of address	62.50	66.00	3.50

Annex 3m

DEVELOPMENT MANAGEMENT

Section G - Commons Registration

Category	Current Fee 2024/25 £	Proposed 2025/26 £	Increase 2025/26 £
Processing & Registration under section 15A(1) of the Commons Act 2006	462.00	485.00	23.00
Fee for each site notice for deposits under section 15A(1) of the Commons Act 2006	34.00	35.70	1.70
Deregistration of certain land registered as common land or as a town or village green - Schedule 2, paragraph 6-9, to the 2006 Act	1660.00	1743.00	83.00
Requesting a copy of a register	31.20	32.80	1.60
Processing & Registration of the Highway Statement & Highway Declaration under section 31(6) of the Highways Act 1980	410.00	430.00	20.00
(Other fees are available on request)			
Tree Preservation Orders	59.00	62.00	3.00

Section H - Biodiverstiy Net Gaim Monitoring Fees

New Fee - to recover costs

	Technical difficulty		
Size	Low	Moderate	high
Small (0-5ha)	£2,750	£3,300	£3,900
Medium (5-20ha)	£3,850	£4,450	£5,800
Large (20-40ha)	£6,750	£8,050	£10,450

PARKING SERVICES		2024/25 Standard Charge	2024/25 Discounted Rate*	2024/25 Premium Rate**	2025/26 Standard Charge		2025/26 Discounted Rate*		2025/26 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 *	109.95	54.98	164.95	115.00	5.05	95.80	40.82	173.00	8.05
	Quarterly charge *	33.00	16.50	47.00	35.00	2.00	29.20	12.70	49.00	2.00
	-Second	240.00	120.00	340.00	264.00	24.00	220.00	100.00	374.00	34.00
	Quarterly charge	70.00	35.00	92.50	77.00	7.00	64.20	29.20	102.00	9.50
	-Third	500.00	250.00	680.00	550.00	50.00	458.30	208.30	748.00	68.00
	Quarterly charge	135.00	67.50	177.50	148.50	13.50	123.80	56.30	195.00	17.50
Visitor	-Standard	1.40			1.45	0.05				
	-Concessionary	0.35			0.35	0.00				
Special Control Permit	-Standard *	135.00	62.50	180.00	142.00	7.00	118.30	55.80	189.00	9.00
	Quarterly charge *	38.00	19.00	52.50	40.00	2.00	33.30	14.30	55.00	2.50
Special Additional Permit	-Standard *	135.00	67.50	180.00	142.00	7.00	118.30	50.80	189.00	9.00
	Quarterly charge	38.00	19.00	52.50	40.00	2.00	33.30	14.30	55.00	2.50
Business Permit *		510.00	255.00		536.00	26.00	446.70	191.70		
Guest House Authorisation Card	-Standard *	510.00	255.00		536.00	26.00	446.70	191.70		
	Quarterly charge	132.50	66.25		139.00	6.50	115.80	49.55		
Multiple Occupancy Permit *	-Standard *	202.50	101.25		213.00	10.50	177.50	76.25		
	Quarterly charge *	55.00	27.50		58.00	3.00	48.30	20.80		
Landlord's Permit *	-Standard *	202.50	101.25	240.00	213.00	10.50	177.50	76.25	252.00	12.00
	Quarterly charge *	55.00	27.50		58.00	3.00	48.30	20.80		
Community Permit *		67.50	33.75	82.50	71.00	3.50	59.20	25.45	87.00	4.50
Day use Community Permit	- Standard	1.40			1.45	0.05				
	- Charities	0.35			0.35	0.00				
Authorisation Card without Permit		4.00			4.20	0.20				
Property Renovation Permit	- Quarterly *	160.00	80.00		168.00	8.00	140.00	60.00		
	- Daily *	4.00	2.00		4.00	0.00	3.30	1.30		
Commercial Permit *		760.00	380.00		798.00	38.00	665.00	285.00		
	- Quarterly	215.00	107.50		226.00	11.00	188.30	80.80		
Commercial Permit (Specific Zone) *		190.00	95.00		200.00	10.00	166.70	71.70		
	- Quarterly	50.00	25.00		53.00	3.00	44.20	19.20		
Commercial Permit (School) *		120.00	60.00		126.00	6.00	105.00	45.00		
Penalty Charge Notice (PCN) Full (Higher/ Lower)		70.00 / 50.00			70.00 / 50.00					
PCN Discounted (Higher/ Lower)		35.00 / 25.00			35.00 / 25.00					
PCN Enforced (Higher/ Lower)		105.00 / 75.00			105.00 / 75.00					
Vehicle Removal Charge		125.00			131.00	6.00				
Vehicle Storage Charge	Daily	15.00			16.00	1.00				
Vehicle Disposal Charge		30.00			32.00	2.00				
Admin Fee		55.00			58.00	3.00				
Regular User Discount Permit (2 Year)		30.00			45.00	15.00				

* 20% 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.

PARKING SERVICES - SCHEDULE OF SEASON TICKET CHARGES

		2024/25 Current Charge £	2025/26 Proposed Charge £	Increase £
Annual Season Ticket*	Standard Car Parks	1,600.00	1,800.00	200.00
	Discount vehicle rate	800.00	1,500.00	700.00
Monthly Season Tickets				
Standard Stay car parks	Standard rate	220.00	240.00	20.00
	Discount vehicle rate	110.00	200.00	90.00
Weekly Season Tickets				
Preferential phone rate only				
Standard Stay car parks	Standard rate	88.00	100.00	12.00
	Discount vehicle rate	44.00	80.00	36.00
Hotel Scratchards				
Standard Stay Car Parks	Per Book of 30	400.00	450.00	50.00
Contract Parking	**As per Season Ticket**			

Note
Standard Car Parks exclude use of Castle, Bootham Row, Coppergate 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

Proposed Parking Tariffs from April 2025

a) Off-Street Car Parks

	Central Car Parks*			
	Standard		Minster Badge	
	Sun-Fri	Fri/Sat & Event	Sun-Fri	Fri/Sat & Event
	£	£	£	£
Up to 1 Hour	4.85	5.30	3.70	4.10
1-2 Hours	9.70	10.60	7.50	8.20
2-3 Hours	11.20	13.50	8.60	10.40
3-4 Hours	14.90	17.50	11.50	13.50
4-5 Hours	18.60	21.50	14.30	16.50
Additional Hour	3.70	4.00	2.80	3.70
Evening	4.00	4.80	2.00	2.00

* Castle, Bootham Row, Castle, Esplanade

	Outer Car Parks*			
	Standard		Minster Badge	
	Sun-Fri	Fri/Sat & Event	Sun-Fri	Fri/Sat & Event
	£	£	£	£
Up to 1 Hour	4.85	5.30	3.70	4.10
1-2 Hours	9.70	10.60	7.50	8.20
2-3 Hours	11.20	13.50	8.60	10.40
3-4 Hours	14.90	17.50	11.50	13.50
4-5 Hours	18.60	21.50	14.30	16.50
Day Charge	22.50	25.00	17.30	19.20
Evening	4.00	4.80	2.00	2.00

* Bishopthorpe Rd, Foss Bank, Marygate, Monk Bar, Nunnery Lane, St George's Field, Union Terrace

	East Parade / Rowntree Park			
	Standard		Minster Badge	
	Sun-Fri	Fri/Sat & Event	Sun-Fri	Fri/Sat & Event
	£	£	£	£
Up to 1 Hour	3.00	3.00	2.30	2.30
1-2 Hours	6.00	6.00	4.60	4.60
2-3 Hours	9.00	9.00	6.90	6.90

b) On Street Parking

	Standard Charges			
	Standard		Minster Badge	
	Sun-Fri	Fri/Sat & Event	Sun-Fri	Fri/Sat & Event
	£	£	£	£
Up to 1 Hour	4.85	5.30	3.70	4.10
1-2 Hours	9.70	10.60	7.50	8.20
2-3 Hours	11.20	13.50	8.60	10.40
Evening	4.00	4.80	2.00	2.00

All On Street inc Respark

	Foss Islands Road			
	Standard		Minster Badge	
	Sun-Fri	Fri/Sat & Event	Sun-Fri	Fri/Sat & Event
	£	£	£	£
Up to 2 hours	10.00	11.00	10.00	11.00
Up to 5 Hours	20.00	24.00	20.00	24.00
Upto 12 Hours	22.50	25.00	22.50	25.00

Large Vehicles (Minibus, Motorhome, Caravans)

	Evening Only			
	Standard		Minster Badge	
	Sun-Fri	Fri/Sat & Event	Sun-Fri	Fri/Sat & Event
	£	£	£	£
Evening Charge	4.00	4.80	2.00	2.00

Fossgate, St Deny's Road, Stonebow, Walmgate

c) Coach Parking

	Mon-Sun
	£
Up to 1 hour	8.50
Up to 3 Hours	16.00
Up to 8 hours	18.50
Over 8 Hours	27.00

Union Terrace / St George's Coach Parks

d) Motorcycle Parking in car park dedicated bay

	Standard		Minster Badge	
	Sun-Fri	Fri/Sat & Event	Sun-Fri	Fri/Sat & Event
	£	£	£	£
Up to 1 Hour	1.60	1.80	1.20	1.40
1-2 Hours	3.20	3.50	2.50	2.70
2-3 Hours	3.70	4.50	2.90	3.50
3-4 Hours	5.00	5.80	3.80	4.50
4-5 Hours	6.20	7.20	4.80	5.50
Day Charge	7.50	8.30	5.80	6.40

** Note all Pay by Phone Transactions are subject to a 15p per transaction service charge

Adult Social Care fees and charges

	2024/25	2025/26		
	Actual Charge	Proposed Charge	Proposed Increase	Explanation
Residential Care	£	£	£	
22 The Avenue (Mental Health residential care) - emergency respite (per week)	1,364.99	1,432.86	67.87	Charge increased to reflect the actual cost of providing the service. Customers attending 22 The Avenue on an emergency basis are financially assessed under fairer charging and only pay as much as they can afford.
22 The Avenue (Mental Health residential care) - planned placement (per week)	246.27	279.86	33.59	Customers residing at 22 The Avenue on a planned basis are able to claim Housing Benefit. The major element of the weekly charge is rent.
Flaxman Avenue. Service provides overnight stays seven days a week. Cost shown is per night.	253.62	268.20	14.58	The charge reflects the unit cost per bed. Customers are financially assessed and only pay what they can afford.
Community Support				
Home care support in CYC Extra care schemes (per hr)	24.76	25.63	0.87	The charge is based on the hourly Framework Homecare Rate. Customers are financially assessed and only pay what they can afford.
Home care support provided by the overnight team (per hr)	37.14	38.45	1.31	The principle is that overnight care is charged at one and a half times the hourly home care day rate above. Customers are financially assessed and only pay what they can afford.
Day Support provided in CYC small day services (per hr)	20.65	22.03	1.38	Charge reflects the estimated average external day support hourly rate for 2025/26. Customers are financially assessed and only pay what they can afford.

Adult Social Care fees and charges

	2024/25	2025/26		
	Actual Charge	Proposed Charge	Proposed Increase	Explanation
Income Services Team charges				
Full fee payers administration charge (per annum)	582.00	600.00	18.00	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 £538 annual set up charge and an ongoing £62 administration charge.
Additional reconciliation charge for full fee payers (per reconciliation)	7.56	7.80	0.24	Income Services can charge full fee payers for any reconciliations of their account they request above the annual reconciliation.
Deferred Payment Agreements additional costs:				
Excluding VAT where applicable				
Deferred Payment set up charge (one off) - made up of the following as a minimum:	999.39	1,054.00	54.61	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	576.39	600.00	23.61	
Income Services Administration Charge - set-up	198.00	204.00	6.00	
Initial Professional Valuation	225.00	250.00	25.00	
Letter of Undertaking	133.38	145.00	11.62	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

	2024/25	2025/26		
	Actual Charge	Proposed Charge	Proposed Increase	Explanation
Monthly invoice generation and distribution	1.25	1.29	0.04	The Care Act allows local authorities to recover the costs of activities associated with administering deferred payments.
Monthly management, monitoring and application of interest	2.95	3.04	0.09	
Half yearly statement of account	2.95	3.04	0.09	
Legal team costs de-registration and file closure	36.91	40.00	3.09	
Final account preparation and account closure	9.65	9.94	0.29	
Revaluation Costs	subject to actual cost of valuation			
Court of Protection				Costs 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 are increased from April each year. The fees for 2025/26 are not yet known. The rates shown here are those which are set by the Council.
Estate Administration Fee	386.14	397.72	11.58	
Corporate Appointee Charge	3.5% or £6.25 per week	3.5% or £6.45 per week		
Be Independent Monthly Charges excluding VAT where applicable Friends & Family Service	19.35	20.00	0.65	
Friends & Family Service Additional Person	9.65	9.95	0.30	
Premium Response Service	37.55	38.75	1.20	
Premium Plus Response Service	51.50	53.10	1.60	
Second Resident Charge	18.15	18.75	0.60	
1 additional safety sensor	2.65	2.75	0.10	

Adult Social Care fees and charges

	2024/25	2025/26		
	Actual Charge	Proposed Charge	Proposed Increase	Explanation
Further additional sensors (55p per additional sensor up to 4 in total)	0.55	0.60	0.05	
SIM GSM Connection	4.10	4.20	0.10	
One Off Charges excluding VAT where applicable Installation Charge	32.15	33.15	1.00	
Key Safe Installation	49.05	50.60	1.55	
Key Safe Charge police approved	71.35	73.55	2.20	
Stand Alone				
Canary - Charge	41.20	42.50	1.30	
Stand Alone (not monitored by Be Independent)	19.40	20.00	0.60	
Damaged/Lost Equipment Charges Replacement Pendant	37.60	38.80	1.20	
Smoke Detector	53.55	55.20	1.65	
Carbon Monoxide Detector	106.10	109.40	3.30	
Falls Detector	78.80	81.25	2.45	
Bed Vacation Sensor	90.80	93.60	2.80	
Universal Sensor	78.80	81.25	2.45	
Standard Pager	118.30	122.00	3.70	

REGISTRAR OF BIRTHS, DEATHS AND MARRIAGES	1st Apr 2024	1st Apr 2025	
	Charge (inc VAT if applicable)	Proposed Charge (inc VAT if applicable)	Increase
	£	£	£
Certificates			
Copy certificate - issued within 15 days 2nd class	11.00	12.50	1.50
Copy certificate - collect/post 1st class next working day	35.00	38.50	3.50
Signed for postage	2.00	3.00	1.00
Overseas postage - per order	10.00	10.00	0.00
Certificates issued at time of registration	11.00	12.50	1.50
Search fee for certificate not held	7.00	7.00	0.00
Special Delivery - tracked ** new fee**		7.15	
Notice of marriage	35.00	42.00	7.00
Notice of Marriage (Live outside UK)	47.00	57.00	10.00
Saturday room booking for Notice (Per Person)	15.00	16.00	1.00
Certification of a venue for marriage ceremonies (valid for three years)			
Large Venue (Capacity over 200)	3,943.00	4,140.00	197.00
Medium Venue (Capacity over 75)	1,821.00	1,912.00	91.00
Small Venue (Capacity 75 or less)	1,214.00	1,275.00	61.00
Civil Funeral	220.00	220.00	0.00
Civil Partnerships			
Attendance of Registration Staff at Approved premises			
Bootham Suite Mon-Thurs	311.00	327.00	16.00
Bootham Suite Fri-Sunday (extended to include Sundays)	423.00	444.00	21.00
Approved Premises (venues) Mon-Thurs	644.00	676.00	32.00
Approved Premises (venues) Fri - Sat	747.00	784.00	37.00
Approved Premises (venues) Sun / Bank Holidays	807.00	847.00	40.00
Statutory Register Office CP	46.00	56.00	10.00
Marriage			
Attendance of Registration Staff at Approved premises			
Bootham Suite Mon-Thurs	311.00	327.00	16.00
Bootham Suite Fri-Sunday (extended to include Sundays)	423.00	444.00	21.00
Approved Premises (venues) Mon-Thurs	644.00	676.00	32.00
Approved Premises (venues) Fri - Sat	747.00	784.00	37.00
Approved Premises (venues) Sun / Bank Holidays	807.00	847.00	40.00
Statutory Register Office Wedding	46.00	56.00	10.00
Pre-ceremony Consultation	46.00	48.00	2.00
Converting a civil partnership into a marriage (1 stage procedure)	45.00	50.00	5.00
Converting a civil partnership into a marriage (2 stage procedure: stage 1)	27.00	30.00	3.00
Converting a civil partnership into a marriage: ceremony at the York Register Office (2 stage procedure: stage 2)	341.00	358.00	17.00
Converting a civil partnership into a marriage: ceremony at an approved venue (2 stage procedure: stage 2)	439.00	461.00	22.00
Ceremony amendment	42.00	44.00	2.00
Citizenship Ceremonies (Private)	311.00	327.00	16.00
GRO fees*			
Correction by Superintendent Registrar (SR)	75.00	83.00	8.00
Correction by Registrar General (GRO)	90.00	99.00	9.00
Consideration of divorce/dissolution docs outside British Isles by SR	50.00	55.00	5.00
Consideration of divorce/dissolution docs outside British Isles by GRO	75.00	83.00	8.00
Consideration of reducing the 28 day waiting period	60.00	66.00	6.00
Addition of forename within 12 months of registration	40.00	44.00	4.00
Registrar General's Licence	15.00	18.00	3.00
Baby Naming Ceremonies			
At Register Office	341.00	358.00	17.00
Approved Premises (venues)	439.00	461.00	22.00

REGISTRAR OF BIRTHS, DEATHS AND MARRIAGES	1st Apr 2024	1st Apr 2025	
	Charge (inc VAT if applicable)	Proposed Charge (inc VAT if applicable)	Increase
Renewal of Vows			
At Register Office	341.00	358.00	17.00
Approved Premises (venues)	439.00	461.00	22.00
Proof of Life (New)	26.00	27.00	1.00
Sale of Goods and Miscellaneous Charges :-			
Baby Folders (suggested donation)	2.00	2.00	0.00

* Collected in part on behalf if the General Register Office (GRO)
Statutory, set by GRO

BEREAVEMENT SERVICES	1st Apr 2024	1st April 2025	
	Charge (Inc VAT if applicable)	Proposed Charge (Inc VAT if applicable)	Increase
	£	£	£
CREMATORIUM			
CREMATIONS (VAT EXEMPT)			
Adult (including medical referee fee)*	1086.00	1140.00	54.00
Drop off only (no increase)	620.00	620.00	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
New:			
Care leaver under 25 (free)		0.00	
Simple Cremation (20 mins, 2 pieces of music, < 20 attendees)		880.00	
Funeral Director exceeding allocated service time		250.00	
Funeral Director late paperwork		100.00	
INTERMENT (VAT EXEMPT)			
Interment of Ashes (unattended)	59.00	100.00	41.00
SCATTERING OF ASHES non-witnesssed (VAT EXEMPT)			
Ashes received from external sources	92.00	150.00	58.00
Additional Service Time	131.00	138.00	7.00
New:			
Ashes strewn/interred by appointment - additional charge		50.00	
Chapel used for Memorial Service		550.00	
EXHUMATIONS			
Exhumation fee	237.00	249.00	12.00
BEARING SERVICE (service no longer provided)			
FUNERAL SERVICE, Civil Celebrant - no longer provided			
RECORDINGS & WEBCASTINGS			
RECORDINGS			
CD recording	58.00	61.00	3.00
DVD recording	71.00	75.00	4.00
WEBCASTINGS			
Live	36.00	38.00	2.00
Live plus 28 days and downloadable	53.00	56.00	3.00
Keepsake Copy (DVD/Blue-Ray/USB stick)	59.00	62.00	3.00
VISUAL TRIBUTES			
Single Photo	0.00	0.00	0.00
Slideshow	46.00	48.00	2.00
Professional Tribute	83.00	87.00	4.00
Family made tribute (media)	20.00	32.00	12.00
Keepsake Copy of Visual Tribute (DVD/Blue-Ray/USB stick)	30.00	32.00	2.00
Downloadable copy of Visual Tribute	12.00	13.00	1.00
VISUAL EXTRAS			
Additional Keepsake copies	30.00	32.00	2.00
Extra 25 photos	25.00	26.00	1.00
Extra Work	25.00	26.00	1.00

BEREAVEMENT SERVICES	1st Apr 2024	1st April 2025	
	Charge (Inc VAT if applicable)	Proposed Charge (Inc VAT if applicable)	Increase
MEMORIALS AND PLAQUES			
PLAQUES			
60 letter inscription 10 years	470.00	494.00	24.00
60 letter inscription 20 years	653.00	686.00	33.00
Display for a further 5 years (no increase)	122.00	122.00	0.00
MEMORIALS			
Memorial Plaque with Rose tree 10 yrs	540.00	567.00	27.00
Memorial Plaque with rose tree 20 yr	709.00	744.00	35.00
Memorial seat with plaque (10 yrs)	1523.00	1599.00	76.00
Memorial seat plaque renewal (5yrs)	245.00	257.00	12.00
Granite Seat (10 yrs) - new fee	1627.00	1708.00	81.00
Granite vase Block 10years	780.00	819.00	39.00
Granite vase Block 20years	1279.00	1343.00	64.00
Vase Block Plaque	211.00	222.00	11.00
Bronze rose memorial plaque on stake (10 yr)	657.00	690.00	33.00
Bronze rose memorial plaque on stake (20 yr)	834.00	876.00	42.00
Circular bench memorial plaque (10 yrs)	560.00	588.00	28.00
Circular bench memorial plaque (20 yrs)	776.00	815.00	39.00
Babies garden memorial plaque (10yrs)	421.00	442.00	21.00
Memorial Disc	517.00	543.00	26.00
Granite Shaped Planter	640.00	672.00	32.00
Summer House Memorial Plaque	484.00	508.00	24.00
URNS			
Cardboard Box	20.00	21.00	1.00
Polytainer	23.00	24.00	1.00
Baby Urn	44.00	46.00	2.00
Urn	61.00	64.00	3.00
Casket	84.00	88.00	4.00
NICHES			
Niche 10 years	944.00	991.00	47.00
Niche 20 years	1,589.00	1668.00	79.00
Sanctum 2000 (Average Charge)	1,310.00	1376.00	66.00
Second Plaque on Sanctum 2000	470.00	494.00	24.00
Inscription (second Plaque/Renewals)	484.00	508.00	24.00
Additional inscription p/letter over 80 letters	5.00	5.00	0.00
BOOK OF REMEMBRANCE			
2 line entry	104.00	109.00	5.00
5 line entry	161.00	169.00	8.00
5 line entry with floral emblem	222.00	233.00	11.00
5 line entry with badge, bird, crest & shield	257.00	270.00	13.00
8 line entry	199.00	209.00	10.00
8 line entry with floral emblem	269.00	282.00	13.00
8 line entry with badge, bird, crest & shield	306.00	321.00	15.00
8 line entry with coat of arms	353.00	371.00	18.00
FOLDED BOOK OF REMEMBRANCE CARDS			
5 line entry with floral emblem	172.00	181.00	9.00
5 line entry with badge, bird, crest & shield	218.00	229.00	11.00
8 line entry with floral emblem	239.00	251.00	12.00
8 line entry with badge, bird, crest & shield	262.00	275.00	13.00
8 line entry with coat of arms	316.00	332.00	16.00
Regimental Badge Etc	0.00	0.00	0.00

BEREAVEMENT SERVICES	1st Apr 2024	1st April 2025	
	Charge (Inc VAT if applicable)	Proposed Charge (Inc VAT if applicable)	Increase
MEMORIAL CARDS			
2 line card	71.00	75.00	4.00
5 line card	92.00	97.00	5.00
8 line card	109.00	114.00	5.00
Regimental Badge	0.00	0.00	0.00
DRINGHOUSES CEMETERY			
INTERMENT			
(VAT EXEMPT)			
Adult (4ft 6" grave)	999.00	1049.00	50.00
Child up to 12 years	0.00	0.00	0.00
Interment of Ashes	299.00	314.00	15.00
Exhumation (negotiated at cost)			
Exhumation of Cremated Remains	226.00	237.00	11.00
MEMORIALS			
Headstones	196.00	206.00	10.00
Add Inscription	107.00	112.00	5.00
Marking out grave	28.00	29.00	1.00
Removal of grave memorial by stonemason prior to interment	120.00	126.00	6.00
Cremation plot with exclusive Right of Burial for period of 50 yrs.	534.00	561.00	27.00

MANSION HOUSE	1st Apr 2024	1st Apr 2025	
	Charge (inc VAT if applicable)	Proposed Charge (inc VAT if applicable)	Increase
	£	£	£
Admission charges			
Adult	6.50	7.00	0.50
Concessions	5.00	5.50	0.50
Child (under 16; babes in arm go free)	3.50	3.50	0.00
Family (2 adults and 2 children)	17.00	18.00	1.00
York resident - 50% Discount			
Resident annual tickets			
Adult	9.00	9.50	0.50
Concessions	8.00	8.00	0.00
1 Child (free with adult)	0.00	0.00	0.00
Family	15.00	21.00	6.00
Non resident annual tickets			
Adult	18.00	19.00	1.00
Concessions	15.00	15.50	0.50
Child (free with adult)	Free	Free	0.00
Family	40.00	42.00	2.00
Tours - Guide provided			
Adult	6.50	7.00	0.50
After hours	10.00	12.00	2.00
Specialist tours	15.00	17.00	2.00
Group Rate: Self-Guided			
Groups of 10 or more (with a max group size TBD): Cost per adult	6.00	7.00	1.00
As above: Cost per child	3.00	3.50	0.50
As above: Cost per concession	4.50	5.50	1.00
Educational visits			
1 hours tour	3.50	4.25	0.75
Weddings			
Ceremony only (2 hours)	450.00	475.00	25.00
Reception only (3.5 hours)	650.00	700.00	50.00
Ceremony and reception (7 hours)	1,300.00	1,350.00	50.00
Full House hire			
Half day (3.5 hours)	650.00	700.00	50.00
Full day (7 hours)	1,200.00	1,300.00	100.00
Discounted rate (CYC, charity) - 20% discount			
Additional time per half hour	100.00	100.00	0.00
Ancillary costs	Variable	Variable	
Filming (full day)	1,200.00	1,250.00	50.00
Catering charge - per person	12%	12%	0.00
Delegate rate - per person	25.00	25.00	0.00
Mansion House own events	Variable	Variable	

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City of York Council
Equalities Impact Assessment

Who is submitting the proposal?

Directorate:	Corporate		
Service Area:	Finance Department		
Name of the proposal:	Financial Strategy 2025/2026 to 2029/30		
Lead officer:	Debbie Mitchell		
Date assessment completed:	31 December 2024		
Names of those who contributed to the assessment:			
Name	**Job title**	**Organisation**	**Area of expertise**
Debbie Mitchell	**Director of Finance**	**CYC**	**S151 Officer**
Helen Malam	**Principal Accountant, Corporate Finance**	**CYC**	
Bryn Roberts	**Director of Governance**	**CYC**	**Monitoring Officer**
Pauline Stuchfield	**Director of Housing and Communities**	**CYC**	

Step 1 – Aims and intended outcomes

1.1	**What is the purpose of the proposal?** Please explain your proposal in Plain English avoiding acronyms and jargon.
	This has been prepared to support the Council's Financial Strategy 2025-26 to 2029-30 which will be presented to the Council's Executive on 21st January 2025. This is an initial Equality Impact Assessment developed alongside the strategy to assist Councillors in their decision making, and covers the Equality Impact of the overall Council financial strategy rather than individual proposals. It is intended that further detailed assessments will be completed where necessary in respect of the individual budget savings identified in the financial strategy.

1.2	**Are there any external considerations?** (Legislation/government directive/codes of practice etc.)
	The Financial Strategy report highlights the national and local context and sets out the financial and legislative framework for the strategy. In particular reference has been made to the Local Government Settlement 2024. Following approval of the strategy, future Equality Impact Assessments will need to consider the specific areas which are directly related to that budget saving.

1.3	**Who are the stakeholders and what are their interests?**
	This is a council wide strategy and potentially impacts residents, partners, and the Council. Greater details as to the precise identity of stakeholders and their interests will be addressed in future savings specific equality impact assessments.

1.4	**What results/outcomes do we want to achieve and for whom?** This section should explain what outcomes you want to achieve for service users, staff and/or the wider community. Demonstrate how the proposal links to the Council Plan (2023- 2027) and other corporate strategies and plans.
	1. It is noted that the EIA accompanying the budget report is not intended to 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 any negative impact on protected characteristics is acknowledged and, where possible, mitigated. 2. This impact assessment, therefore, only considers risks associated with the financial strategy as a whole, considering whether that overall financial strategy will cause any negative impact for a particular group, sector or community exists, and how any such impact is eliminated or counterbalanced. 3. 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.

Step 2 – Gathering the information and feedback

2.1	**What sources of data, evidence and consultation feedback do we have to help us understand the impact of the proposal on equality rights and human rights?** Please consider a range of sources, including: consultation exercises, surveys, feedback from staff, stakeholders, participants, research reports, the views of equality groups, as well your own experience of working in this area etc.
Source of data/supporting evidence	**Reason for using**

A budget consultation exercise commenced in May 2024 and closed on 31 December 2024	There is a statutory requirement for the council to consult local businesses on its budget proposals
A number of focus groups were consulted at points throughout the year	This allowed a more in-depth discussion with participants
Use of the 'York Profile Q2' data from Open data	This provides latest data on the residents of York and in particular the make up of protected characteristics within York. https://data.yorkopendata.org/dataset/york-profile

Step 3 – Gaps in data and knowledge

3.1	**What are the main gaps in information and understanding of the impact of your proposal? Please indicate how any gaps will be dealt with.**
Gaps in data or knowledge	**Action to deal with this**
4. 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.	Ensure the EIA is kept under review; and development of individual EIA's to support individual budget savings once Council has approved the proposals

Step 4 – Analysing the impacts or effects.

4.1	**Please consider what the evidence tells you about the likely impact (positive or negative) on people sharing a protected characteristic, i.e. how significant could the impacts be if we did not make any**

	adjustments? Remember the duty is also positive – so please identify where the proposal offers opportunities to promote equality and/or foster good relations**.**

Equality Groups and Human Rights.	**Key Findings/Impacts**	**Positive (+) Negative (-) Neutral (0)**	**High (H) Medium (M) Low (L)**
Age	Older People: 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, their families and their standard of living. Financial assessments are completed for Adult Social Care customers to ensure that people only contribute what they can afford. Significant investment (over £10m) is being made into both adults and children's social care. This is expected to have a positive impact on both older and younger people.	Positive and negative	high
Disability	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, their families and their standard of living.	Positive and negative	high

	Financial assessments are completed for Adult Social Care customers to ensure that people only contribute an amount they can afford.		
Gender	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.	Positive and negative	high
Gender Reassignment	It is not expected that there will be any impact	neutral	
Marriage and civil partnership	An increase in fees and charges could impact on whether a decision is made to marry/have a civil partnership ceremony for couples with a lower income. The lowest price weddings will remain at fee levels.	Negative	low
Pregnancy and maternity	It is not expected that there will be any impact	neutral	
Race	It is not expected that there will be any impact	neutral	
Religion and belief	It is not expected that there will be any impact	neutral	
Sexual orientation	It is not expected that there will be any impact	neutral	

Other Socio-economic groups including :	**Could other socio-economic groups be affected e.g. carers, ex-offenders, low incomes?**		
Carer	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, their families 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.	Positive and negative	high
Low income groups	Although there are increases in council fees and charges, the Financial Strategy includes a continued provision for a York living wage to council staff and other financial inclusion projects (eg digital inclusion). There is also continued investment in the free school meals scheme.	Positive and negative	medium
Veterans, Armed Forces Community	It is not expected that there will be any impact	neutral	
Other			
Impact on human rights:			
List any human rights impacted.	It is not expected that there will be any impact	neutral	

Use the following guidance to inform your responses:

Indicate:

- Where you think that the proposal could have a POSITIVE impact on any of the equality groups like promoting equality and equal opportunities or improving relations within equality groups
- Where you think that the proposal could have a NEGATIVE impact on any of the equality groups, i.e. it could disadvantage them
- Where you think that this proposal has a NEUTRAL effect on any of the equality groups listed below i.e. it has no effect currently on equality groups.

It is important to remember that a proposal may be highly relevant to one aspect of equality and not relevant to another.

High impact (The proposal or process is very equality relevant)	There is significant potential for or evidence of adverse impact The proposal is institution wide or public facing The proposal has consequences for or affects significant numbers of people The proposal has the potential to make a significant contribution to promoting equality and the exercise of human rights.
Medium impact (The proposal or process is somewhat equality relevant)	There is some evidence to suggest potential for or evidence of adverse impact The proposal is institution wide or cross-Unit, but mainly internal The proposal has consequences for or affects some people The proposal has the potential to make a contribution to promoting equality and the exercise of human rights

Low impact (The proposal or process might be equality relevant)	There is little evidence to suggest that the proposal could result in adverse impact The proposal operates in a limited way The proposal has consequences for or affects few people The proposal may have the potential to contribute to promoting equality and the exercise of human rights

Step 5 - Mitigating adverse impacts and maximising positive impacts

5.1	**Based on your findings, explain ways you plan to mitigate any unlawful prohibited conduct or unwanted adverse impact. Where positive impacts have been identified, what is been done to optimise opportunities to advance equality or foster good relations?**
The negative impacts can be mitigated by investment targeted to the identified groups and communities. The key approaches to achieving savings whilst avoiding impacts on communities of identity include: • Ensuring that, wherever reasonable, 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; and
- Focussing growth where it is expected to have a positive effect on older or disabled people and their carers

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.
The continued significant investment in adult social care will see work continuing 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. This will 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.

Step 6 – Recommendations and conclusions of the assessment

6.1	**Having considered the potential or actual impacts you should be in a position to make an informed judgement on what should be done. In all cases, document your reasoning that justifies your decision. There are four main options you can take:**

- **No major change to the proposal** – the EIA demonstrates the proposal is robust. There is no potential for unlawful discrimination or adverse impact and you have taken all opportunities to advance equality and foster good relations, subject to continuing monitor and review.

- **Adjust the proposal –** the EIA identifies potential problems or missed opportunities. This involves taking steps to remove any barriers, to better advance quality or to foster good relations.

- **Continue with the proposal** (despite the potential for adverse impact) – you should clearly set out the justifications for doing this and how you believe the decision is compatible with our obligations under the duty - **Stop and remove the proposal –** if there are adverse effects that are not justified and cannot be mitigated, you should consider stopping the proposal altogether. If a proposal leads to unlawful discrimination it should be removed or changed. **Important:** If there are any adverse impacts you cannot mitigate, please provide a compelling reason in the justification column.

Option selected	**Conclusions/justification**
Continue with the proposal	This is an initial assessment prepared to support the Council's Financial Strategy 2025/26 to 2028/29 and will be further informed via the development and monitoring of Equalities Impact Assessments for the respective budget savings once Council has approved them

Step 7 – Summary of agreed actions resulting from the assessment

7.1	**What action, by whom, will be undertaken as a result of the impact assessment.**		
Impact/issue	**Action to be taken**	**Person responsible**	**Timescale**
Delivery of the identified budget savings	The Chief Operating Officer and other Chief Officers will develop detailed Equality Impact Assessments in relation to individual proposals. Consultation will	Chief Operating Officer and Chief Officers	To be determined and will depend on complexity of the identified budget saving and service proposal in question.

	take place with relevant stakeholders as identified and or required and decisions will be made following receipt of legal, financial, HR advice.		

Step 8 - Monitor, review and improve

8. 1	**How will the impact of your proposal be monitored and improved upon going forward?** Consider how will you identify the impact of activities on protected characteristics and other marginalised groups going forward? How will any learning and enhancements be capitalised on and embedded?
	The section 151 Officer will monitor the progress of the respective budget proposals and the Council's Corporate Management Team will have oversight of the progress of the Financial Strategy.

HOUSING REVENUE ACCOUNT

ANNEX 5

Forecast 2024/25 £'000	**Expenditure:**	Budget 2025/26 £'000
	Repairs & Maintenance	
8,691	Jobs General	9,082
1,560	Projects	1,630
75	Estate Improvements	77
39	Decoration Allowance	40
32	Rechargeable Repairs	33
10,397		10,862
	General Management	
47	Tenant Support and Information	48
2,897	Recharges	2,962
182	Housing Leadership Team	241
3,026	Landlord Services	3,112
941	Asset Management	988
42	HRA Training	42
7,135		7,393
	Special Services	
1,842	Sheltered Housing	1,916
178	Energy Costs	187
952	Temporary Accommodation	981
431	Grounds Maintenance	444
364	Caretaking Costs	375
38	Cleaning Costs	39
101	Lifts	104
6	Contribution to Energy Efficiency	6
3,912		4,052
	Rents etc.	
126	Rent & Rates	130
730	Insurance	767
1	RTB Legal Fees	1
857		898
	Provision for Bad and Doubtful Debts	
450	Council Housing	462
450		462
	Capital Charges	
11,368	Depreciation	11,652
60	Debt Management	60
11,428		11,712
34,179	TOTAL EXPENDITURE	35,379

HOUSING REVENUE ACCOUNT

ANNEX 5

Forecast 2024/25		Budget 2025/26
	Income:	
	Rents	
-36,759	Council Housing	-37,852
-825	Temporary Accommodation	-847
-348	Shared Ownership	-357
-37,932		-39,056
	Non Dwellings Rents	
-491	Council Garages	-504
-43	General Rents	-44
-534		-548
	Charges for Services and Facilities	
-85	Fees & Charges - Council Housing	-87
-86	- Legal Fees	-86
-2,014	- Sheltered Housing	-2,068
0	- Temporary Accommodation	0
-200	Leaseholder Admin Charge	-205
-2,385		-2,446
	Contribution Towards Expenditure	
-1	- Sheltered Housing	-1
-26	- Rechargeable Repairs	-27
-10	- Affordable Homes	-10
-48	- Housing Estates	-49
-85		-87
	Supporting People Income	
-148	- Temporary Accommodation	-148
-148		-148
-41,084	TOTAL INCOME	-42,285
-6,905	**NET COST OF SERVICE**	-6,906
5,108	Loan Interest Paid	5,108
-1,020	Revenue Cash Interest Received	-1,020
860	Capital Expenditure financed from Revenue	860
-65	Capital Receipt Allowable Disposal Costs	-65
0	Contribution to/(from) MRR	0
8,400	Contribution to/(from) Earmarked Reserves	9,500
6,378	**(SURPLUS) / DEFICIT IN YEAR**	7,477
-29,965	(SURPLUS) / DEFICIT BROUGHT FORWARD	-23,587
6,378	(SURPLUS) / DEFICIT IN YEAR	7,477
-23,587	(SURPLUS) / DEFICIT CARRIED FORWARD	-16,110

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)	Medium/ High	High	• 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	• 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	• 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 ways of working mean that savings are not delivered in the timescales forecast (KCR 1)	High	Medium	• regular monitoring with corrective action at relevant DMTs and CMT • effective project management • transformation programme governance and monitoring through CMT

Underperformance of Better Care Fund schemes results in additional costs for Adult Social Care. (KCR 3)	High	High	• regular monitoring with corrective action • effective project management
Continued pressure on income and grant budgets, particularly in respect of car parking charges (KCR1)	Medium/ High	Medium	• regular budget monitoring to identify trends
Potential for reserves to go below minimum levels due to budgets being exceeded (KCR1)	Medium/ High	High	• 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	• 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	• ensure adequate levels of reserves maintained • effective project management
Increased costs of borrowing due to	Medium	High	• ensure adequate levels of reserves maintained

increase in the capital programme (KCR7)			• robust financial management/prudent budget setting
Short or medium term cashflow impact due to increase in the capital programme (KCR7)	Medium	High	• ensure adequate levels of reserves maintained
Impending 2025 Spending Review has a negative financial impact on the Councils Medium Term Financial Strategy (KCR1)	Medium/ High	High	• respond to Government consultation • ensure minimum reserve levels maintained • robust financial management / prudent budget setting

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Flexible Use of Capital Receipts Strategy 2025/26

Introduction

Capital receipts can usually only be used to fund capital expenditure. In 2016 Government introduced a scheme to provide Flexible Use of Capital Receipts with effect from April 2016. This must follow statutory guidance and a Direction was issued giving greater freedoms with how capital receipts generated from the sale of our own assets can be used. This means that the following expenditure can be treated as capital and financed from these receipts:

“Expenditure on any project that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public sector delivery partners”

In order for the Direction to be applied, it is a requirement that a strategy is presented to Full Council and then a submission made to the Secretary of State detailing the planned use of the flexibility for each year in which is it planned to be used.

This is the first year that this Council is proposing to make use of the flexibility and this strategy will be updated on an annual basis and included in the suite of budget reports each year.

2025/26 Budget

The proposals set out in the 2025/26 budget include £1.8m of savings to be identified through working differently. The Council’s transformation programme, “Working As One City”, is intended to deliver these savings. It is therefore proposed that the costs of delivering the transformation programme are funded from a proportion of the capital receipts the council holds and intends to obtain during the financial year.

The Council will use the powers under the Governments Statutory Guidance to fund up to £750k of qualifying expenditure to support the delivery of service improvements that also reduce costs.

Some broad proposals have been developed but the full programme of work has yet to be costed. However, as with all change programmes there is a need for upfront investment in key areas to deliver capacity.

The key areas identified include management capacity in the form of a Head of transformation post, along with finance and business analysis resource. Once the initial programme is more fully developed, it is expected that there will also be a need for project management, ICT, HR and business support resource.

It will be delegated to the Director of Finance to determine the costs that can be charged to the transformation programme. Progress updates in the development and delivery of the strategy will be reported to Executive through the quarterly Finance and Performance reports in the usual way.

The Prudential Code

The Council has due regard to the requirements of the Prudential Code and the impact on its prudential indicators from the application of this Flexible Use of Capital Receipts Strategy. Capital receipts up to the value of £750k will be earmarked to support the revenue costs incurred to support the delivery of the Working As One City transformation programme and the delivery of budget savings. These receipts have not been earmarked for funding any other capital expenditure and therefore there is no impact on the prudential indicators set out in the Treasury Management Strategy Statement.

The Council will also have due regard to the Local Authority Accounting Code of Practice when determining and including the entries required within the 2025/26 Statement of Accounts.

Budget Setting Consultation For City of York Council

Budget Consultation 2 & Community Groups: Report

By Hannah Penrose & Georgina Culliford

January 2024

QaResearch

Contents

Background & objectives

This section outlines the background to the project and the objectives of this stage of the consultation.

1

Background to the project – Part 1

- The City of York Council is currently facing unprecedented financial challenges, exacerbated by being one of the lowest-funded unitary authorities in the country.
- Over the past decade, significant changes in local government financing have obscured the true extent of funding reductions since 2010-2011. The government's Core Spending Power measure shows a 6% funding increase for York, but when adjusted for inflation, this translates to a 28.5% decrease in real terms - an approximate shortfall of £43 million.
- This financial strain is deepened by increasing demand for services, driven by rising costs and an ageing population.
- As a result, the City of York Council must identify approximately £30 million in savings over the next three years. Without significant adjustments - whether through service reductions, cuts, or other measures - the Council may be unable to balance its budget.
- *"Our Big Budget Conversation*" is an essential step in engaging residents to help determine spending priorities and identify areas where savings can be made.

Background to the project – Part 2

So, what has been done so far…

- Since May 2024, City of York Council has been conducting *"Our Big Budget Conversation"*.
- Qa Research were commissioned to support this process by carrying out research and engagement activities aimed at understanding which services residents think are most essential to fund, where spending could be reduced, and how different levels of council tax increases would be received.
- This initial engagement involved a total of **1,097 residents and businesses** - 57 in workshops and community groups (taking place in August 2024), and 1,039 in an online survey which ran from 16th July – 1st September 2024).
- Using the findings from this engagement, The City of York Council developed a set of **budget proposals**. These proposals outlined plans to raise revenue, reduce costs, and ensure that key services continue to be delivered.
- In November 2024, Qa were commissioned to support with the second part of *"Our Big Budget Conversation"*. The purpose of this was to test the budget proposals with residents and businesses across York.

Budget Setting Consultation 2 aim

"To engage residents, communities and businesses in meaningful discussions about what the council delivers to ensure that the council's financial decisions reflect the communities' priorities and preferences".

Research objectives

- Understand residents' perspectives on various budget proposals and identify conditions under which they consider these proposals appropriate.
- Determine the most effective communication methods for conveying the 2024/25 budget.
- Gather diverse perspectives and promote inclusive participation by ensuring a broad and diverse community engagement

Methodology

This section outlines the methods used and breaks down the sample of who participated in the research.

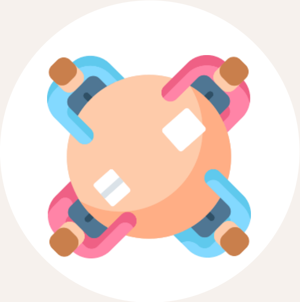
2

Methodology Overview

Quantitative Research

Face-to-face on-street survey (61 residents) & Online survey (573 residents and 39 businesses or organisations)

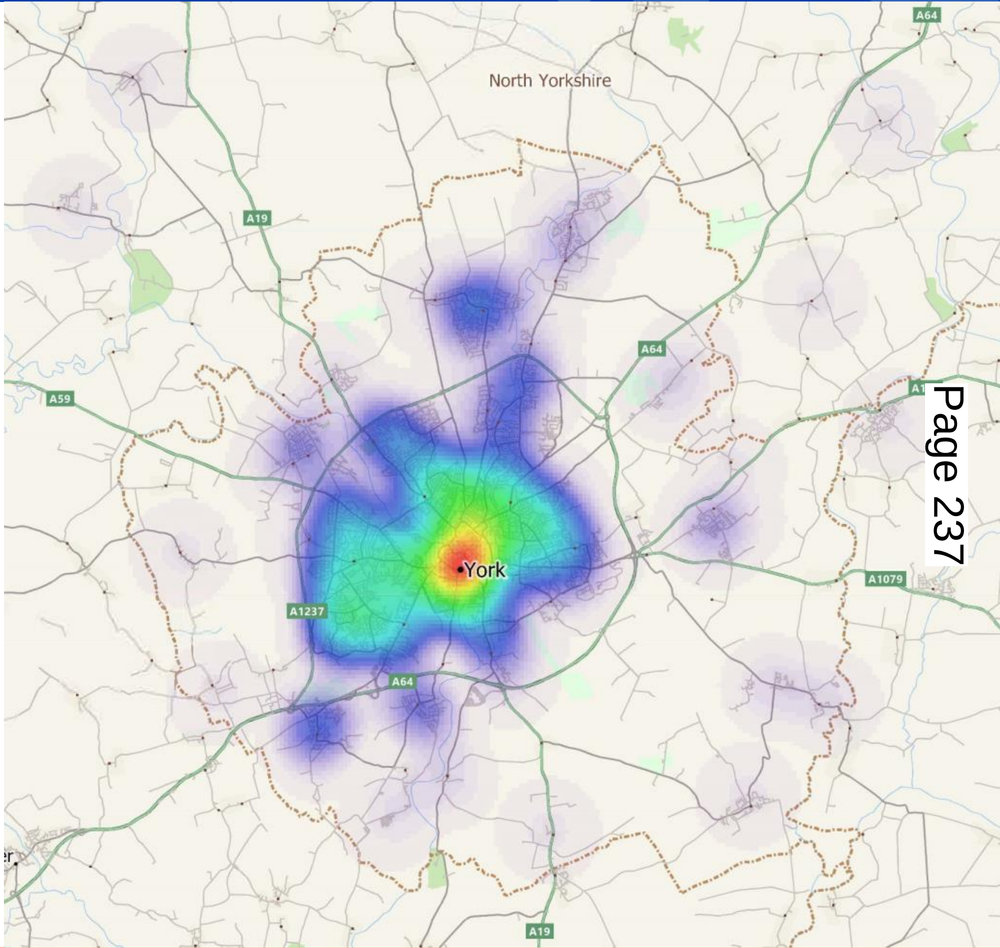
Qualitative Research



7 local community groups (47 residents)

Quantitative Sample

- Budget Consultation 2 surveyed a total of **673 residents and businesses** from various locations across York (refer to the map which shows York's boundary limits).
- Of these, 612 respondents were from the online survey, and 61 respondents were gathered through face-to-face surveying.
- Of these, 39 respondents provided feedback on behalf of a business or organisation.
- The purpose of doing the face-to-face was to top up underrepresented residents from the online survey.
- The sample therefore represented a diverse group, including participants of varying ages, genders, ethnicities, disabilities, religions, and sexual orientations.
- The map displays the distribution of respondents based on the postcodes they provided during the survey.



Qualitative Sample

Community Group Visits:

Group 1 Hoping York

Group 2 Foxwood Hub

Group 3 Poverty Truth Commission

Group 4 Adult Carers Group

Group 5 Young at Hearts

Group 6 Lidgett Grove

Group 7 Learning disability group

Community groups were attended by Qa researchers, and those who took part signed a consent form and demographic form.

Participants spoke to their specific experiences relating to the group as well as broader views on each of the budget proposals. They came from a mix of backgrounds in terms of:

- Age (predominantly 65+)
- Gender
- Ethnic background (predominantly white)
- Area of York

47 residents took part overall in the community groups.

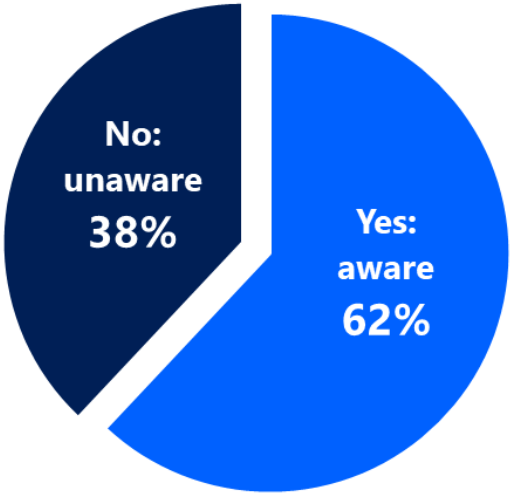
Key Findings

This section explores the key findings of this project, which is the second part of City of York Council's budget consultation

3

Nearly two-thirds of residents aware of CYC £30 million budget deficit

- At the start of the survey, residents were asked if they were aware that City of York Council was facing a £30 million deficit in the budget.
- Nearly two-thirds (62%) of residents were aware of the deficit, bearing in mind this is the second part of the consultation and there has already been widespread promotion and local press around the first consultation.
- This shows there is widespread awareness of the budget challenges, but there is still a sizeable minority who are unaware (38%).



Quantitative Survey Breakdown

- Awareness of the deficit was significantly more likely among residents aged 40 and above, with 68% of those aged 40-64 and 72% of those aged 65+ being aware, compared to only 48% of residents aged 16-39.
- Awareness also varied significantly by ethnicity, with 63% of residents from white ethnic backgrounds reporting awareness, compared to just 31% of those from minority ethnic backgrounds.

Before this survey, were you aware that City of York Council is facing a £30 million budget deficit? Base: 671 (Question was asked to all respondents)

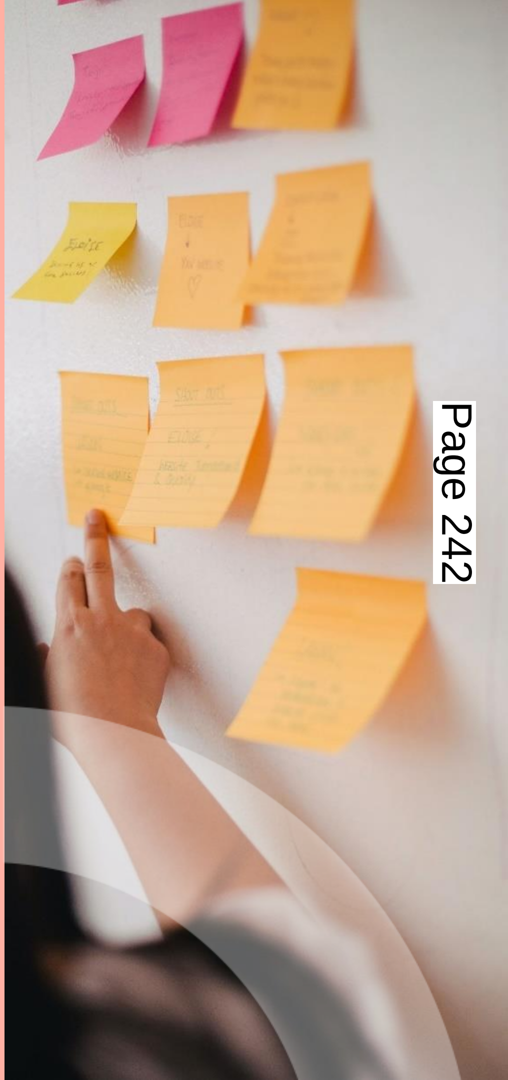
Awareness of budget difficulties in community groups was mixed

- In the community group visits, awareness of CYC's budget difficulties was mixed.
- Some of the groups had taken part in the first part of the consultation, so were naturally more aware of the specific challenges faced e.g. the £30 million deficit.
- A minority of qualitative participants were also aware via the local press.
- Other residents were aware of **more general budget constraints on national and local government and the broader economic challenges facing the nation**. However, this tended to be an assumption that all councils are struggling rather than knowing for certain that York was facing budget difficulties.
- When they became aware of CYC's budget difficulties, residents had some questions which helped them contextualise the challenge posed by this consultation:
  - How did CYC get into the £30 million deficit and over how long?
  - Has the money been mismanaged / misspent in the past?
  - Why are other councils not in as much deficit?

Findings:
Ideas for Raising Money

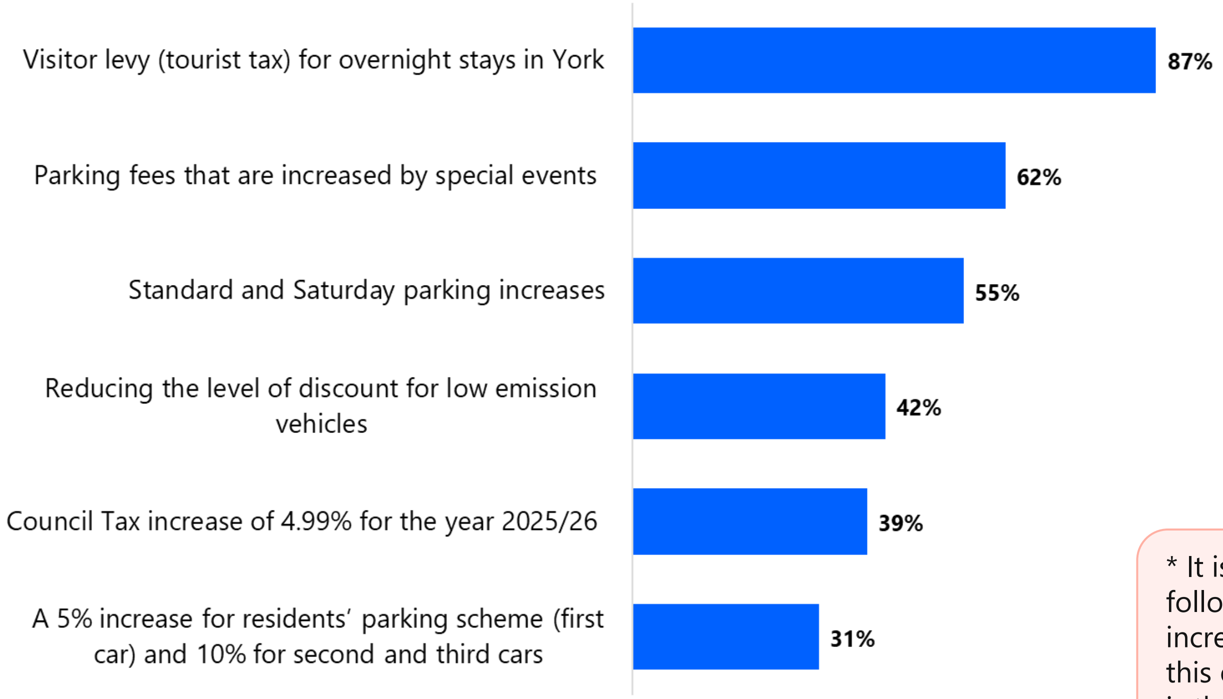
This section explores the key findings relating to City of York Council's proposed ideas for raising money in order to decrease the budget deficit

3a



Overview of support levels across Budget Proposals

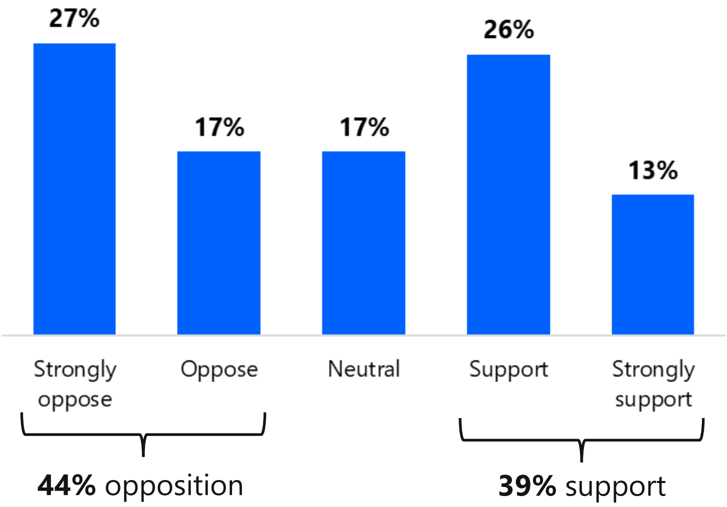
- The following budget proposals were gathered from both survey responses and community group feedback. The following section will examine each proposal in detail, with the graph showing how strongly residents supported each initiative according to the survey results:



* It is important to note that while the following section includes a proposal to increase Minster badge fees from £30 to £45, this option was not presented in the survey and is therefore not reflected in the graph data

Council Tax increase: survey shows 39% support for a 4.99% rise in bills

Proposal: Council Tax increase of 4.99% for the year 2025/26 and the next two years after.
For example, for a Band D property, this would mean an increase of about £96.99 more per year.



Quantitative Survey Breakdown

- Support for the 4.99% increase was significantly higher among residents aged 40-64 (45%) and over 65s (59%), compared to residents aged 16-39 (22%). This aligns with findings from Budget Consultation 1, which suggests that younger age groups, who are often less financially stable, are more likely to struggle with substantial increases.
- Interestingly, among those who supported the increase, 45% were aware of the deficit compared to 30% of residents who were not aware. This highlights that awareness of the broader context is linked to higher support levels for the council tax increase.

- Findings are consistent with Budget Consultation 1, where 42% of residents supported an increase of 4.99% or more.
- However, opposition has risen from 38% in Budget Consultation 1 to 44% in Budget Consultation 2, reflecting a 6% increase. Though, it is important to note that in the previous consultation, an additional option to 'increase council tax by less than 4.99%' was available, accounting for 19% of residents, which may have influenced the overall distribution of responses.

Base: 668 (Question was asked to all respondents)

Council Tax increase: reasons for supporting or opposing a 4.99% rise

Support

18%	Service levels need to be maintained
4%	Funds must be used wisely; need to reduce the current waste
3%	Fairest alternative; wealthier people will pay more
3%	I can afford to pay this amount

- 18% expressed that it was **necessary to ensure currently levels of service** could be maintained. This sentiment was predominantly voiced by residents aged 65 and older.
- A smaller group (4%) stated they would support the increase provided there was **reassurance** that the funds would be used effectively, and efforts were made to reduce waste in the council.
- Others acknowledged that CYC charge less than other councils, viewing the increase as **reasonable**, especially given the reduced financial support from the government in previous years.

Oppose

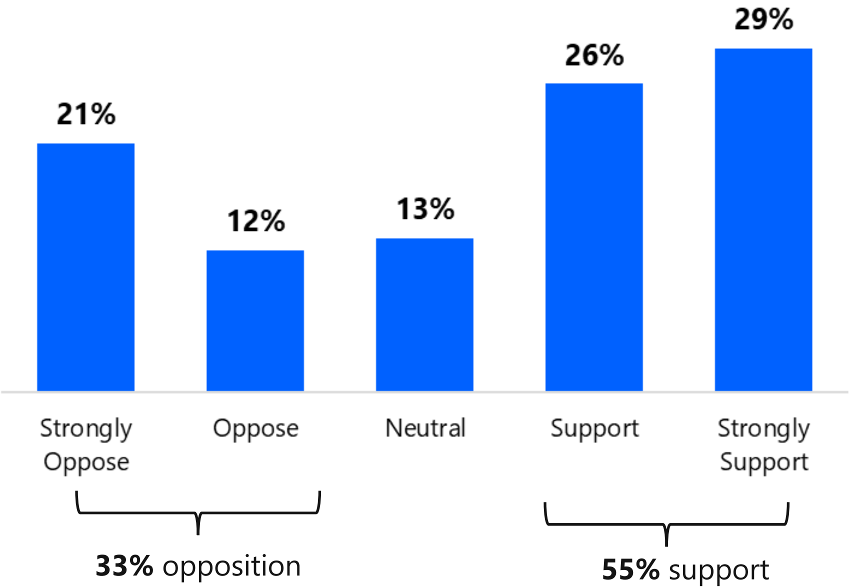
20%	Not getting good value; need to reduce current waste of resources
17%	Overall burden on households is already too high
10%	Too large an increase; Council Tax already too high
6%	Some of the burden needs to be shouldered by tourists & students

- On the opposing side, 20% of residents cited concerns about not receiving good value for money and **perceived inefficiencies** within the council. Younger residents aged 16-39 (24%) and those aged 40-64 (23%) were more likely to share this view, compared to only 10% of those aged 65+.
- Others (17%) opposed the increase due to the overall financial burden already placed on residents, while 10% specially felt the increase **was too steep**.
- Other comments referred to **concern as to whether this was the most effective solution** for addressing the deficit.

Standard and Saturday parking increases: survey shows over half support

Proposal 1: The cost for the first hour in premium and standard car parks would be £4.85, the same for the second hour. If you stay longer than two hours, the hourly rate drops to £4.10.

Proposal 2: There would be an extra 10% increase in charges on Saturdays.



Base: 610 (Question was asked to all **online** respondents)

Quantitative Survey Breakdown

- Residents aged 16-39 were significantly more likely to support the increase with 62% support compared to 50% support among residents aged 40-64.
- Interestingly, carers were significantly more likely to oppose the increase (41%), compared to non carers (29%).

- Face-to-face respondents gave their support for each proposal separately, due to a last-minute change to the online survey, meaning the responses to this question cannot be combined.
- Residents who answered the face-to-face survey had a different view to the online respondents. They gave lower support all round. Only 13% supported a parking increase and 18% supported a Saturday surcharge. However, the sample for these two questions is only 61 residents and therefore the larger, more robust online sample should be considered in this case.

Increasing parking rates & Saturday rates: support vs opposition

Support

- **18%** Encourage more people to use public transport
- **12%** Will help to reduce congestion
- **7%** Seems fair; we need more income generation for public services
- **7%** Drivers deserve to pay for it, including Blue Badges

- 18% of respondents supported an increase in parking and Saturday rates due to the increase **encouraging** more people to **use public transport**
- Further, 12% supported the increase due to the initiative helping to **reduce congestion**
- Some (7%) felt it was **a fair method** of increasing income for public services
- Others (7%) believe **drivers deserve to pay extra** as they are choosing not to use public transport, including Blue Badge holders

Oppose

- **19%** Current prices are already an unwelcome deterrent
- **13%** Damaging for businesses by discouraging footfall in the city
- **8%** Public transport is not cheap or reliable enough
- **5%** Current parking facilities are not attractive enough for high prices

- 19% of respondents opposed the increases, due to current prices already being **too expensive**, and acting as a **deterrent** from going into the city
- Further, 13% suggested this **could damage businesses** by **discouraging footfall** from both residents and tourists
- Others (8%) believe public transport, **especially the Park & Ride**, is not cheap or reliable enough to make parking more expensive
- A small group (5%), opposed due to current parking **facilities not being attractive enough** for high prices, with **calls for improvement**

Note: Question was asked to all **online** respondents

Standard parking rate increases: community groups generally supportive

- Overall, community groups **accepted** that parking charge increases were **a sensible way to increase revenue while not impacting too detrimentally on residents**.
- **Non-drivers were particularly supportive** of increasing parking charges, as it would not affect their own lives and would rather the charges be passed on to other residents or visitors.
- Many viewed this as **mostly impacting tourists**, as locals felt they were aware of cheaper or free places to park, used public transport or avoided the city centre. As such, this was positively received, since residents generally would like to see tourists contribute more to the budget deficit rather than residents.
- Some think increased parking charges **may deter people from the city centre**, others think people will come regardless as parking is already high, so an increase is unlikely to further deter people who are keen to visit the city centre and were already going to pay for parking.
- Indeed, residents noted this **could even have a positive impact on public transport**, as it may make more financial sense to use public transport, which could improve traffic and air quality. However, for this to work, public transport would have to be reliable and frequent.

"I personally think, yeah, that's fine for visitors, yeah, but **I don't think it's fair for people that live in the city**"

"**I don't drive so I don't care**"

Saturday parking surcharge: community groups have mixed views

- Views towards a further parking surcharge on a Saturday received **mixed views** from the community groups, but their response appeared positive than an overall increase in standard parking.

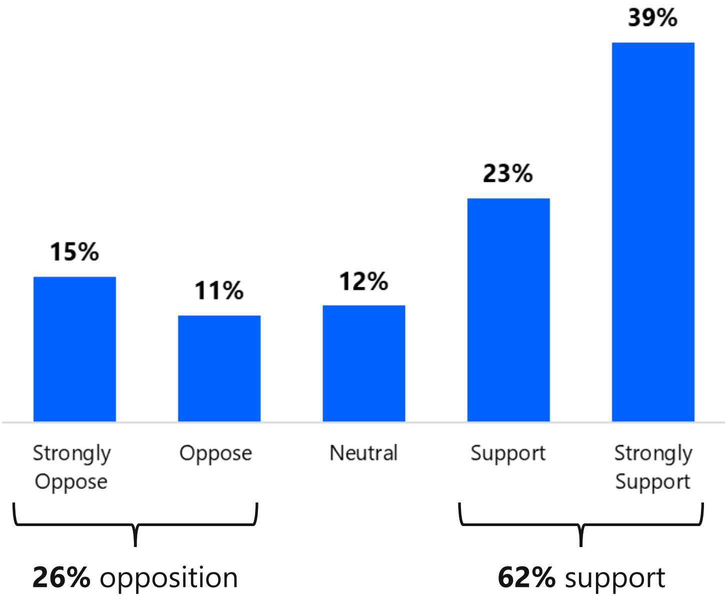
- The key factor with parking is to what extent it affect York resident's vs tourists. Parking charge increases that **disproportionately affect tourists were seen as a positive thing** in the eyes of residents. Generally speaking, parking in the city centre on a Saturday is seen as something that tourists do more than local residents, therefore this proposal received more support.

- Once again, residents discussed the **other transport options** available if parking became too expensive, and that it may drive uptake of the park and ride, or buses. However, some residents then felt this made the surcharge pointless, as the aim is to increase revenue, not drive uptake of public transport.

- As with all parking charges, discussions touched on whether this would deter visitors and whether independent businesses in the city centre could cope with reduced footfall. **On balance, residents generally felt this was not enough to put off visitors entirely and would likely raise some revenue for the council.**

Special event parking surcharge: survey shows 62% of residents support

Proposal: Parking fees that are increased by 10% for visitors to events like the Christmas Market. This could bring in £230,000.



Base: 668 (Question was asked to all respondents)

Quantitative Survey Breakdown

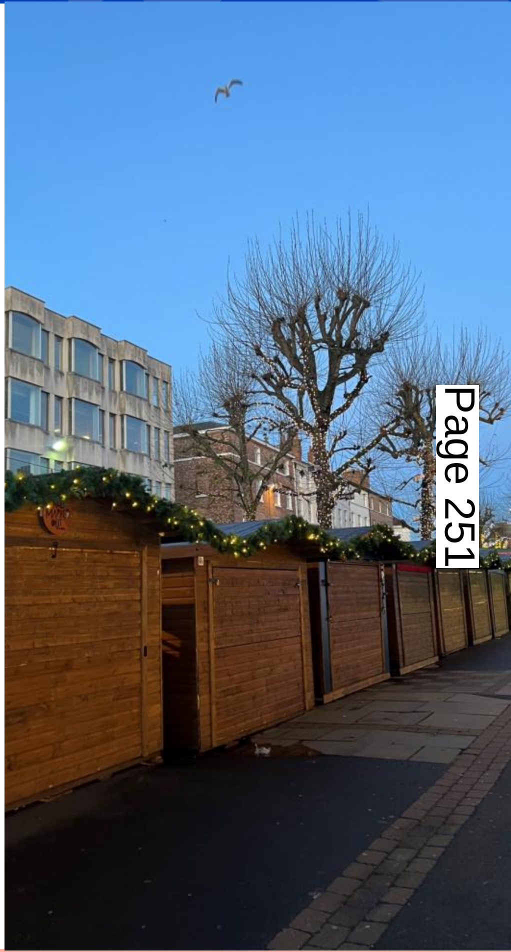
- 25–39-year-olds were significantly more likely than almost all other age groups to support (74%).
- Those living in Clifton (90%) were significantly more likely to support than almost any other ward.

Why did residents feel this way?

- 9% of residents supported a special event parking surcharge as they thought it **would encourage visitors to use alternative transport.**
- 12% of residents opposed the change as they believe the increase **may deter visitors** from visiting York.

Special event parking surcharge: community groups largely supportive

- The proposal to add an additional parking charge to special events like the Christmas markets was **largely supported** by residents in the community groups. This viewpoint was driven once again by the assumption it is mostly tourists who will drive to the Christmas markets, and that locals will either get public transport, park and ride or avoid the centre entirely. As such, this could be seen as an **indirect 'tourist tax',** something most residents are in support of.
- It is important to recognise the fieldwork took place while the Christmas markets were on, and residents expressed frustration with how crowded the city centre was, and that parking increases may reduce the crowds. This proximity may have heightened support for this particular proposal.
- Some residents questioned which other events would be included in the surcharge, as the Christmas markets are seen as the most impactful and crowded events. Residents were undecided on which other events would be suitable for a surcharge.
- Some residents did mention, however, that not every York resident has the option to avoid the city centre car parks, and **this may disproportionately affect those without the ability to use public transport** e.g. those with health issues.
- Also, some residents questioned if all three parking proposals were added together, would this amount to an extremely high parking charge e.g. on a Saturday during the Christmas markets, and therefore be so high that it genuinely deterred a lot of visitors.



Minster parking badge increase: mixed views in community groups

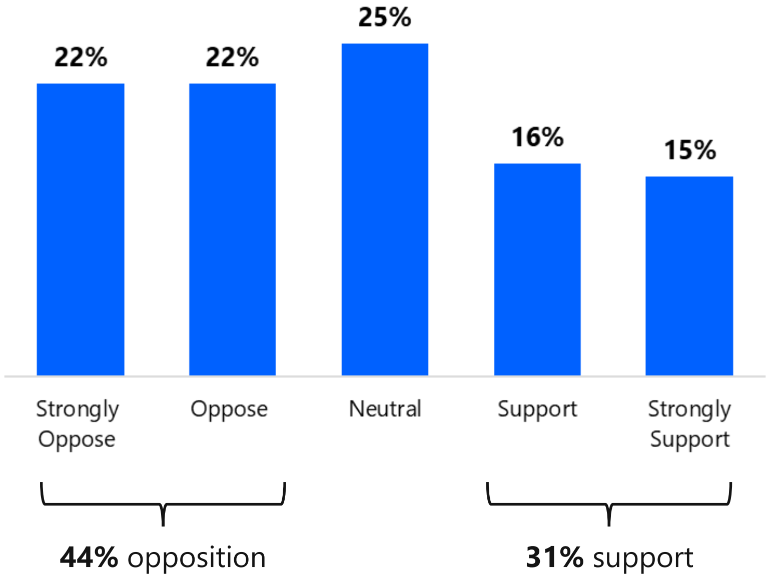
Proposal: The Minster Badge is available for residents of CYC to purchase a "badge" at a cost of £30 for two years. This gives vehicle owners a discount of 10% per hour. It also allows a discounted evening rate of £1. **The proposal is to raise the cost of a minster badge from £30 to £45**

- Residents in the community group discussions had fairly **mixed views** on the proposal to increase charges for the Minster parking badge.
- Some residents were positive because, unlike some of the other proposals in the consultation, this was an **'opt-in' choice that residents could make for themselves**.
- Others were positive or ambivalent because they **had never heard of the Minster badge** or didn't use it themselves, and were happy to support a change that didn't affect their lives.
- Some supported the increase but argued that if the cost is going up by 50% (£30 to £45), then the level of discount should also increase to make purchasing the badge worthwhile.
- Some residents were not supportive of this proposal because it would **only impact on York locals**. As is a recurring theme, many residents perceive the strain on York city centre to be driven by high levels of tourism, therefore as much of the city maintenance costs should be passed onto tourists as possible. The Minster badge, being only available to residents, would therefore not be in keeping with this logic and as such received lower levels of support.

"I disagree, because you put **more money, more burden on the local people**"

Increase fees for resident parking: under a third support this change

Proposal: A 5% increase for residents' parking scheme (first car) and 10% for second and third cars. This could raise £50,000.



Quantitative Survey Breakdown

- Residents aged 40-64 (34%) and 65+ (36%) were significantly more likely to support than residents aged 16-39 (25%).
- Residents who consider themselves as disabled were significantly more likely to strongly support (23% vs 13%).

Why did residents feel this way?

- 5% of respondents supported the change and called for a higher increase for 2nd and 3rd cars.
- 15% of respondents opposed the change as they thought the council should not be charging residents to park where they live.

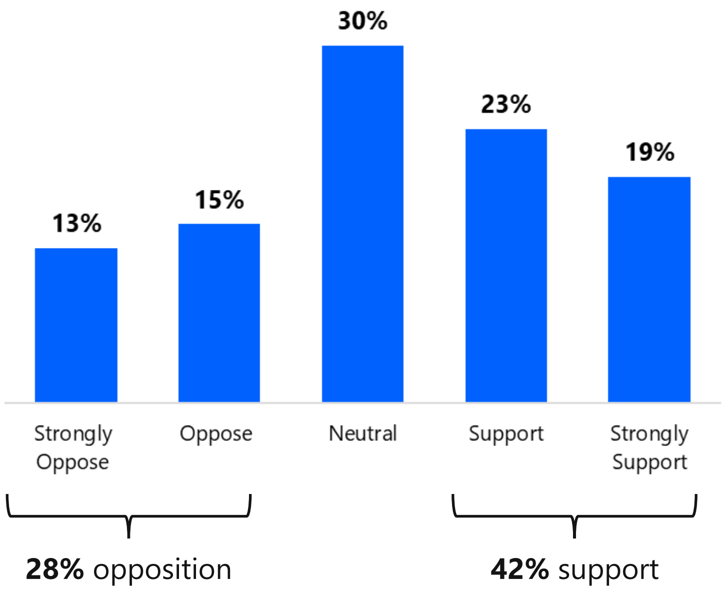
Base: 665 (Question was asked to all respondents)

Increase fees for resident parking: mixed views from community groups

- Community groups also expressed mixed views on increasing fees for resident parking permits. Overall, residents accepted that there may have to be an increase to cover rising costs, and the increase on the first car (5%) was seen as fairly modest, however it was not as popular as other parking proposals.
- Given that a lot of houses in York have no choice but to park on-street, some residents felt it was unfair to raise the prices as many households need at least one car and need somewhere near their home to park. Therefore, **it wasn't seen as something residents could opt out of**.
- This proposal was **directly targeting residents, and therefore was not as popular as parking increases that would also impact tourists**. The burden on households was not seen as 'worth it' for the £50K increase in funds.
- Concerns were also raised about the higher charges for second or third cars. **Some residents felt this was reasonable** based on the assumption that more cars equals a higher income household, and therefore more able to pay. However, **other residents did not think all multi-car households were wealthy, and worried about the impact on larger families and houses of multiple occupancy** (e.g. shared house).
- Residents also expressed worries that it would **disproportionately affect people who relied on cars for mobility** and had to park outside their homes for this reason.

Reduce discount for low emission vehicles: under half support

Proposal: Reducing the level of discount for low emission vehicles to a 20% discount (from the current 50% discount) for residents parking and season tickets. This could raise £120,000.



Base: 667 (Question was asked to all respondents)

Quantitative Survey Breakdown

- Residents who live in Holgate were significantly more likely to support than almost all other areas (61%).
- Those who strongly support the increase in council tax were significantly more likely (51%) to support reducing the discount, than those who oppose to the 4.99% increase (37%).
- 16-24-year-olds were significantly more likely to oppose (53%) than almost all other age groups.

Why did residents feel this way?

- 7% of residents supported reducing discounts for low emission vehicles based on the principle that it is still a vehicle taking up space
- 12% of residents opposed the change as they said it removes the incentive to be eco-friendly, where it instead needs encouragement

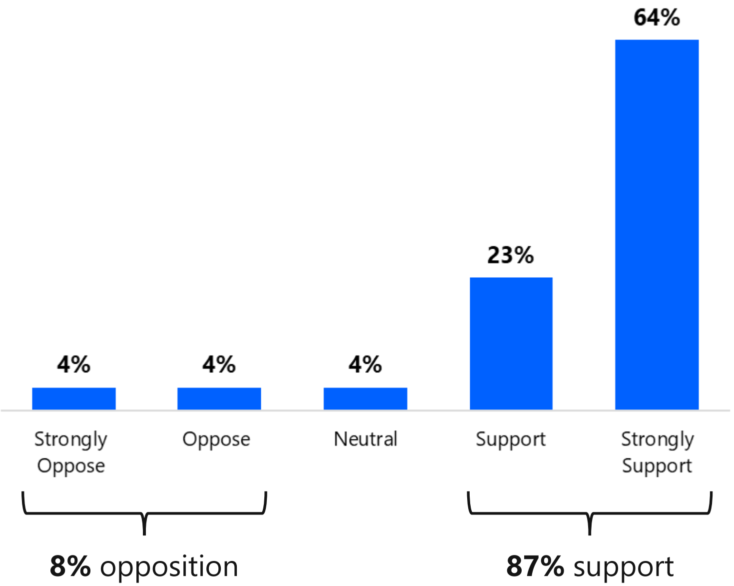
Reduce discount for low emission vehicles: community groups supportive

- On the whole, community groups were fairly supportive of the proposal reducing the resident permit discount for low emission vehicles.
- Conversations centred around whether low emission vehicle users would have the means to afford an increase, and most community groups made the assumption that **low emission vehicles are usually more expensive and therefore residents could likely afford to pay for the resident permit**.
- A **notable objection to this came from disabled residents**, who often get hybrid cars as part of their Personal Independence Payments. They pointed out that it is not always wealthy residents who have low emission vehicles, and that they are grateful for the current discount.
- However, some residents questioned why low emission vehicles had any discount at all, that the permit was paying to park and therefore **everyone should pay the same**.
- But some residents shared an understanding of why it is important to incentivise lower emissions vehicles because of pollution and environmental reasons. These residents supported low emission cars receiving some form of incentive but were still happy for it to reduce down to a 20% discount.

> Yeah, I agree with that one, because **if you can afford an electric car, I think you've got enough money** to pay the extra

Tourism levy: survey exhibits overwhelming support

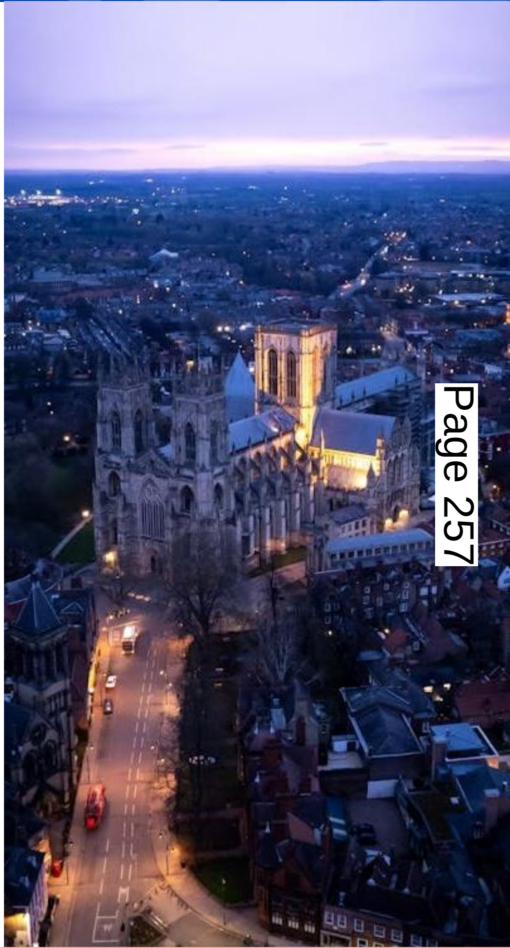
Proposal: If legislation was agreed to allow a visitor levy (tourist tax) for overnight stays in York, would you support this as a method of funding council services?



Quantitative Survey Breakdown

- 567 out of 646 (84%) residents supported a tourism tax, with 413 strongly supporting (64%), versus only 56 residents (8%) opposing.
- Between age groups, wards, gender and disability there were no significant differences between demographics. There remained high levels of support amongst all residents.

Base: 646 (Question was asked to all respondents)



Common reasons residents support the tourist tax

- **24%** It is effective in other cities
- **10%** Tourists should pay more
- **8%** Absolutely essential to implement
- **8%** It would be a good source of income

- Many residents believed a tourist tax was the **fairest solution** to prevent the entire burden of the council's deficit from falling on local residents, especially given the substantial role that tourism plays in York's economy.
- For 24% of residents, seeing the **successful implementation of tourist taxes** in other UK cities and popular European destinations such as Rome and Barcelona was a key reason for their support.
- Some residents also felt that a tourist tax could help **discourage disruptive activities**, such as stag and hen parties, and provide necessary funding for local services.
- Among the minority opposed to the tax, 6% expressed **concern that it might reduce tourism**, while 2% simply opposed the introduction of any new tax.

- It is imperative to highlight that many residents stated that despite supporting this, it was critical that the tax generated needs to be invested into areas such as: bins, street cleaning, police, businesses / events that attract visitors, and subsidies to taxi drivers. Residents wanted reassurance that tourist tax funds would not be diverted into statutory services, such as social care.

While support was high, reassurance was needed for residents

We pay a tourist tax equivalent whenever we visit major European attractions - pitch it that way and we are comparable. However, the **money needs to be ringfenced** to be explicitly spent on improving the city and not drained by rising care costs.

I support this but it would have to be set at a sensible level so to not deter tourists from visiting the city. **Has there been any research conducted into tourists' appetite for this? If so, what was the result?** if not this needs to be done first.

I've been a fan of the Manchester model of a hotel BID in which money is collected and collectively spent. However, it would **need to be ringfenced** against tourism related services and economic development **rather than be absorbed into other statutory services like adult social care**.

Tourism levy: community groups in support despite not being prompted

We went on a holiday to Sicily… every visitor had to pay however many Euros it was for a visitor's tax, and it **was just accepted part of that holiday** because they were a) trying to keep cars off the road, you know, the emissions out of the place, but also to just **maintain the place** to be a tourist attraction [which is what York needs, given how much tourism it receives].

I wrote 2 things down before we started, **tax on visitors** and tax for walking round on the bar walls for non-residents.

A tourist tax is a **very popular idea** in lots of cities and **York is a big tourist city** and I think it's an excellent idea and that needs adding.

Summary of different income generation methods – parking and tourism

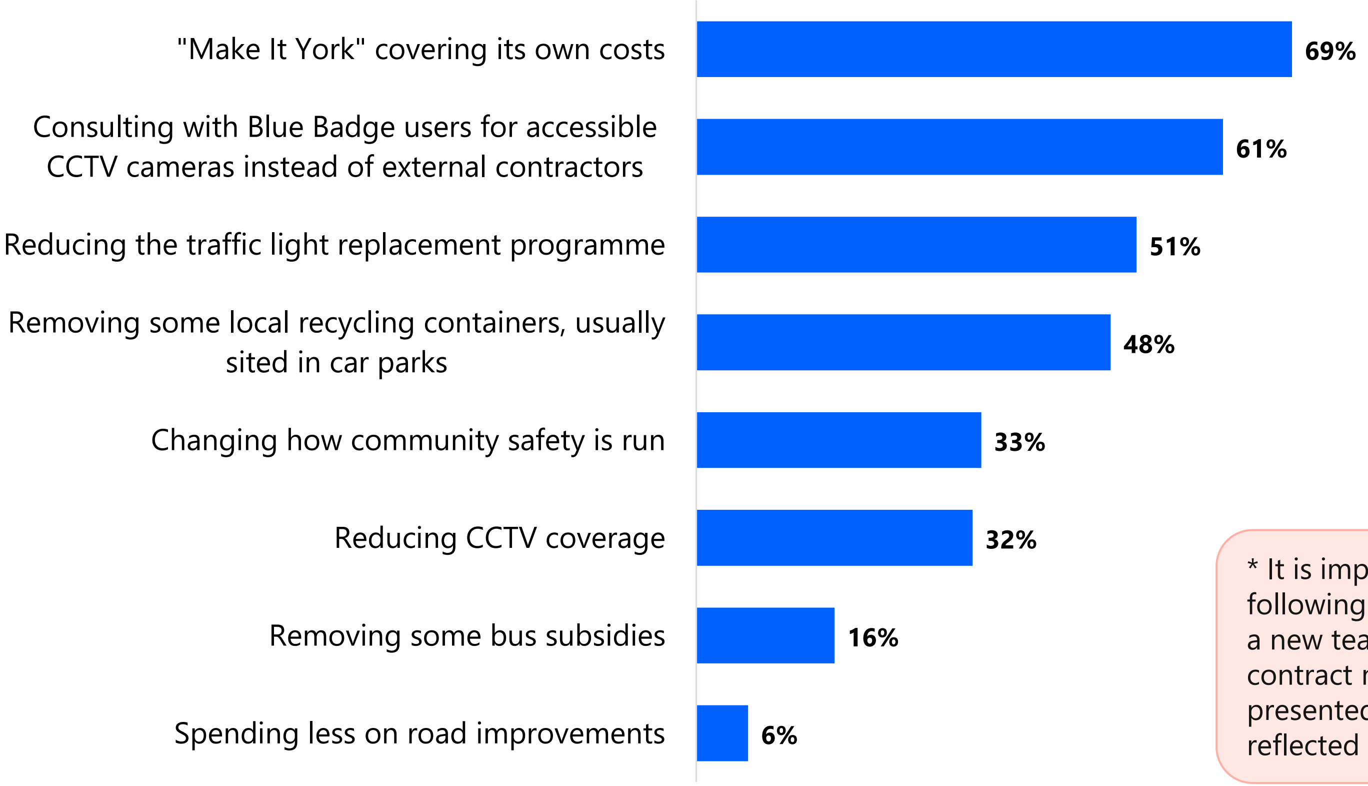
- Generally, residents saw increased parking charges in York City Centre as an **indirect 'tourist tax'**, as residents are frequently able to find cheaper places to park or use the public transport system.
- When discussed in this context, residents were far more likely to accept and support parking charge increases – showing **the importance of positioning and context**.
- Some **worried about the impact of expensive parking** on tourist numbers, given how central tourism is to the York economy. However, **most residents felt visitors would visit York regardless**.
- Ideas with **lower levels of support were those where residents are directly affected** and had little choice other than to accept the increased cost, for example the resident parking charges.
- Some were worried that an increase in parking would have a **huge impact for some residents** who are unable to use public transport. Many questioned whether the increase needed to be so substantial and whether this could still be increased, but at a lower rate.
- For the majority, parking increases were a **better option than service cuts** and therefore this was favoured once reflecting on the bigger picture. This illustrates that, in isolation, parking increases are not generally seen as positive but **taking a step back in the context of the deficit and possibility of service cuts, it was one of the more acceptable options.**

Findings:
Saving Money & Cutting Costs

This section explores the key findings relating to City of York Council's proposed ideas for cutting costs with the aim of decreasing the budget deficit

Overview of support levels across Budget Proposals

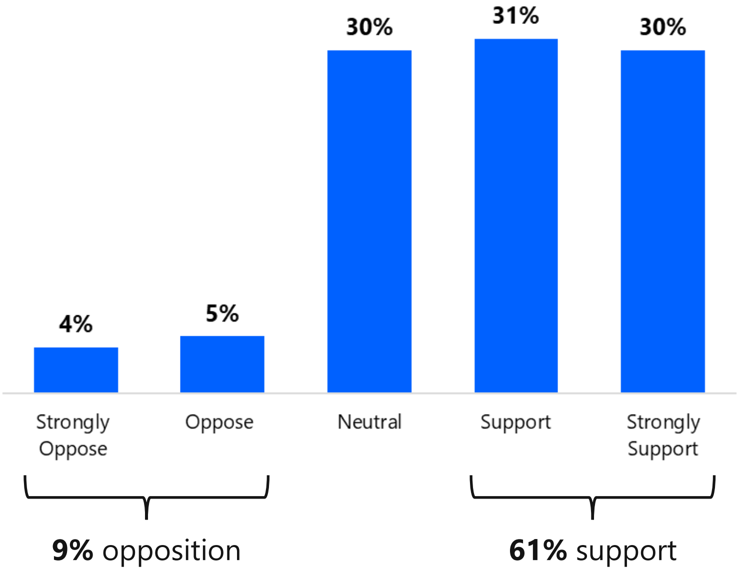
- The following budget proposals were gathered from both survey responses and community group feedback. The following section will examine each proposal in detail, with the graph showing how strongly residents supported each initiative according to the survey results:



* It is important to note that while the following section includes a proposal to create a new team for change and have better contract management, this option was not presented in the survey and is therefore not reflected in the graph data.

Blue badge monitored by CCTV: survey shows high support levels

Proposal: Consulting with Blue Badge users to determine whether we can install additional accessible CCTV cameras instead of using external contractors to enable city centre access. (£70,000 saved in 2025/26).



Base: 664 (Question was asked to all respondents)

Quantitative Survey Breakdown

- Residents living in Bishopthorpe (92%) were significantly more likely to support this change than almost any other ward, particularly in comparison to Fishergate (45%).
- Interestingly, there was no difference in support between those that consider themselves as disabled (62%) compared to those that are not (61%).

Why did residents feel this way?

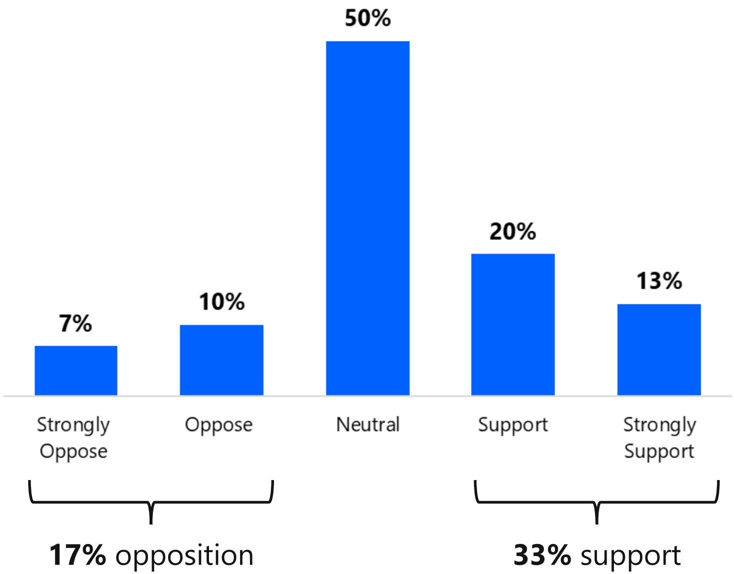
- 13% of residents stated that this was a good use of technology as a way of saving money, and 9% stated that if in house is cheaper then it seems unquestionable that this is the best option.
- Of the small minority who opposed, some stated this was due to human control filling them with more reassurance (4%) or them being opposed to any car access in the city centre (3%)

Blue badge monitored by CCTV: community groups mostly in favour

- There was also a fairly **high level of support** among community groups for the idea of monitoring accessible parking and access with CCTV instead of external contractors.
- Most residents, once they understood the proposal, felt that it was a **sensible cost-saving measure** as long as it worked. While a few residents worried that the cameras would break or not work properly, most were aware of other car parks or examples where automatic recognition of blue badges or number plates was smooth and effective, so thought this was a **realistic proposal**.
- It is important to note that some resident struggled to comprehend this proposal, which can help to explain the 30% of residents that felt neutral about this change across the surveys.
- If this proposal works as planned, it **shouldn't affect residents negatively in any way**. They would not have to pay any more and it might even make things more efficient for disabled residents driving through the city.
- Despite the general support, residents did note that it was not a major saving and would not make an enormous dent in the £30 million deficit.
- Another possible downside to this measure is that the current staff who monitor blue badges do not only grant access, but also check that the driver or passenger is actually the blue badge holder. Disabled residents shared anecdotal experiences of blue badges being used by non-disabled family members, which they found frustrating as disabled parking is limited. Without staff to monitor usage, they worried this would become a more regular occurrence.

Reorganising community safety: survey shows residents were unsure

Proposal: Changing how we run community safety without reducing the frontline service, which could save £65,000 each year starting in 2025/26.



Base: 656 (Question was asked to all respondents)

Quantitative Survey Breakdown

- Residents aged 16-39 were significantly more likely to oppose (23%) than residents aged 40-64 (15%) and 65+ (8%).
- Male residents were significantly more likely to support this change than female residents (37% vs 28%).

Why did residents feel this way?

- 76% of residents in the open responses across those who opposed, supported or felt neutral, stated there was insufficient information to give their opinion, with the majority stating they were unsure what this would entail.
- 5% of residents stated so long as safety and frontline are not affected, they could justify this and 4% stated

Reorganising community safety: most are unable to comment

- This proposal was one of the more **difficult** ones to comment on for community groups, as there was not a great deal of detail on exactly how community safety would be reorganised or how frontline services would be protected.

- As a result, **residents tended to express a neutral or undecided view**, which is similarly reflected across the survey.

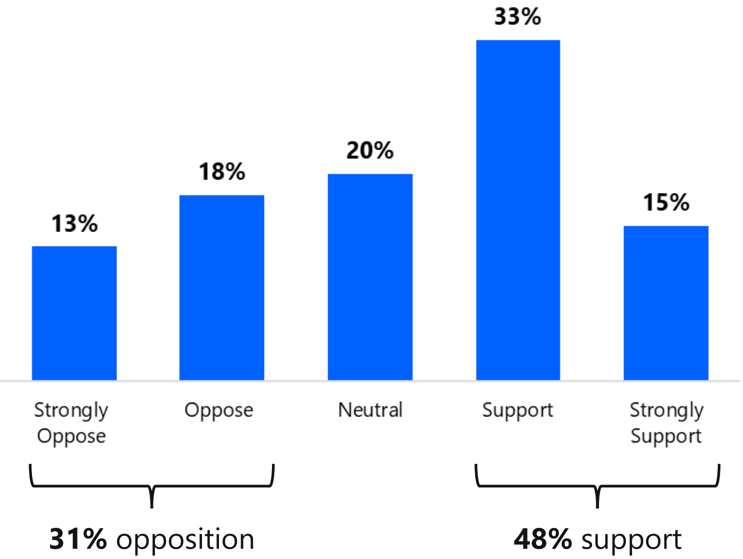
- While some residents could see this reorganisation as a 'no brainer' if it was genuinely going to have no impact on frontline services, **they were cautious to support a proposal of this nature without knowing the full extent of the possible changes**.

- Without any detail, residents did express some **concern about the knock-on impact**, as they expected reduction in community safety spending was likely to have some effect on how safe the city is in the longer term. Given that York is generally considered a safe city, some residents worried this would change if spending on community safety is reduced and make them **less comfortable living in York.**

> I disagree to that one, just because **I came to York for safety reasons**. York is considered a very safe city, but it's because of the money that's invested in the city**. If you changed it to make it less, it makes a dramatic difference for the safety** of everybody in it. So, imagine, like, in a year's time, if you thought, oh God, we've saved 60,000 but there's been more muggings.

Reducing local recycling centres: survey shows just under half support

Proposal: Removing some local recycling containers, usually sited in car parks, to focus on household recycling and save money (£88,000 saved in 2025/26). We would retain those local recycling sites which serve a specific community need.



Base: 670 (Question was asked to all respondents)

Quantitative Survey Breakdown

- Residents who look after or give support to anyone due to long term physical or mental health conditions were significantly more likely to oppose (39% vs. 29%). This may be linked to accessibility.

Why did residents feel this way?

- 16% of residents stated that CYC should encourage recycling, not make it more difficult, and 10% were concerned that this would cause more fly tipping and mess. 7% also stated that there is not enough recycling in York as it is.
- On the other hand, 6% of residents stated that households should recycle at home and 6% also stated they would support on the condition that household recycling is made easier.

Reducing local recycling centres: community groups generally support

- Community groups initially shared mixed views on the proposal to remove some local recycling centres, as there was **some confusion over which recycling points these referred to**. Some residents assumed this would be the closure of local tips, or the reduction in household recycling waste collection.

- However, once they understood this would only affect some recycling centres in car parks, residents were generally supportive of the proposition.

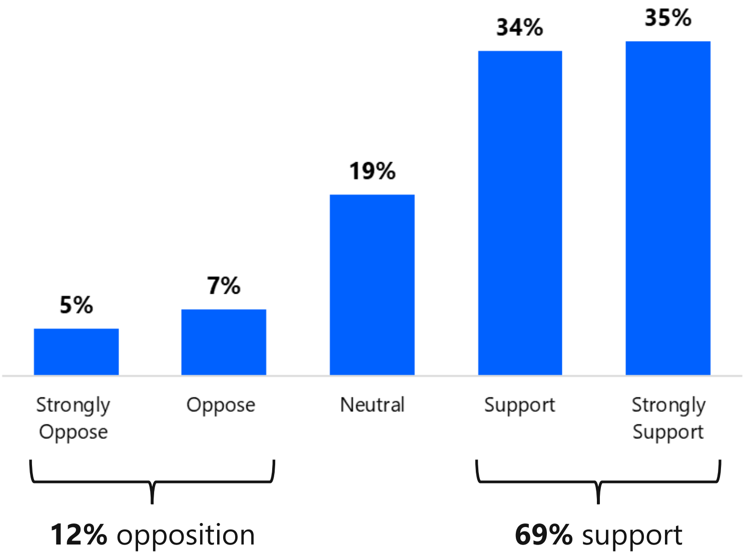
- A few residents were **concerned that households without a car wouldn't be able to visit a local tip**, and therefore the recycling centres might be missed – even though this did not directly apply to members of the community groups themselves.

- However, many residents agreed that most households could manage their recycling by either limiting it to the household waste collection or supplementing this with trips to a local tip, or a recycling centre that is still open.

- There was some confusion over **which recycling would be removed**, and if this applied to charity and fabric collection points too. This should be clearly explained if the proposal is taken forward, and alternative collection points identified.

“Make It York” becoming self-funded: survey shows high levels of support

Proposal: “Make It York” (MIY) could cover its own costs through event and market fees, so it no longer needs council funding (£62,000)



Base: 665 (Question was asked to all respondents)

Quantitative Survey Breakdown

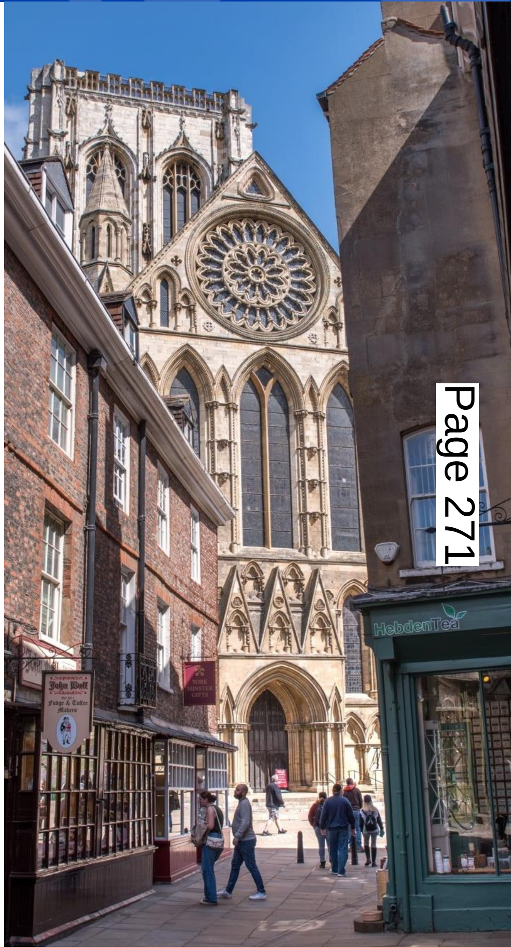
- Support was higher from residents living in Strensall (93%) and Rural West York (89%) than almost any other ward.
- Residents who supported the increase in council tax were also more likely to agree with Make It York becoming self-funded (73%), than residents who were neutral regarding the council tax increase (62%).

Why did residents feel this way?

- 16% of respondents supported this as they believe ‘MIY’ needs to be profitable and self sufficient, with a further 10% stating it is a good, essential idea.
- 8% of respondents opposed as they thought ‘MIY’ as vital for tourism, and another 8% thought the Council have responsibility to support or control ‘MIY’.

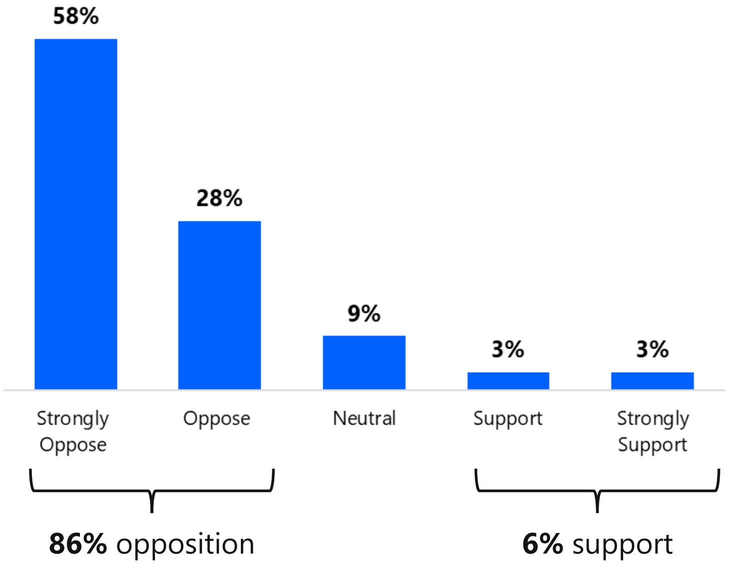
"Make It York" becoming self-funded: community groups support idea

- The idea of changing the funding of "Make it York" to pay for itself was **strongly supported** by residents.
- This chimes with the ongoing theme that **residents were more concerned about issues that affect local York residents** and less willing to spend council money on services tailored towards tourists and visitors to the city.
- Most residents shared the view that the **tourist economy in York is very strong**, and therefore some of that income could be used to fund the tourist information centre, rather than be funded or subsidised by council resources which are clearly stretched, given the scale of the budget deficit.
- On the whole this was a popular idea, as **residents felt the tourist information centre would be able to manage self-sufficiency in the same way a local business would.**
- However, some residents did question what would happen if "Make it York" was unable to support itself – would CYC then subsidise, or would it cease to exist? In this case, would there be a knock-on impact on tourism levels in York, and therefore the local economy?
- A more **well-developed plan** on how "Make it York" would self-fund is important for residents to feel fully comfortable with the proposal.



Less spend on road improvements: survey shows strong opposition

Proposal: Spending less on road improvements which will mean less money is spent on maintaining the roads and filling potholes (£60,000 saved each year from 2025/26).



Base: 665 (Question was asked to all respondents)

Quantitative Survey Breakdown

- Heworth Without, Holgate and Huntington and New Earswick were significantly more likely to oppose than almost all other wards, respectively 100%, 97% and 97%.

Why did residents feel this way?

- 41% of residents stated that York's roads are already in a bad way, and therefore felt this option was out of the question. Safety was also paramount to resident, and 13% stated this would result in a safety hazard, and 11% stated this would cause a risk to cyclists.
- 10% of residents also stated this would cause a false economy whereby spending less would ultimately lead to more money being spent or wasted than being saved.
- Of those that supported this measure, the only justification for supporting was that if it was essential to do, but only if this means other areas are prioritised.

Less spend on road improvements: community groups also opposed

- The proposal to spend less on road improvements was **strongly rejected** by community groups. Many residents were **incredulous that this was being put forward** given their perception of the current state of York roads, particularly potholes.

- For those community groups who took part in stage 1 of the consultation, this proposal was received poorly as they felt their initial views (emphasising how important road improvements are) **were not listened to, as this proposal contradicts their requests for more funding in this area.**

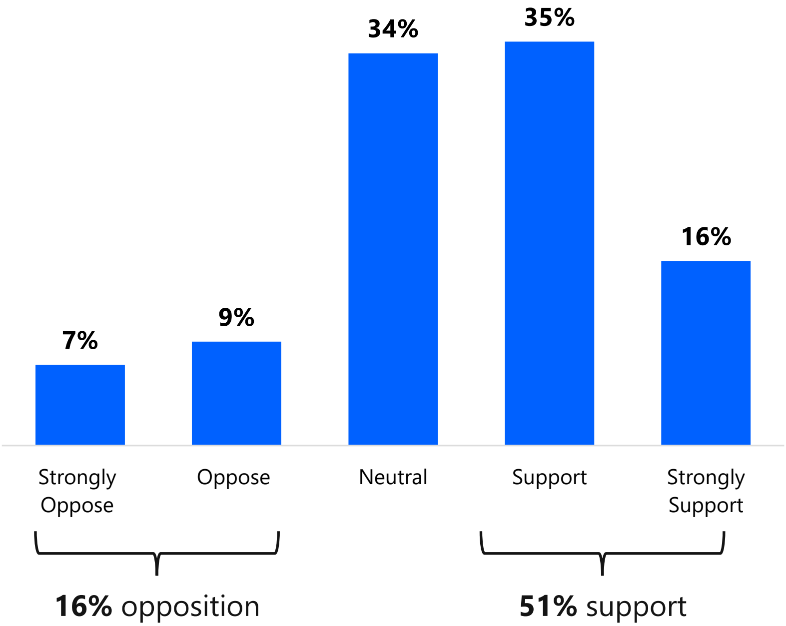
- The main reasons for rejecting this proposal related to the **impact on safety and cars** when there are too many potholes. This can be dangerous and expensive for residents if the roads are not kept in good condition.

- Ultimately, residents felt they would bear the cost of this budget cut, and it was not seen as worthy of the projected £60,000 saving and was seen as negative in the long-run.

> **The roads in York are shocking**, and actually there is a cost to residents. Of those who are fortunate enough to have cars, my **repair bills have shot up** over the last five years, and it's due to suspension problems. Yeah, so that has been passed on to residents. York's terrible.

Reduced traffic light replacement: over half of residents support

Proposal: Reducing the traffic light replacement programme which aims to replace old traffic lights (£60,000 saved each year from 2025/26).



Quantitative Survey Breakdown

- Female residents were more likely (55%) than male residents (48%) to support.

Why did residents feel this way?

- 17% of residents stated that so long as the traffic light replacement are working or seem reasonable, then they can see no harm in CYC reducing the traffic light replacement scheme. 5% of residents also failed to see how this was essential in the first place.
- Of those who opposed to this, concern was raised as they felt the traffic replacement was necessary (5%) and felt York's roads were already not in a good way (2%).

Base: 668 (Question was asked to all respondents)

Reduced traffic light replacement: groups encourage big picture view

- There was **some confusion** in the community groups over this proposal, as residents were worried that it would mean broken traffic lights would not be replaced or repaired, leaving the roads dangerous. This confusion may justify why 34% of survey respondents selected neutral.

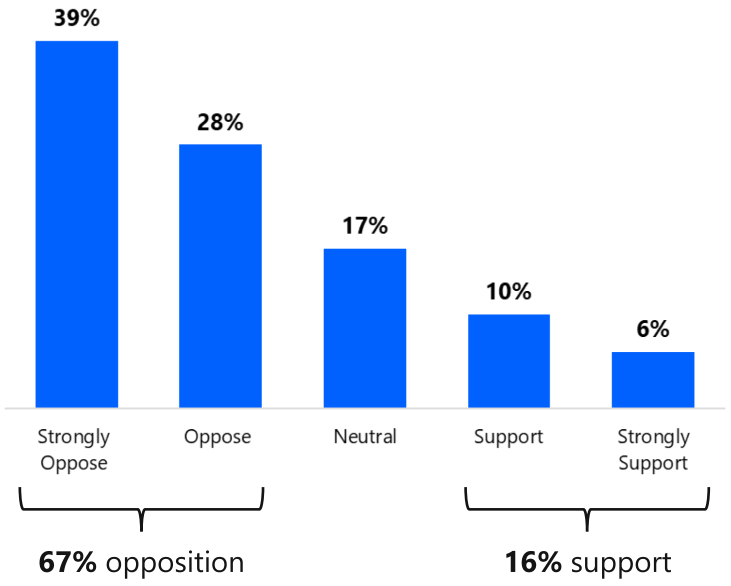
- Once it had been clarified that the proposal only referred to a slowing down of the traffic light replacement programme, many residents were happy with the proposal. Their reasons for support were that it was likely to have **minimal impact on residents** (unlike some of the other proposals that would financially impact residents) and if lights would all eventually be replaced, just at a slower rate, they could see no downside.

- However, other residents **encouraged CYC to consider the bigger picture** and whether or not this would actually save money in the long run. With older equipment, they suggested that repair and running costs would likely be higher. While residents couldn't know whether this was true or not, they encouraged CYC to look at the long-term implications before committing to this proposal.

If you put them to LED ones it costs a lot less to run it, so you save money on electricity. The other reason is if there's more chance of it breaking down, then it might cost £150 for somebody to go out and fix it, and then it breaks down again another week later. If we paid an extra £100, **we could get a new one, and it won't break down for three years. So it could actually save money** [replacing the lights], but they're only looking at saving £60,000 each year straight away.

Removing some bus subsidies: survey shows high opposition

Proposal: Removing some bus subsidies which the council do not have to statutorily provide, which will need more discussion (£720,000 saved in 2025/26).



Quantitative Survey Breakdown

- There was a significant different between genders, with 72% of female residents opposing this change, versus 59% of male residents.

Why did residents feel this way?

- 35% of residents were opposed of removing bus subsidies due to the negative impact on community, with many having concern over residents becoming isolated. 14% argued that the council should support bus usage, not reduce it. Buses were emphasised to be essential by 11% of residents to reduce traffic, and 11% argued that the bus service is already poor.

- For those that did support this change, this was either due to them not using buses, or comments stating that CYC need to remove some whilst also changing timings to optimise efficiently.

Base: 668 (Question was asked to all respondents)

Removing some bus subsidies: groups share possible negative impact

- The proposal to remove non-statutory bus subsidies was generally **opposed** by community groups due to the impact it would have on elderly and vulnerable residents who rely on these services. Without cars or funds to pay for taxis, this may lead to residents feeling **isolated** which was of huge concern. This was already raised as an issue, for example some residents unable to access buses before 9am. Bus transport was clearly of importance, particularly to older residents and the learning disability community.

- There was also some concern that this would affect existing bus passes, suggesting residents will **need reassurances if bus subsidies are being changed** – what will and won't be affected.

- However, this was not a totally rejected suggestion. Residents appreciated that there were big savings to be made, and some **suggested optimising routes or reducing frequency during off-peak times**. While it may be inconvenient for some residents, people often can plan their day around bus times and could adjust to a new timetable.

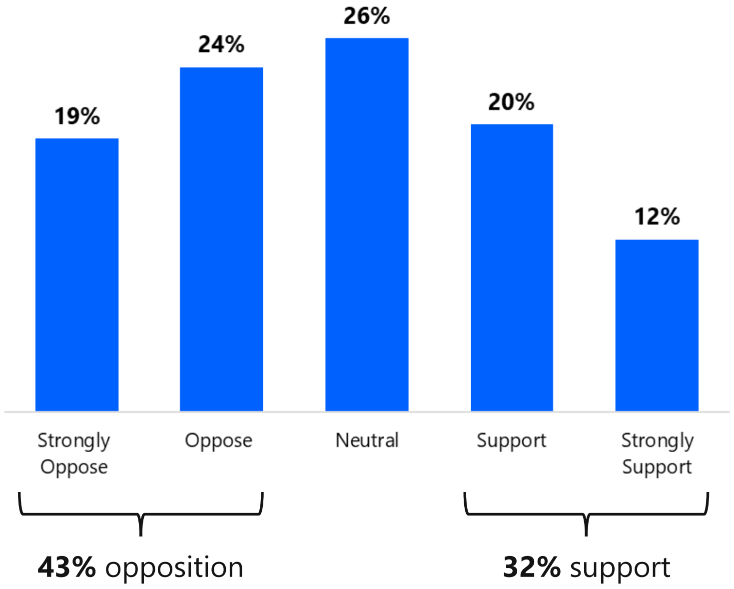
- Unsurprisingly, this was particularly supported by residents who do not use the bus system.

> People who are using the buses, it's the last alternative, really, because **they haven't got a car. Most of us haven't got the money.** When you're looking around, everyone's struggling, and then that will be even taking the option away from them.

> It's horrible being isolated, if you're stuck out in the sticks, the older residents, they wouldn't be able to get into town, yeah. So, **it's a lifeline for them as well**.

Reducing CCTV coverage: survey shows very mixed responses

Proposal: Reducing CCTV coverage, which may affect traffic and safety (£100,000 in 2025/26 and £120,000 in 2026/27).



Base: 667 (Question was asked to all respondents)

Quantitative Survey Breakdown

- Support for reducing CCTV was higher among males (34%) compared to females (26%).
- Among those who were neutral (26%), open-ended responses indicated that this was largely due to a lack of sufficient information to form an opinion.

Why did residents feel this way?

- The majority (43%) of residents opposed to reducing CCTV. 37% of residents opposed due to concerns in regard to safety, and 8% stated that they would like more CCTV rather than less.
- On the opposing side, 13% of residents stated they felt that current CCTV is not useful and 8% stated that there is already sufficient cameras / too many cameras across the city.

Reducing CCTV coverage: community groups concerned about safety

- There were also very **mixed opinions** on the proposal to reduce CCTV coverage, as **concerns over safety** were balanced against the idea that there is far more private CCTV available now and businesses are likely to have decent coverage in the city centre.
- Some residents felt that safety in York city centre is paramount, given there is a lively nighttime economy. CCTV is not only important to deter criminal activity, but also the safety of residents for example who go missing or are near the river which can be dangerous.
- Residents were not supportive if they felt there would be a **knock-on impact on traffic or safety**, two things that are of high importance based on feedback so far.
- However, others felt there was enough CCTV collected by businesses and private residents (e.g. through doorbell footage) to make up for a reduction in coverage.
- There were also some **questions over what exactly the proposal is suggesting**, and whether this is reducing the cameras themselves or staff to review them, and whether this would be live (i.e. catching crime) or after the fact (i.e. searching for evidence). Some residents felt it was important for CYC to establish these details before residents could give their opinion.

I think CCTV can point the police in a lot of situations, I think it might mean they then spend **more money elsewhere** trying to solve crime.

What is the point having CCTV operators nowadays because everyone has CCTV on their doorbell cameras, **there's cameras everywhere**.

Investing in the future: community groups not clear on proposals

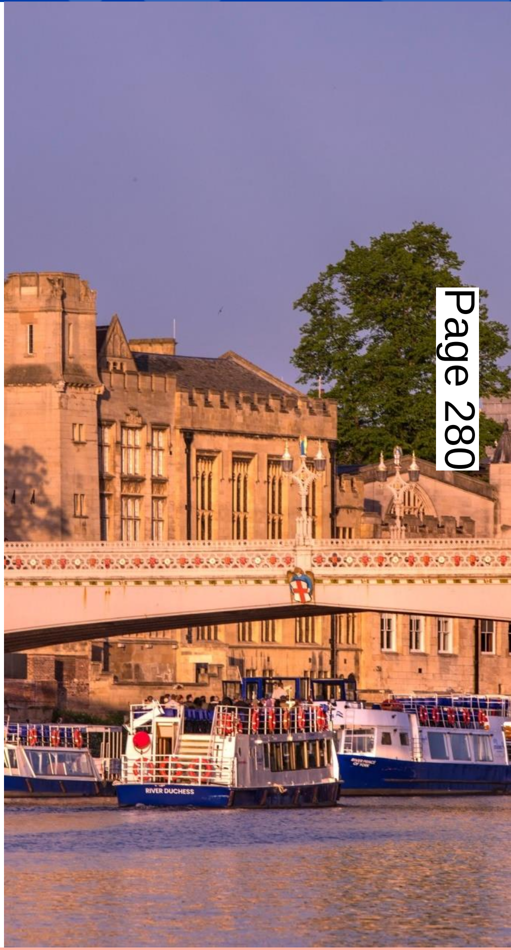
Proposal 1: New team for change: The Council will create a small team, of new and existing staff, to make changes and save money over the next three years. This team will help find ways to: Save money in the long run, make services better for everyone and help the Council adjust to new challenges and changes in the future

Proposal 2: Better contract management: We will add staff to help manage contracts, get best value for residents and meet legal rules. The council needs to follow new rules, i.e. new legislation. Additional support will help us continue to find the best deals and strengthen contract management. This will result in saving money.

These proposals were touched upon briefly in the qualitative community groups.

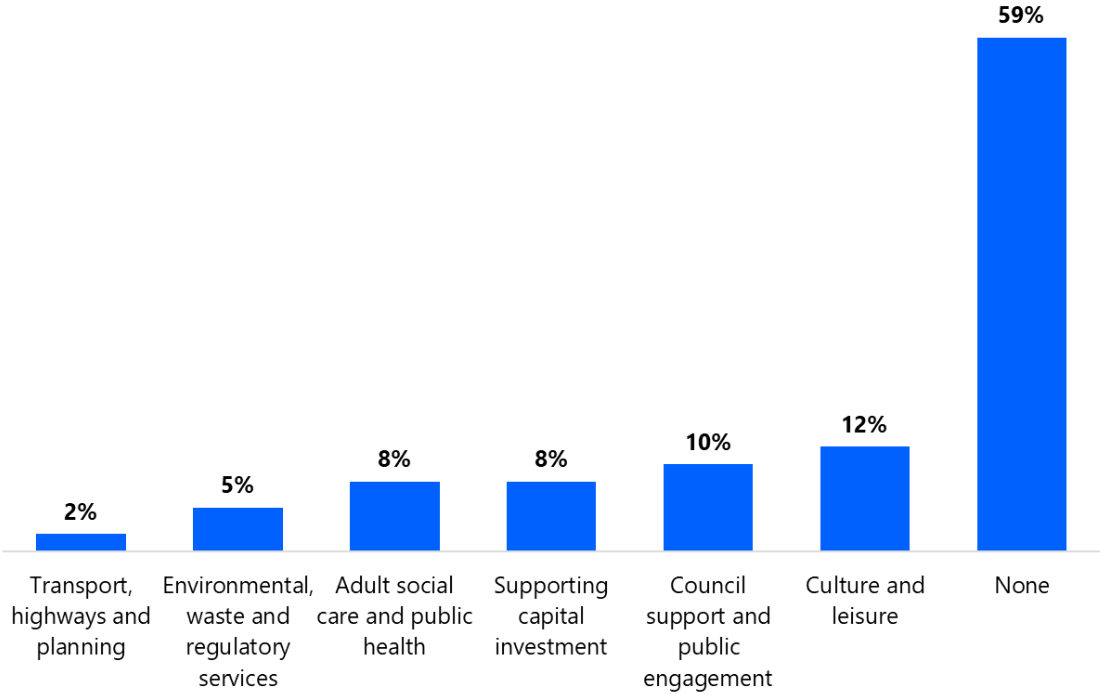
Proposal 1 'New team for change': many residents expressed concerns that proposing a new team appeared **contradictory**. They felt that while the council emphasises the need to reduce spending and make savings, it is simultaneously considering increased expenditure on additional staff. Although the potential for long-term savings was viewed positively, participants questioned why these measures had not already been implemented.

Proposal 2 'Better contract management': many questioned why the existing leadership team was not already managing contracts effectively and why additional staff were necessary to address this issue. This led to further frustrations, as **residents felt they were bearing the brunt of the budget cuts while the council opted to hire new staff rather than improve the efficiency within the existing team**. This perception contributed to a sense of unfairness and dissatisfaction among community members.



Which services do residents believe could be reduced to save money

* It is important to note that residents were not provided with any detailed description of the City of York Council services at this point in the survey.



Quantitative Survey Breakdown

- As exhibited in the graph, 59% of respondents believe that no services should be cut. Many suggested exploring alternative approaches before considering reductions.
- Among the 59% who selected 'None', in a further question asking them why, 19% emphasised that it was necessary that the council review their services and service management spending prior to services being cut.
- Additionally, 14% suggested that services should be made more efficient or cost effective.

Q7. What services do you think should be reduced to save money? Base: 59 (Question was asked to all **face-to-face** respondents)

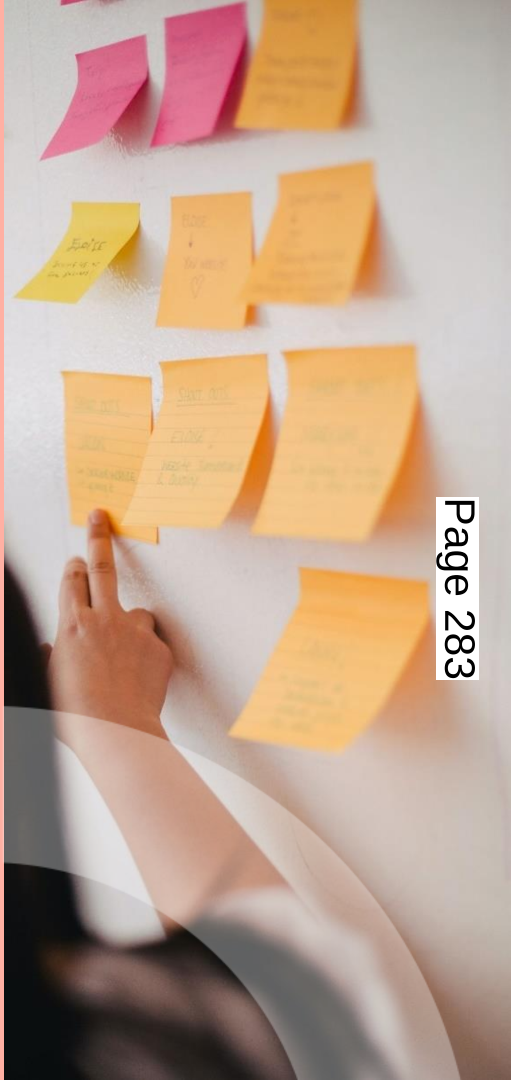
Importance of community groups was a spontaneous theme

- Whilst this was not an area prompted on in the qualitative research, residents were keen to emphasise the **value of community groups** they attend.
- They wanted highlight the impact that these groups have on their sense of wellbeing to showcase the importance of keeping these community groups running.
- This was **a high-priority area for residents**. They stated that the Council should not consider reducing funding or support for the community groups which have a big impact on their lives.
- Many residents at these groups highlighted the potential **ripple effect** that funding cuts could have on the mental and physical health of those that attend, stressing that these groups often provide critical support. Residents expressed concern that reduced funding for such groups would **exacerbate existing challenges** – causing increased spending in other services – and disproportionately affect those that rely on them.
- Additionally, community groups emphasised that these groups should be seen as a **complement to council services**, not a substitute. They urged the council to maintain the services they offer alongside the work carried out by these groups, ensuring that essential services would continue to meet the needs of the wider community.

Findings: The importance of providing context

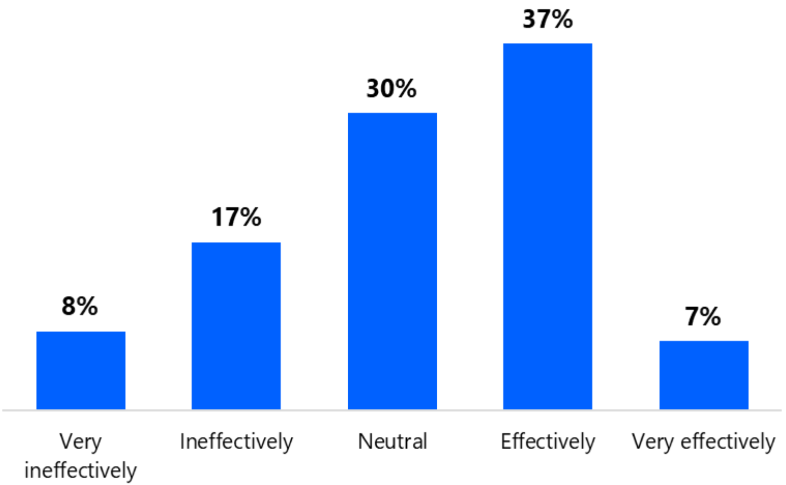
This section explores the key findings relating to how well the council communicated changes and solutions, and the importance of providing context and explaining service changes, providing reassurance and addressing resident concerns.

3c



Less than half of residents felt the council had communicated effectively

- Residents were asked, both through the survey and in the community group discussions, how effectively they felt that the council had communicated its budget challenges and proposed solutions.

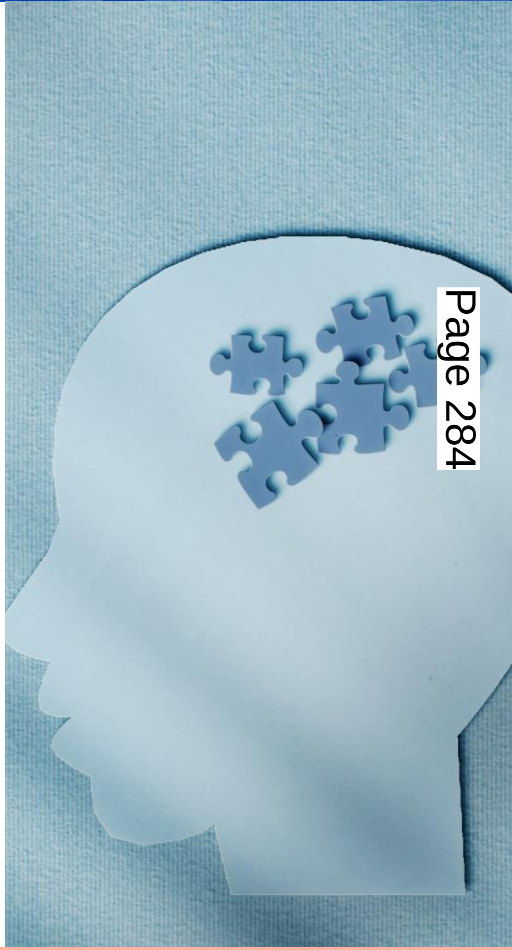


25% thought the explanations were ineffective

44% thought the explanations were effective

- The results exhibited a generally positive perception, with 44% of survey respondents agreeing that the council had explained these matters well. However, 30% of the residents remained neutral, and 25% felt the explanations were ineffective.
- These figures highlight the significant opportunity for improvement in how the council communicates complex issues and engages with the community to ensure understanding.
- The following few slides will exhibit how residents believe this can be improved.

Q8. How well has the Council explained the budget challenges and proposed solutions? Base: 660 (Question was asked to all respondents)



Improving the Council’s explanation of budget challenges and solutions

- **31%** Give more explanation
- **21%** More facts and figures
- **14%** Be honest and transparent
- **13%** Make communication accessible
- **11%** Too vague and not clear

- **Clear communication** was a recurring theme among residents, with 31% stating that the council needed to provide more information, explanations and rationales – particularly regarding how the proposed actions would impact the public. Residents emphasised the need for greater context and clarity to better understand the services and broader implications of decisions.

- Furthermore, 21% of residents stressed they needed more detailed information, including the facts and figures, stressing the **importance of presenting a comprehensive picture to enhance understanding**.

- Honesty and transparency were highlighted by 14% of respondents, who expressed concerns about loaded questions and **emphasised the need for straightforward communication**. A further 13% advocated for making communication more accessible to all, ensuring inclusivity.

- Finally, 11% noted that the challenges and proposed solutions presented by the council were too vague, urging the council to be **more precise when outlining potential changes**.

- Others highlighted the need to listen to the public and make changes based on what residents had to say; emphasising the **need for residents to feel heard and valued** whilst making changes.

- All responses highlighted the crucial need for effective communication in ensuring residents are able to engage and make informed decisions.

This importance of understanding the bigger picture

- Understanding the **broader context** was vital in gaining residents support for smaller changes around York.
- Residents who did not participate in the initial stages of the consultation often lacked awareness of the council's financial challenges, such as the budget deficit. This lack of awareness made it more **difficult for residents to grasp the rationale** behind proposed decisions.
- Once residents were informed of the councils' difficulties, many expressed greater empathy.
- Despite this, some residents still struggled to understand the bigger picture, leading to frustrations or confusions about being asked to pay more and accept service cuts.
- Therefore, it was **difficult to engage meaningfully** without clarity on how funding is currently allocated and where cuts could be made.
- The findings emphasised a need for **transparent communication** in building understanding and acquiring support from residents for these changes. A proactive approach – through **clear, accessible and detailed information** - would help address misconceptions, increase understanding, and encourage a more educated and supportive community response.

The impact of not providing enough context on the budget proposals

What are the real implications of doing this? This is a **very one-sided offer/perspective**.

Again, without knowing the implications **it's impossible to say how supportive I'd be.**

I don't know enough about how possible this is and the impact that the loss of these valuable services might have on the city.

How do you run community safety currently? what is it? are you talking about salaries and on-costs? **Very unclear**.

Importance of communicating what is within the remit of the council

- When communicating changes to address the budget deficit, and explaining the context, it is also crucial to provide residents with clear descriptions of each council service to prevent any potential misconceptions.

- As highlighted in Budget Consultation 1, a lack of understanding about the City of York council's services has contributed to negative perceptions. Some residents mistakenly believe that services funded by central government are entirely funded by local council.

    - For example, parallel to Budget consultation 1, many **mistakenly assumed that services such as the NHS, doctors, and schools were all locally funded**

- Residents are often quick to suggest where funds should be allocated or which areas should be improved, however, many of these suggestions fall outside the council's responsibility. Providing clarification via newsletters or other communication channels would enhance residents understanding and help reduce frustrations.

- Clearly distinguishing what falls within the council's remit and what does not is essential to improve public understanding and help towards understanding any potential changes and price increases.

Appreciation for the challenges faced when context is given

- Residents who were aware of the council's financial challenges and had a strong understanding of the wide range of services funded by the council, particularly through the trade-off exercise in the previous part of the consultation, demonstrated a **heightened sense of empathy** towards the council.

- This awareness helped them appreciate the struggle of making budget decisions and the **importance of prioritising core services**.

- For example, some residents recognised there may be a **dual impact** of making cuts or increasing charges: a possible dissatisfaction from residents and potential harm to businesses due to reduced city-centre footfall (e.g., from parking changes). However, simultaneously there was acknowledgment that without these changes, core services would also face cuts, which was equally undesirable.

- Ultimately, many recognised the **importance of core services**, particularly adult social care, and articulated a strong desire to see these services as sustained as much as possible.

- With enhanced understanding, many stated a preference for measures like increased parking charges over cuts to core services, as **the impact of this was deemed as less detrimental.**

Increased empathy through greater awareness and understanding

I wouldn't want to be a councillor for love nor money, having to do that job, **but if they don't make the savings, that might mean that mental health services, it might mean that the free school means that they give to the kids for those who are in poverty, they won't be able to carry that on**. So actually, **they've got to make savings to make other things work**. So, they must go to bed on a night frustrated.

I'm glad I haven't got this job, that's what I'm going to say, because **I thought it was easy to go 'we need to reduce this'** but then you've got to think, who will you take the money off? **It's a very difficult decision isn't it**.

This for me, has been very productive [in enhancing understanding] just to hear **where they [the council] are coming from, and what the council are trying to consider as well**.

But more reassurance is needed for lower-income and vulnerable groups

- Many residents expressed ongoing concerns that budget cuts and changes would **disproportionately impact those on lower incomes and the most vulnerable** residents.
- There was a particular concern regarding the **combined effect of rising council taxes and increasing charges**, as even small increases could significantly affect those with limited income. For some, a few pounds is the difference between being able to access opportunities versus being isolated.
- Vulnerable groups, particularly those reliant on buses, voiced concerns about how these changes would have a far greater impact on them. These effects were described **as more than just an inconvenience –** many felt these would be **detrimental to their wellbeing.**
- Some residents acknowledged that not everyone is in poverty and can afford these changes and they recognised the **difficulty in striking a fair balance that supports those who need it most**.
- Ultimately, there was a clear call for greater reassurance, compassion and guidance to ensure vulnerable and lower-income groups are **not left struggling**.

It doesn't sit well with us making people suffer by increasing prices, but I've got to remember everyone's not in poverty. **I see it from my perspective, and I see £2 as being so much money**, but some people come and spend £1,000s, so **it is difficult to put myself in their perspective**.

If I had to pay that, then that would be **all my money gone** and I can't do any of that [buy anything I need to]… which would mean my PTSD would go sky high… there are **consequences for increases**.

Concerns about this not reaching £30m

- When considering the approximately 30 million deficit, many residents expressed concern about the limited impact of the proposed budgets in addressing the shortfall.

- Questions were frequently raised about **how much these proposals would realistically contribute.**

- If these proposals would only make a small contribution, residents wanted to know what **other strategies would be implemented to close the gap**, beyond council tax increases.

- Many residents raised further questions that they felt remained unanswered, such as, which specific services might face cuts, whether they would have an input, and how their views from Budget Consultation 1 would be considered.

- Emphasis was placed on the importance of clear communication to provide transparency. Ensuring residents **understand the full picture and long-term approach was seen as vital to maintaining trust** and gaining support for the proposals.

I need to know **how much we've saved** [out of the c.£30m].

What about the rest of the deficit?

Concern regarding CYC not looking inwards when considering changes

- Across both the community groups and open survey responses, frustrations **persisted regarding the perceived inefficiencies within the council**. Many expressed confusion and concern regarding council salaries, bonuses and staffing decisions, particularly in the context of the existing deficit.

- Parallel to Budget Consultation 1, many residents felt that resources were being wasted due to duplicated tasks and questioned how cuts that would affect resident-facing services could be justified without first addressing these assumed internal inefficiencies.

- These concerns **deepened feelings of frustration**, as residents felt they were already bearing the financial burden disproportionately – first over tourists and visitors, and now seemingly over council staff too.

- This perception added to the concern that the council's internal operations should face scrutiny and should be improved before further burdening residents.

- While the council may have turned a critical eye inward since Budget Consultation 1, and these perceptions may not be entirely true, these feelings persist for residents. Evidently, **clear communication is necessary** about ongoing efforts to demonstrate how the council is working to improve efficiency.

Findings:
Council communication

This section explores the key findings relating to resident views on council communication.

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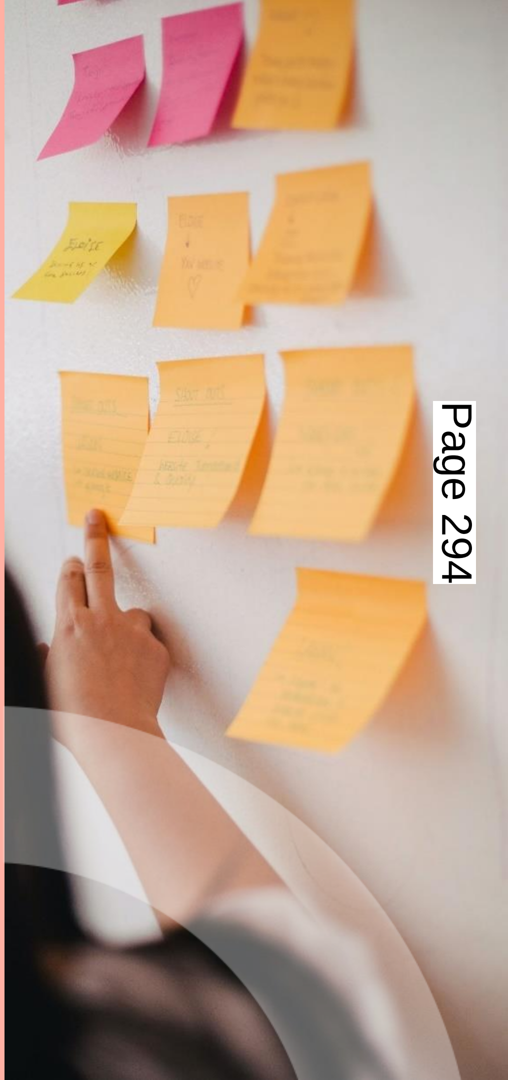
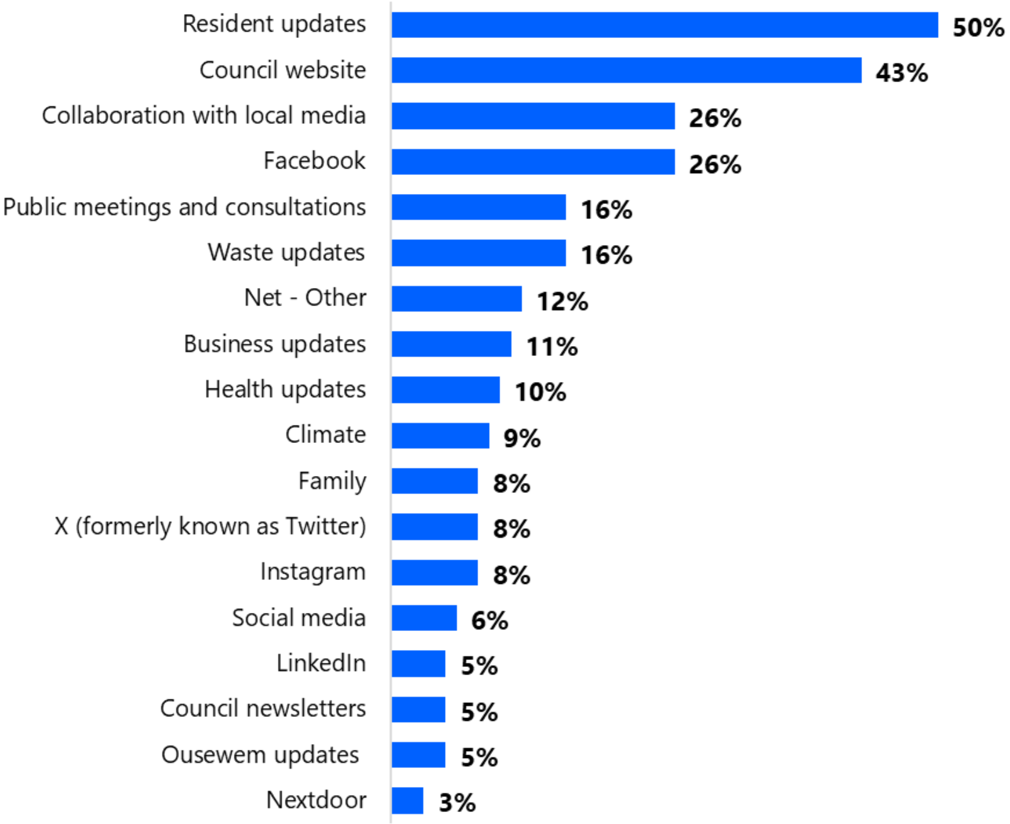


How residents like to receive updates from the CYC



- Half of the residents, across both the face-to-face and online survey, indicated that their preferred method for receiving updates was through **resident updates**.

- This was closely followed by the council website, 43% of residents identified as a valuable platform for updates. Notably, **residents aged 40-64 and over were significantly more likely to favour the website** (47%), in comparison to 34% of those aged 25-39.

- Meanwhile, just over a quarter (26%) of residents considered Facebook as an effective method for updates, though it was **less popular among those aged 65+**, with only 15% selecting this as their preference.

- Evidently, a **diverse mix of communication methods is necessary** to cater to the needs of all resident demographics.

Q9. How would you like to get updates from City of York council?

Top 3 communication methods were also favoured across the groups

- Corresponding to the online survey, resident updates (e.g., through email / letter) emerged as the most preferred method for updating residents on Budget Consultation outcomes and any other news across York. It was highlighted as the most **effective way of reaching the broadest audience of residents**.

- The City of York **website** was also a popular communication tool, as it allowed residents to access information, they are interested in, without feeling it is imposed on them.

- A City of York council **Facebook page** was favourable amongst some residents, provided it was clearly official, including a City of York council logo for legitimacy. However, residents acknowledged that social media alone reaches a limited audience and should be complemented with other communication methods.

- Among community groups specifically, **public meetings and consultations** stood out as highly valued, despite only being preferred by 16% of residents among the surveys. Many residents noted that participating in such consultations made them **feel heard and appreciated**, emphasising the importance of using this approach more frequently.

- Residents also highlighted that giving them a platform to provide input could, in turn, **generate valuable ideas** for the council to address its budget deficit.

The importance of wording communication in an understandable way

- While Section 3c previously highlighted the significance of providing context, residents stressed that presenting this context – particularly when addressing potential service cuts or changes – needs to be handled with care. **Simply and appropriately explaining such changes was deemed crucial**.

- Framing this context and any proposed changes in a **straightforward, accessible way was considered essential**. Several residents felt that the **budget proposals were overly complex, making it difficult to engage fully,** particularly those with learning disabilities.

- Additionally, feedback from the online survey revealed that some residents selected levels of agreement that contradicted their written responses, highlighting the **consequences of failing to present information in universally accessible and user-friendly language**.

- Some residents did acknowledge that not every communication method is going to be understandable for all, and therefore emphasised the importance of **providing a clear method for addressing their questions and concerns regarding any changes**.

- Ensuring residents have an **opportunity to voice their worries and receive quick, straightforward answers was viewed as key** to the City of York council gaining trust and understanding.

Residents valued being informed and heard

- Residents appreciated being **listened to** during this consultation, with many viewing this as a **first step towards building trust** with the council.
- For some, it was the first time they felt **included** in any council-related matter, allowing them to express their views and contribute to decision-making.
- Many highlighted that their frustrations with the council often stem from feeling unheard, ignored or lacking in care.
- Therefore, community groups **valued the effort** made by the council in having an Qa Research attend their groups, which they saw as a genuine sign that their opinions really do matter.
- This consultation was ultimately seen as a **positive step** towards addressing some resident's frustrations and **gaining a sense of connection** with their local council.

Ultimately, residents felt this was a step in the right direction

[I think it’s important] to **not only have my voice heard, but everybody’s**.

You need to know that you've been heard, so they can put whatever they like in a magazine or local link or whatever. **If you haven't been heard, what's the point?**

We're constantly just told what they are going to be doing, and we've got no input in it. As far as I'm concerned, everything just seems to be going up, we've got to pay for more and pay for more and pay for more. We don't get the services that we feel we should get, **so to be included in this, I think is important, we feel we're involved in something**.

[This makes] residents feel like they have been able to speak and **at least involved** in the cutbacks?**...It’s important to have a voice.**

Conclusions

This section outlines conclusions from data gathered throughout the entire consultation exercise

4

Conclusions (1)

- Awareness of the City of York Council's deficit was relatively high. For residents who engaged in Budget Consultation 1, their heightened awareness enabled them to provide more informed and meaningful feedback. In contrast, those with less knowledge about council services and the full implications of not making changes were less able to engage effectively and more likely to oppose the budget proposals. This exhibited that **more awareness of the broader context resulted in more empathy and understanding across residents**.
- While there was higher levels of opposition to increasing council tax by 4.99% than support, there was a notably high levels of residents expressing concerns about poor value for money and perceived waste of resources. Results implied that support levels for increasing council tax could therefore be increased by **providing residents with reassurances and demonstrating a commitment to reviewing internal operations** and ensuring efficient use of resources.
- Support for budget proposals tended to increase when they were perceived as primarily impacting visitors, effectively functioning as an 'indirect tourist tax'. For example, increases in parking charges, particularly in car parks in the city centre, were more favourably received by residents. While some concerns were raised about the potential negative effects on the local economy, these measures were generally preferred over service cuts as they were seen in a way to **protect local services without putting an additional burden on residents**.
- This theme was consistent across all budget proposals. **Residents were more supportive of measures that had minimal impact on them**, such as changes to blue badge schemes and removing funding for Make It York. These proposals were viewed as reasonable and fair, leading to higher levels of support. Conversely, proposals that disproportionately affect residents, such as reducing spending on road maintenance or removing bus subsidies, were met with strong opposition. Residents felt these unfairly targeted them and shifted burden away from tourists.

Conclusions (2)

- Residents strongly backed implementing a tourist tax or visitor levy, viewing it as a necessary step forward. They considered this the most equitable approach to addressing the council's deficit, especially given that tourism is a major driver of York's economy. This would **prevent local residents from shouldering the entire financial burden alone**. Without a tourist tax in place, any reduction in resident services would likely spark backlash.

- Consistently presenting these changing as a **balanced strategy**: raising revenue, improving efficiencies, and making necessary cuts or reductions only when all other options have been exhausted was necessary. This helped enhance support for proposed budget changes as it provided residents with clear communication about the options and avenues that have been considered. Without this, residents automatically opposed to changes as they were frustrated that they were facing the consequences of the council's deficit.

- A **combination of communication methods proved necessary** in order to meet the diverse needs of residents. Resident updates emerged as the most preferred communication channel, followed by the council website, as these methods were seen as most effective in reaching a broad audience. While initially less favoured, public meetings and consultations gained significant popularity once residents experienced them firsthand.

- Both providing context and ensuring the **wording and framing of communication is straightforward and accessible** was notably essential for residents. When language is overly complex, support levels for budget proposals significantly decreased.

- Ultimately, residents offered mixed views on the range of proposals, but there are some clearly more popular than others. The **consultation has provided a robust evidence base** from which budget decisions can be based, along with recommendations for communicating changes to services and costs.

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City of York Council
Policy for the granting of
Discretionary Non-Domestic Rate Relief

Version Control

Version	*Version date*	*Revised by*	*Description*
1	December 2023	LM/DA	Policy including all reliefs for 2024, including the Non Domestic Rating Act 2023
2	December 2024	LM/DA	Policy including all reliefs for 2025 including changes in legislation

Contents

1.0 Purpose of the Policy

1.1 The purpose of this policy is to determine the level of discretionary relief and related areas to be granted to certain defined ratepayers within the Council's area. The policy includes all changes effective from 1st April 2025.

1.2 The Local Government Finance Act 1988 and subsequent legislation requires the Council to grant mandatory relief for premises occupied by Charities and similar organisations that own or occupy them wholly or mainly for charitable purposes. Likewise, certain premises situated within a rural settlement area will be eligible for mandatory relief. Powers have also been granted under the Localism Act 2011, which allow for the granting of discretionary rate relief to any premises where the Council feels the granting of such relief would be of benefit to the local community.

1.3 In addition to the above, Central Government is keen that in certain cases, assistance should be provided to businesses who have had increases in their rate liability due to the revaluation of premises in April 2023. In these cases, and where the Council meets Central Government guidelines, grants are available under section 31 of the Local Government Act 2003.

1.4 Whilst the Council is obliged to grant relief to premises, which fall within the mandatory category, the Council also has powers to grant discretionary relief and reductions to ratepayers, subject to certain criteria being met. In the case of the new reliefs, some guidance has been issued by Central Government outlining actions expected to be taken by local authorities. This policy includes Government guidance where appropriate but also looks to target discretionary relief in line with the Council's priorities.

1.5 This document outlines the following areas:

- Details of the criteria for receiving Discretionary Reliefs for all relevant areas;
- The Council's policy for the granting of all types of Discretionary Reliefs;
- Guidance on granting and administering the reliefs and awards; and
- The Council's Scheme of Delegation.

1.6 Where organisations apply for relief they will be granted (or not granted) relief or reductions in line with the following policy.

2.0 Mandatory Relief - Legislative Background

Charity Relief

2.1 The powers relating to the granting of mandatory[1] and discretionary relief are given to the Council under the Local Government Finance Act 1988[2]. Charities and Trustees for Charities are only liable to pay one fifth of the Non-Domestic Rates that would otherwise be payable where property is occupied and used wholly or mainly for charitable purposes. This amounts to mandatory relief of 80%. For the purposes of the Act, a charity is an organisation or trust established for charitable purposes, whether or not it is registered with the Charity Commission. The provision has been extended under the Local Government Act 2003 (effective from 1st April 2004) to registered Community Amateur Sports Clubs (CASCs). Full details of the mandatory provisions are given later within this policy.

2.2 In the case of charity shops, the premises must meet the criteria laid down by section 64 (10) of the Local Government Finance Act 1988 which states that the premises are to be treated as used for charitable purposes at any time it is wholly or mainly used for the sale of goods donated to the charity and the proceeds of goods (after any deductions for expenses) are applied for the purpose of the charity.

2.3 The Council has discretion to grant relief of up to a further 20% for these mandatory cases under its discretionary provisions.

2.4 From 1st April 2025, Central Government have determined that all Private Schools which would have previously been entitled to mandatory relief (either as a charity or charitable organisation), will **no longer be entitled to mandatory relief**. For the purposes of this change the definition of 'Private School' is an educational establishment that provides compulsory full time education where a fee is payable.

2.5 The Non-Domestic Rating (Multipliers and Private Schools Act 2025) will end relief eligibility for private schools. This change is intended to take effect from April 2025, subject to Parliamentary process. Private schools which are ‘wholly or mainly’ concerned with providing full time education to pupils with an Education, Health and Care Plan will remain eligible for relief.

Rural Rate Relief

2.6 From 1st April 1998, under powers originally granted to the Council by the Local Government and Rating Act 1997[3], certain types of business in rural settlements, with a population below 3000 may qualify for mandatory rate relief of 100 per cent[4] Businesses that qualify for this relief are the sole general store and the sole post office in the settlement, provided it has a Rateable Value of up to £8500; any food shop with a Rateable Value of up to £8500; and the sole pub and the sole petrol station in the settlement provided it has a Rateable Value of up to £12500.

[1] S43 & S45 Local Government Finance Act 1988
[2] S47 & S48 Local Government Finance Act 1988
[3] LGFA 1988, s.47, as amended by Sch. 1 to the Local Government and Rating Act 1997
[4] the increase to 100% mandatory relief is effected by The Non Domestic Rating Act 2023 with effect from 1st April 2024.

What rural settlements exist within the City of York Council's area?

2.6 The following are deemed to be rural settlements within the Council's area:
Acaster; Malbis; Earswick; Kexby; Skelton; Askham; Bryan; Elvington; Murton; Askham Richard; Fulford; Naburn; Deighton; Holtby; Nether Poppleton; Upper Poppleton; Rufforth Wheldrake; Stockton-on-the-Forest;

2.7 Where businesses in rural settlements have a Rateable Value of up to £16,500 **and** are not in receipt of mandatory relief, the Council may decide to give up to 100 per cent discretionary relief if it is satisfied that the business is of benefit to the community and having regard to the interests of its Council Taxpayers.

3.0 Discretionary Relief – Legislative Background

Introduction

3.1 The original purpose of discretionary relief was to provide assistance where the property does not qualify for mandatory relief, or to 'top' up cases where ratepayers already receive mandatory relief.

3.2 Over recent years and particularly since 2011, the discretionary relief provisions have been amended to allow authorities the flexibility to provide more assistance to businesses and organisations.

3.3 The range of bodies, which are eligible for discretionary rate relief, is wide and not all of the criteria laid down by the legislation will be applicable in each case.

3.4 Unlike mandatory relief, ratepayers are obliged to make a written application to the Council. The Council will expect all businesses to make applications in such a format as is required (which may vary from time to time) and for the business to provide such information and evidence as required in order to determine whether relief should be awarded.

3.5 The Council is obliged to carefully consider every application on its merits, taking into account the contribution that the organisation makes to the amenities within the authority's area. There is no statutory appeal process or Tribunal against any decision made by the Council although, as with any decision of a public authority, decisions can be reviewed by Judicial Review. The authority will however, upon request, review decisions made. Details of the internal review process are given within this policy.

3.6 Granting of the relief falls broadly into the following categories:

(a) Discretionary Relief – Charities who already receive mandatory relief.
(b) Discretionary Relief – Premises occupied by organisations not established or conducted for profit whose main objects are charitable or are otherwise philanthropic or religious or concerned with education, social welfare, science, literature or the fine arts **or** premises occupied by organisations not established or conducted for profit and wholly or mainly used for the purposes of recreation;

(c) Discretionary Relief – Rural Rate relief - premises not receiving mandatory relief but of benefit to the local community and less that £16,500 RV;
(d) Discretionary Relief – Granted under the Localism Act 2011 provisions;
(e) Supporting Small Businesses Relief (from 1st April 2023 for a period of up to three years); and
(f) Retail, Hospitality and Leisure Business Rates Relief (from 1st April 2025 for a period of one year);

3.7 The decision to grant or not to grant discretionary relief is a matter purely for the Council.

4.0 The Council's approach to granting Discretionary Relief

4.1 This policy has been developed taking into account the aspirations and challenges facing the City of York.

4.2 The policy is one of discretion and is based upon the **four** ambitions set out in the following paragraphs. The extent to which any discount can be provided in any one year outside of the qualifying criteria is the budget available and the Subsidy Rules.

4.3 It is important that any decision to provide a discount is based upon the set criteria and is rigorously controlled. This will avoid external criticism from both the business community and local tax payer. It also ensures that a formal process to consider the financial implications has been undertaken and that the decision is both democratic and transparent.

4.4 The localisation of business rates with effect from 1st April 2013 and this policy may through stimulating economic growth help to generate greater retained income helping to provide sustainable funding against which applications can be considered.

Ambition 1 – Supporting Young Business in our Economic Growth Sectors

4.5 The York growth sectors are defined in the draft Inward Investment Strategy. The growth sectors are:
(a) Bio-medical/sciences;
(b) Agritech;
(c) Insurance & Professional Services;
(d) Rail & related industries;
(e) Business software innovation; and
(f) Creative medicine

Level of Relief:
Young businesses (first five years of trading) in target sectors can receive up to rate relief of 50% in first year, 20% in second year, up to a maximum of £5K in any one year.

The qualifying criteria are:
(a) Young – must have been founded less than 2 years from date of application;
(b) Must be independent – not a subsidiary or local branch of an existing business;
(c) Must not be eligible for small business rates relief;
(d) York-based – must be paying rates on a property in the City of York Council area;

(e) Target sectors – must be working in one of the six growth sectors;
(f) Must be able to demonstrate need for rate relief;
(g) Must be able to demonstrate the business will be viable after two years relief;
(h) Must demonstrate the potential to create new jobs.

Ambition 2 – Bringing Empty Listed Buildings back into use.

4.6 Empty Listed Buildings receive mandatory 100% rate relief with no time limit. As an incentive to bring such premises back into use, relief is proposed on a sliding scale – 80%/50%/20% over three years – to the landlords or occupiers of the building up to a maximum of £10K (taking into account any Government incentives) in any one year. The qualifying criteria are:
(a) The building must be Listed and have been vacant for a minimum of 12 months;
(b) Some renovation must be required to bring the premises back into use;
(c) Application must gain Listed Building consent for the proposed work (and planning permission, if required);

Ambition 3 – Significant business relocations to York

4.7 This category is intended to allow the possibility of relief being awarded to organisations seeking to relocate or invest in new operations in York, as opposed to another area outside of the City region, which would have a significant impact on employment. Relief would be offered at 1% relief for every new job up to a maximum of 50% or funding available in financial year of application and within the Subsidy rules in the first year of relocation/inward investment only. The qualifying criteria are:
(a) Inward investment must create new jobs (not just relocation of existing employees to York);
(b) Available to companies or organisations in target growth sectors, with the exception of retail;
(c) Jobs created must not have a significant risk of displacing similar employment from existing York businesses.

Ambition 4 – Business Development District

4.8 This ambition is to incentivise the development of business opportunities by providing a discount of 50% on the rates payable in respect of unoccupied commercial properties. The incentive is intended to encourage the development of thriving and more vibrant communities by creating employment, improving the street scene, and creating opportunity through bringing unoccupied commercial properties back into use**.**

4.9 The ambition will target specific geographical areas identified through ongoing review and approved by Cabinet with automatic awards instead of individual application. The Cabinet decision will be based on consideration of the local vacancy factor of commercial properties. This ambition will help support the corporate priorities of:
(a) Creating jobs and growing the economy**;**
(b) Building strong communities.

4.10 The qualifying criteria are**:**
- The premise must be unoccupied, commercial and on the Valuation Office List;

- Any discretionary relief cannot be claimed in addition to Central Governments Reoccupation relief;
- The relief will be calculated after the award of any Small Business Rate Relief if applicable:
- Any award will be for the maximum of eighteen months;
- The relief is for retail premises only and any award is a discretionary decision made by the council to which there is no right of appeal;
- The council will define the boundary of any business development district taking into account the vacancy factor of commercial premises;
- No award will be made in respect of Financial Services including payday lenders, betting shops and pawn brokers or any other use that the council would deem inappropriate or would conflict with the Council's wider objectives for the local area;
- The maximum award is 50% of the residual rates payable after the award of any Small Business Rate Relief if applicable;
- There is a £50,000 Rateable Value Cap.

4.11 Where any reduction or remission is granted to a ratepayer under S49 Local Government Finance Act 1988 where hardship is proven to the Council, then there will be no requirement to grant Discretionary Rate Relief for that amount.

4.12 In certain cases, the order in which relief is granted is specified. Mandatory relief shall be granted in all cases where the criteria is met irrespective of whether discretionary relief can be granted or not.

5.0 The Council’s approach to granting Government led Discretionary Relief schemes.

5.1 Over the past few years, a number of schemes have been led by Central Government but without specific legislative changes. These are administered under S47 of the Local Government Finance Act 1988 and guidance is often provided. The Council is keen to support such initiatives especially where they are designed to help local businesses and will look to maximise both the reliefs given as well as maximise any grants receivable. However, the Council reserves the right to vary its approach where thought appropriate.

6.0 Effect on the Council’s Finances

6.1 The granting of discretionary relief will, in the main, involve a cost to the Council. Since the change to the funding for Non-Domestic Rating in April 2013, the effect of the relief is complex.

6.2 Any amounts granted prior to 1st April 2013 and continuing since that date will be included in the Council’s baseline within the Business Rates Retention Scheme. For any amounts granted for similar cases after 1st April 2013, the costs of the relief will be borne in accordance with the Business Rates Retention Scheme share namely 50% borne by Central Government, and 50% by the Council.

6.3 Where Central Government leads an initiative, grants are often available through section 31 of the Local Government Act 2003. This is not automatic and Central Government will look to the Council to adopt the recommended approach when granting in these areas.

6.4 The financial effects of discretionary reliefs covered by this policy are as follows:

Appendix	Relief Type	Granted after 1st April 2025
	Charity Relief	
A	Discretionary relief granted to Mandatory Relief recipients	50% borne by the Council
B	Non-profit Making Organisations including Sports Clubs and societies	50% borne by the Council
	Rural Rate Relief	
C	Other premises within a rural settlement under £16500 RV	50% borne by the Council
	Localism	
D	Discretionary Relief granted to ratepayers generally and not covered by any other section.	50% borne by the Council
	Supporting Small Business Relief	
E	Supporting Small Businesses Relief (from 1st April 2023 for a period of up to three years if conditions are met	Section 31 Grant
	Retail, Hospitality and Leisure Business Rates Relief	
F	Retail, Hospitality and Leisure Business Rates Relief (from 1st April 2025 for a period of one year).	Section 31 Grant

7.0 Administration of Discretionary Relief

7.1 The following section outlines the procedures followed by officers in granting, amending, or cancelling discretionary relief and reduction as allowed by the Non Domestic Rating Act 2023.

Applications and Evidence

7.2 All reliefs must be applied for. Application forms are produced by the Council in electronic format. The relevant forms are available online via the Council's website.

7.3 Organisations are required to provide a completed application form plus any such evidence, documents, accounts (normally the last two years), financial statements etc. necessary to allow the Council to make a decision. Where insufficient information is provided, then no relief will be granted. In some cases, it may be necessary for officers to visit premises and we would expect organisations claiming relief to facilitate this where necessary.

7.4 **The Council will provide this service and provide guidance free of charge. Ratepayers are encouraged to approach the Council direct and NOT pay for such services through third parties.**

Granting of relief

7.5 To ensure transparency and fairness any consideration to award a relief must have a clear and measurable link to the four ambitions set out above. In addition, the business must provide a clear business case setting out the benefits to the Council and its tax payers of providing any such relief.

7.6 All applications must use the standard application form with additional supporting information attached. Submissions can be made in both a paper and electronic format.

7.7 The business case considered must contain the full financial impact on the Council along with measurable medium and longer term benefits.

7.8 Where an application is made by a ratepayer who receives mandatory relief, a decision to award additional discretionary relief may be made by the Head of Service. Discretionary rate relief of any other amount up to 100%, decisions to be made by the Council Economic Growth Team in consultation with the Section 151 Officer.

7.9 Discretionary relief is to be granted from the beginning of the financial year in which the decision is made or when liability begins whichever is the later. Where the relief is fully Government funded, relief will be granted as long as the ratepayer is eligible.

Variation of a decision

7.10 Variations in any decision will be notified to ratepayers as soon as practicable and will take effect on a date determined by the Council.

7.11 A decision may be revoked at any time by the Council.

Reviews

7.12 This policy will be reviewed annually to ensure its continued relevance and to assess its performance against the four ambitions.

Appeals

7.13 Where the Council receives an appeal from the ratepayer regarding the granting, non-granting or the amount of any discretionary relief, the case will be reviewed by a member of the Service Leadership Team. Where a decision is revised then the ratepayer shall be informed, likewise if the original decision is upheld.

7.14 Where the ratepayer wishes to appeal the decision the case will be considered by the Section 151 officer whose decision on behalf of the Council will be final.

7.15 Ultimately the formal appeal process for the ratepayer is Judicial Review although the Council will endeavour to explain any decision fully and openly with the ratepayer.

8.0 Reporting changes in circumstances

8.1 Where any award is granted to a ratepayer, the Council will require any changes in circumstances which may affect the relief, to be reported as soon as possible. This will be important where the change would result in the amount of the award being reduced or cancelled e.g., where the premises comes unoccupied or is used for a purpose other than that determined by the Council as eligible for relief.

8.2 Where a change of circumstances is reported, the relief will, if appropriate, be revised or cancelled as appropriate. Where any award is to be reduced, the Council will look to recover the amount from the date the change of circumstances occurred.

9.0 Fraud

9.1 Where a ratepayer falsely applies for any relief, or where the ratepayer provides false information, makes false representation, or deliberately withholds information in order to gain relief, prosecutions will be considered under the Fraud Act 2006.

Appendix A
Discretionary Relief – Mandatory Relief recipients

Discretionary Relief – Mandatory Relief recipients

General Explanation

A.1 S43 of the Local Government Finance Act 1988 allows mandatory relief (80%) to be granted on premises if the ratepayer is a charity or trustees for a charity and the premises are wholly or mainly used for charitable purposes. No charge is made in respect of unoccupied premises where it appears that *when next in use* it will be used wholly or mainly for those purposes.

A.2 The legislation has been amended by the Local Government Act 2003 (effective from 1st April 2004) to include registered[5] Community Amateur Sports Clubs (CASC). These organisations can now receive the mandatory (80%) relief.

Charity registration

A.3 Charities are defined within the legislation as being an institution[6] or other organisation established for charitable purposes only or by persons administering a trust established for charitable purposes only.

A.4 The question as to whether an organisation is a charity may be resolved in the majority of cases by reference to the register of charities maintained by the Charity Commissioners under s.4 of the Charities Act 1960. Entry in the register is conclusive evidence. By definition, under the Non-Domestic Rating legislation, there is no actual need for an organisation to be a registered charity to receive the relief and this has been supported by litigation[7], however in all cases the organisation must fall within the following categories:

- trusts for the relief of poverty;
- trusts for the advancement of religion;
- trusts for the advancement of education; and
- trusts for other purposes beneficial to the community, but not falling under any of the preceding heads.

A.5 Certain organisations are exempted from registration generally and are not required to make formal application to the Charity Commissioners these are:

- the Church Commissioners and any institution administered by them;
- any registered society within the meaning of the Friendly Societies Acts of 1896 to 1974;
- units of the Boy Scouts Association or the Girl Guides Association; and
- voluntary schools within the meaning of the Education Acts of 1944 to 1980.

A.6 The Council will consider charitable organisations, registered or not, for mandatory relief.

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[5] Registered with HMRC as a CASC

[6] S67(10) Local Government Finance Act 1988

[7] Income Tax Special Commissioners v Pemsell (1891)

Use of Premises – wholly or mainly used.

A.7 Irrespective of whether an organisation is registered as a charity or not, the premises **must** be wholly or mainly used for charitable purposes. This is essential if any relief (either mandatory or discretionary) is to be granted. In most cases this can be readily seen by inspection, but on occasions the Council has had to question the actual use to which the premises are to be put. In some cases, it will be necessary for the Council to inspect any premises fully.

A.8 Guidance from the Department of Communities and Local Government (now MHCLG) has stated that in the case of 'mainly', at least 51% must be used for charitable purposes whether of that charity or of that and other charities

A.9 The following part of this section gives details on typical uses where relief may be given plus additional criteria that have to be satisfied. The list is not exhaustive but gives clear guidance on premises for which mandatory relief can be granted *and therefore* premises which may be equally considered for discretionary rate relief.

Offices, administration, and similar premises

A.10 Premises used for administration of the Charity include:

- Offices;
- Meeting Rooms; and
- Conference Rooms.

Charity shops

A.11 Charity shops are required to meet additional legislative criteria if they are to receive mandatory relief. Section 64 (10) of the Local Government Finance Act 1988 provides that a property is to be treated as being wholly or mainly used for charitable purposes at any time if, at the time, it is wholly or mainly used for the sale of goods donated to a charity and the proceeds of the sale of the goods (after any deduction of expenses) are applied for the purposes of the charity.

A.12 In order to ascertain whether an organisation meets these requirements, inspections may be made by an officer of the Council when an application is received

Granting of Mandatory Relief - the Council's Policy

A.13 Where the criteria for awarding mandatory relief are met, the rate charges shall be calculated in accordance with the legislation reducing the liability of ratepayers for each day that the criteria are met.

Charity Relief – Mandatory Relief recipients, the Council's Policy for granting discretionary relief.

A.14 Discretionary rate relief will be considered as outlined within this policy.

Appendix B

Discretionary Relief – Non-Profit Making Organisations including Recreation.

Discretionary Relief – Non-Profit Making Organisations including Recreation.

General explanation

Non-Profit

B.1 The legislation[8] allows the Council to grant discretionary relief where the property is not an *excepted* one and all or part of it is occupied for the purposes of one or more institutions or other organisations none of which is established or conducted for profit and each of whose main objects are charitable or are otherwise philanthropic or religious or concerned with education, social welfare, science, literature, or the fine arts.

B.2 Relief cannot be granted to any premises occupied by the Council, or any town, parish council or major Precepting Authority *(excepted premises).*

B.3 A number of issues arise from the term 'not established or conducted for profit'. This requires the Council to make enquiries as to the overall purpose of the organisation although if surpluses and such amounts are directed towards the furtherance or achievement of the objects of the organisation then it does not necessarily mean that the organisation was established or conducted for profit.[9]

Recreation Clubs

B.4 Ideally all recreation clubs should be encouraged to apply for Community Amateur sports Club (CASC) status, which would automatically entitle them to 80% relief. The relief granted to CASCs is covered earlier within this policy.

B.5 Recreation clubs can also apply to the Charity Commissioners for registration as a Charity (thereby falling under the mandatory provisions for 80% relief) where they meet the following conditions:

a. The promotion of community participation in healthy recreation and by the provision of facilities for the playing of particular sports; and
b. The advancement of the physical education of young people not undergoing formal education.

B.6 Where sports clubs do not meet the CASC requirement, and are not registered charities, discretionary relief can be granted (0-100%) where the property is not an *excepted* one, it is wholly or mainly used for purposes of recreation and all or part of it is occupied for the purpose of a club, society or other organisation not established or conducted for profit.

[8] S47 Local Government Finance Act 1988

Definition of Recreation

B.7 Recreation is clearly defined by the Sports Council as any of the following[10]

Aikido
American Football
Angling
Archery
Arm Wrestling
Association Football
Athletics
Australian Rules Football
Badminton
Ballooning
Baseball
Basketball
Baton Twirling
Biathlon
Bicycle Polo
Billiards and Snooker
Bobsleigh
Boccia
Bowls
Boxing
Camogie
Canoeing
Caving
Chinese Martial Arts
Cricket
Croquet
Crossbow
Curling
Cycling
Disability Sport
Dragon Boat Racing
Equestrian
Fencing
Fives
Flying
Gaelic Football
Gliding
Golf
Gymnastics
Handball
Hang/Para Gliding
Highland Games
Hockey
Horse Racing
Hovering
Hurling
Ice Hockey
Ice Skating
Jet Skiing
Ju Jitsu
Judo
Kabaddi
Karate
Kendo
Korfball
Lacrosse
Lawn Tennis
Life Saving
Luge
Modern Pentathlon
Motor Cycling
Motor Sports
Mountaineering
Movement, Dance, Exercise & Fitness
Netball
Orienteering
Parachuting
Petanque
Polo
Pony Trekking
Pool
Quoits
Racketball
Rackets
Raquetball
Rambling
Real Tennis
Roller Hockey
Roller Skating
Rounders
Rowing
Rugby League
Rugby Union
Sailing
Sand/Land Yachting
Shinty
Shooting
Skateboarding
Skiing
Skipping
Snowboarding
Softball
Sombo Wrestling
Squash
Skater/Street Hockey
Sub-Aqua
Surf Life Saving
Surfing
Swimming & Diving
Table Tennis
Taekwondo
Tang Soo Do
Tenpin Bowling
Trampolining
Triathlon
Tug of War
Unihoc
Volleyball
Water Skiing
Weightlifting
Wrestling
Yoga

Access to clubs

B.8 Guidance issued by the DCLG (now MHCLG) also requires the Council to consider access to clubs within the community before granting discretionary relief.

B.9 Membership should be open to all sections of the community. There may be legitimate restrictions placed on membership which relate for example to ability in sport or to the achievement of a standard in the field covered by the organisation or where the capacity of the facility is limited, but in general membership should not be exclusive or restrictive.

B.10 Membership rates should not be set at such a high level as to exclude the general community. However, membership fees may be payable at different rates that distinguish

[10] Definition last reviewed by Sport England in 2002

the different classes of membership such as juniors, adults, students, pensioners, players, non-players, employed and unemployed. In general, the club or organisation must be prepared to show that the criteria by which it considers applications for membership are consistent with the principle of open access.

B.11 The Council also asks the following question to help establish the level of access 'Does the organisation actively encourage membership from particular groups in the community e.g., young people, women, older age groups, persons with disability, ethnic minorities' etc.?'

Provision of facilities

B.12 Clubs which provide training or education are encouraged, as are those who provide schemes for particular groups to develop their skills e.g., young people, the disabled, retired people.

B.13 A number of organisations run a bar. The mere existence of a bar will not in itself be a reason for not granting relief. However, the Council focuses on the main purpose of the organisation. The Council is encouraged to examine the balance between playing and non-playing members.

B.14 Within this area, the Council also considers whether the facilities provided relieve the Council of the need to do so or enhance and supplement those that it does provide.

B.15 In view of the changes in legislation from 1st April 2025 which removes certain private schools from receiving mandatory relief , the Council has decided that those establishments will **not** be granted any discretionary relief.

B.16 For the purposes of this change the definition of 'Private School' is an educational establishment that provides compulsory full time education where a fee or other consideration is payable.

Discretionary Relief - Non–Profit Organisations including Recreation – the Council's Policy

B.17 The Council will consider applications for discretionary rate relief from non-profit making organisations on their own merits on a case-by-case basis. The Council's Economic Growth team will administer these applications and inform ratepayers of the Council's decision.

Appendix C
Discretionary Relief – Premises within Rural Settlements

Discretionary Relief – Premises within Rural Settlements

C.1 The Local Government and Rating Act 1997 allows discretionary relief of up to 100% to be granted where the rateable value is £16500 or less and:

(a) Property is used for purposes which are of benefit to the local community; and
(b) It would be reasonable for the billing authority to award relief, having regards to the Council's Council Taxpayers.

C.2 As with most discretionary relief, part of the cost, is met by Central Government and the balance from local sources.

C.3 The main criteria for granting discretionary relief in respect of rural rate relief is that premises are used to benefit the local community.

Benefit to the local community

C.4 Whilst each application for the relief will be considered on its own merits, there are certain factors which weigh heavily in the decision-making process. It is this Council's belief that the spirit of the legislation is to assist businesses and amenities, which contribute significantly to the quality of life of the people who have their main home in the Rural Settlement.

C.5 To be successful for consideration, a business must show that its existence is a significant benefit to the local community with the majority of local residents directly benefiting from services or facilities provided by that business

Rural Rate Relief – the Council's Policy for granting discretionary relief.

C.6 The Council will also consider applications for a discretionary rural rate relief from all ratepayers, not entitled to mandatory relief up to a maximum of 100%.

C.7 The Council will consider applications for discretionary rate relief from non-profit making organisations on their own merits on a case-by-case basis. The Council's Economic Growth team will administer these applications and inform ratepayers of the Council's decision.

Appendix D

Discretionary Relief – Localism Act 2011

Discretionary Relief – Localism Act 2011

General explanation

D.1 Section 69 of the Localism Act 2011 amended Section 47 of the Local Government Finance Act 1988. These provisions allow all Councils to grant discretionary relief in **any** circumstances where it feels fit having regards to the effect on the Council Taxpayers of its area.

D.2 The provisions are designed to give authorities flexibility in granting relief where it is felt that to do so would be of benefit generally to the area and be reasonable given the financial effect to Council Taxpayers.

Discretionary Relief – Localism – the Council's Policy

D.3 Applications will be considered from any ratepayer who wishes to apply. However, where a ratepayer is suffering hardship or severe difficulties in paying their rates liability then relief can be granted under the existing provisions as laid down by Section 49 of the Local Government Finance Act 1988. There will be no requirement to grant relief in such cases under the Council's discretionary relief policy.

D.4 The Council will consider applications for discretionary rate relief under these provisions on a case-by-case basis.

D.5 The Council's Economic Growth team will administer these applications and inform ratepayers of the Council's decision.

D.6 In view of the changes in legislation from 1st April 2025 which removes certain private schools from receiving mandatory relief , the Council has decided that those establishments will **not** be granted any discretionary relief.

D.7 For the purposes of this change the definition of 'Private School' is an educational establishment that provides compulsory full time education where a fee or other consideration is payable.

Appendix E
Supporting Small Businesses Relief (until 31st March 2026)

General Explanation

E.1 For the financial years 2023/24 to 2025/26, the Government will, in line with the eligibility criteria set out below, reimburse the Council if it uses its discretionary relief powers under section 47 of the Local Government Finance Act 1988 (as amended), to grant 2023 Supporting Small Business relief.

E.2 It will be for the Council, which administers the 2023 Supporting Small Business (2023 SSB) relief, to adopt a local scheme and determine in each individual case when, having regard to this guidance, to grant relief under section 47.

E.3 Central government will reimburse the Council and major precepting authorities for the actual cost to them under the rates retention scheme of the 2023 Supporting Small Business relief that falls within the definitions in this policy.

Who is eligible for the 2023 Supporting Small Business Relief (2023 SSB) and how much relief will be available?

E.4 2023 SSBR will help those ratepayers who as a result of the change in their rateable value at the revaluation are losing some or all of their Small Business, Rural Rate Relief or 2017 SSBR and, as a result, are facing large increases in their bills.

E.5 Charities and Community Amateur Sports Clubs, who are already entitled to mandatory 80% relief, are not eligible for 2023 SSBR.

E.6 To support these ratepayers, 2023 SSBR will ensure that the increase in the bills of these ratepayers is limited to a cash value of £600 per year. This cash maximum increase ensures that ratepayers do not face large bill increases in 2023/24 after transitional relief and small business rate relief (as applicable) have been applied. In order to simplify the scheme, the 2023 SSBR will not include minimum percentage bill increases (unlike the 2017 scheme).

E.7 Those on 2023 SSBR whose 2023 rateable values are £51,000 or more will not be liable to pay the supplement (1.3p) to fund small business rate relief while they are eligible for 2023 SSBR.

E.8 The 2017 SSBR scheme was provided to support small and medium ratepayers who had seen large increases in their bills at the 2017 revaluation. They have, therefore, had 6 years of support to allow them to adjust to their full 2017 bills. Therefore, for those ratepayers receiving 2017 SSB relief in 2022/23, any eligibility for 2023 SSBR will end on 31 March 2024.

E.9 The Council will ensure this eligibility criteria is clear in the scheme approved and that relief for these ratepayers is awarded for one year only so that the relief can then be withdrawn on 31 March 2024 without further notice.

E.10 A change of ratepayers will not affect eligibility for the Supporting Small Business scheme but eligibility will be lost if the property falls vacant or becomes occupied by a charity or Community Amateur Sports Club.

E.11 There is no second property test for eligibility for the 2023 SSBR scheme. However, those ratepayers who during 2022/23 lost entitlement to Small Business Rate Relief (because they failed the second property test) but have, under the rules for Small Business Rate Relief, been given a 12 month period of grace before their relief ended - can continue on the 2023 SSBR scheme for the remainder of their 12 month period of grace.

Sequence of reliefs

E.12 Hereditaments eligible for charity or Community Amateur Sports Club relief or hereditaments which are unoccupied are not eligible for 2023 SSBR. For the avoidance of doubt, small business rate relief or rural rate relief will not be applied to further reduce the bill found under 2023 SSBR (to avoid the double counting of relief).

E.13 The same principle applies to properties for which a Section 44A certificate has been granted (apportionment of rateable values for partly occupied properties). The presence of a section 44A certificate will not further reduce the bill found under 2023 SSBR.

E.14 All other discretionary reliefs, including those funded by section 31 grants, will be considered after the application of 2023 SSBR.

Subsidy control

E.15 The 2023 SSBR is likely to amount to a subsidy. Therefore, any relief provided by the Council under this scheme will need to comply with the UK's domestic and international subsidy control obligations.

E.16 To the extent that the Council is seeking to provide relief that falls below the Minimal Financial Assistance (MFA) thresholds, the Subsidy Control Act allows an economic actor (e.g., a holding company and its subsidiaries) to receive up to £315,000 in a three-year period (consisting of the 2025/26 year and the two previous financial years).

E.17 In those cases where it is clear to the Council that the ratepayer is likely to breach the MFA limit then the Council will withhold the relief. Otherwise, the Council may include the relief in bills and ask the ratepayers, on a self-assessment basis, to inform the Council if they are in breach of the MFA limit.

E.18 MFA subsidies above £100,000 are subject to transparency requirements. This is not cumulated per beneficiary but applies per subsidy award. This means that for every individual subsidy provided of more than £100,000, the Council will include details of the subsidy on the subsidy control database.

Recalculations of reliefs

E.19 As with other reliefs, the amount of SSBR awarded will be recalculated in the event of a change of circumstances. This could include, for example, a backdated change to the rateable value or to the hereditament. This change of circumstances could arise during the year in question or during a later year.

E.20 Therefore, when making an award for SSBR, the Council will ensure the conditions of the award that the relief are subject to the property's continuing eligibility. If the use of the property changes so that it is no longer eligible, the relevant chargeable amount must be recalculated to reflect that fact.

E.21 The Council will also ensure that the scheme provides that eligibility for those ratepayers previously in the 2017 SSBR scheme in 2022/23 are eligible for one year of relief only and that the relief will then be withdrawn from those ratepayers on 31 March 2024 without further notice.

Supporting Small Business Rates Relief (2023/24 to 2025/26) - the Council's policy for granting discretionary relief.

E.22 The Council has decided to grant relief strictly in accordance with Central Government guidelines.

Appendix F
Retail Hospitality and Leisure Relief Scheme (2025/26)

General Explanation

F.1. The 2025/26 Retail, Hospitality and Leisure Business Rates Relief scheme will provide eligible, occupied, retail, hospitality, and leisure properties with a 40% relief, up to a cash cap limit of £110,000 per business.

How will the relief be provided?

F.2 As this is a temporary measure for 2025/26, Government is not changing the legislation relating to the reliefs available to properties. Instead, Government will, in line with the eligibility criteria set out in this guidance, reimburse the Council if it uses its discretionary relief powers under section 47 of the Local Government Finance Act 1988 (as amended) to grant relief. It will be for the Council to adopt a local scheme and determine in each individual case when, having regard to this guidance, to grant relief under section 47.

F.3 Government will fully reimburse the Council and major precepting authorities for their loss of income under the rates retention scheme as a result of awarding the relief that falls within the definitions in this guidance, using a grant under section 31 of the Local Government Act 2003.

F.4 The government expects the Council to apply and grant relief to qualifying ratepayers from the start of the 2025/26 billing year.

Which properties will benefit from relief?

F.5 Hereditaments which benefit from the relief will be those which for a chargeable day in 2025/26:

(a) meet the eligibility criteria; and

(b) the ratepayer for that chargeable day has not refused the relief for the eligible hereditament. The ratepayer may refuse the relief for each eligible hereditament anytime up to 30 April 2026. The ratepayer cannot subsequently withdraw their refusal for either all or part of the financial year.

F.6 The Council has decided that, for the purposes of section 47 of the 1988 Act, hereditaments where the ratepayer has refused the relief are outside of the scheme and outside of the scope of the decision of which hereditaments qualify for the discount and are therefore ineligible for the relief.

F.7 In line with the legal restrictions in section 47(8A) of the Local Government Finance Act 1988, the Council may not grant the discount to themselves or precepting authorities

How much relief will be available?

F.8 Subject to the £110,000 cash cap per business, the total amount of government-funded relief available for each property for 2025/26 under this scheme is for chargeable days from 1 April 2025 to 31 March 2026, 40% of the chargeable amount.

F.9 The relief will be applied after mandatory reliefs and other discretionary reliefs funded by section 31 grants have been applied, but before those where the Council has used its wider discretionary relief powers introduced by the Localism Act 2011, which are not funded by section 31 grants. However, the former categories of discretionary relief available prior to the Localism Act 2011 (i.e., charitable relief etc.) will be applied first in the sequence of discretionary reliefs and, therefore, before Retail, Hospitality and Leisure relief. Authorities may use their discretionary powers to, at cost to themselves, offer further discounts outside this scheme or additional relief to hereditaments within the scheme. However, where the Council applies a locally funded relief under section 47, this will be applied after the Retail, Hospitality and Leisure relief.

F.10 The ordering **will** be applied in following sequence:

- Transitional Relief
- Mandatory Reliefs (as determined in legislation)
- S.47 Discretionary Relief in the following order:
  - (i) 2023 Supporting Small Business (SSB);
  - (ii) Former categories of discretionary relief available prior to the Localism Act 2011 (i.e., charitable, CASC, rural top up, and not for profit) will be applied first in the sequence of discretionary reliefs, after SSB;
  - (iii) Other discretionary (centrally funded);
  - (iv) 2025/26 Retail Hospitality and Leisure relief scheme; and
  - (v) Other locally funded schemes (such as section 49 hardship).

F.11 Subject to the cash cap, the eligibility for the discount and the relief itself will be assessed and calculated on a daily basis. The following formula will be used to determine the amount of relief to be granted for a chargeable day for a particular hereditament in the financial year 2025/26:

- Amount of relief to be granted = V x 0.40 where:
- V is the daily charge for the hereditament for the chargeable day after the application of any mandatory relief and any certain other discretionary reliefs.

F.12 This will be calculated ignoring any prior year adjustments in liabilities which fall to be liable on the day.

F.13 Ratepayers that occupy more than one property will be entitled to relief for each of their eligible properties up to the maximum £110,000 cash cap, per business.

The Cash Cap and Subsidy Control

F.14 Under the cash cap, no ratepayer can in any circumstances exceed the £110,000 cash cap across all of their hereditaments in England.

F.15 Where a ratepayer has a qualifying connection with another ratepayer, then those ratepayers will be considered as one ratepayer for the purposes of the cash caps. A ratepayer shall be treated as having a qualifying connection with another:

(a) where both ratepayers are companies, and
  - (i) one is a subsidiary of the other, or
  - (ii) both are subsidiaries of the same company; or

(b) where only one ratepayer is a company, the other ratepayer (the “second ratepayer”) has such an interest in that company as would, if the second ratepayer were a company, result in its being the holding company of the other.

F.16 The Retail Hospitality and Leisure Scheme is likely to amount to subsidy. Any relief provided by the Council under this scheme will need to comply with the UK's domestic and international subsidy control obligations.

F.17 To the extent that the Council is seeking to provide relief that falls below the Minimal Financial Assistance (MFA) thresholds, the Subsidy Control Act allows an economic actor (e.g., a holding company and its subsidiaries) to receive up to £315,000 in a 3-year period (consisting of the 2025/26 year and the 2 previous financial years).

F.18 In those cases, where it is clear to the Council that the ratepayer is likely to breach the cash cap or the MFA limit, then the Council will automatically withhold the relief.

F.19 MFA subsidies above £100,000 are subject to transparency requirements. This is not cumulated per beneficiary but applies per subsidy award. This means that for every individual subsidy provided of more than £100,000, the Council will include details of the subsidy on the subsidy control database.

Splits, mergers, and changes to existing hereditaments

F.20 The relief will be applied on a day-to-day basis using the formula set out above. A new hereditament created as a result of a split or merger during the financial year, or where there is a change of use, will be considered afresh for the relief on that day.

Recalculations of relief

F.21 The amount of relief awarded will be recalculated in the event of a change of circumstances. This could include, for example, a backdated change to the rateable value or the hereditament. This change of circumstances could arise during the year in question or during a later year.

Eligibility for the Retail, Hospitality and Leisure Relief Scheme

F.22 The Council uses the following definitions to establish eligibility for the relief:

Hereditaments that meet the eligibility for Retail, Hospitality and Leisure scheme will be occupied hereditaments which meet all of the following conditions for the chargeable day:

- they are wholly or mainly being used:
  (i) as shops, restaurants, cafes, drinking establishments, cinemas, or live music venues,
  (ii) for assembly and leisure; or
  (iii) as hotels, guest & boarding premises, or self-catering accommodation

i. Hereditaments that are being used for the sale of goods to visiting members of the public:

- Shops (such as: florists, bakers, butchers, grocers, greengrocers, jewellers, stationers, off licences, chemists, newsagents, hardware stores, supermarkets, etc)
- Charity shops
- Opticians
- Post offices

- Furnishing shops/ display rooms (such as: carpet shops, double glazing, garage doors)
- Car/caravan show rooms
- Second-hand car lots
- Markets
- Petrol stations
- Garden centres
- Art galleries (where art is for sale/hire)

ii. Hereditaments that are being used for the provision of the following services to visiting members of the public:

- Hair and beauty services (such as: hairdressers, nail bars, beauty salons, tanning shops, etc)
- Shoe repairs/key cutting
- Travel agents
- Ticket offices e.g., for theatre
- Dry cleaners
- Launderettes
- PC/TV/domestic appliance repair
- Funeral directors
- Photo processing
- Tool hire
- Car hire

iii. Hereditaments that are being used for the sale of food and/or drink to visiting members of the public:

- Restaurants
- Takeaways
- Sandwich shops
- Coffee shops
- Pubs
- Bar

iv. Hereditaments which are being used as cinemas.

v. Hereditaments that are being used as live music venues:

- Live music venues are hereditaments wholly or mainly used for the performance of live music for the purpose of entertaining an audience. Hereditaments cannot be considered a live music venue for the purpose of business rates relief where a venue is wholly or mainly used as a nightclub or a theatre, for the purposes of the Town and Country Planning (Use Classes) Order 1987 (as amended).
- Hereditaments can be a live music venue even if used for other activities, but only if those other activities (i) are merely ancillary or incidental to the performance of live music (e.g., the sale/supply of alcohol to audience members) or (ii) do not affect the fact that the primary activity for the premises is the performance of live music (e.g., because those other activities are insufficiently regular or frequent, such as a polling station or a fortnightly community event).
- There may be circumstances in which it is difficult to tell whether an activity is a performance of live music or, instead, the playing of recorded music.

vi. Hereditaments that are being used for the provision of sport, leisure, and facilities to visiting members of the public (including for the viewing of such activities).

- Sports grounds and clubs
- Museums and art galleries
- Nightclubs
- Sport and leisure facilities
- Stately homes and historic houses
- Theatres
- Tourist attractions
- Gyms
- Wellness centres, spas, massage parlours
- Casinos, gambling clubs and bingo halls

vii. Hereditaments that are being used for the assembly of visiting members of the public.

- Public halls
- Clubhouses, clubs, and institutions

viii. Hereditaments where the non-domestic part is being used for the provision of living accommodation as a business:

- Hotels, Guest, and Boarding Houses
- Holiday homes
- Caravan parks and sites

F.23 To qualify for the relief the hereditament should be wholly or mainly being used for the above qualifying purposes. In a similar way to other reliefs (such as charity relief), this is a test on use rather than occupation. Therefore, hereditaments which are occupied but not wholly or mainly used for the qualifying purpose will not qualify for the relief.

F.24 The list set out above is not intended to be exhaustive as it would be impossible to list the many and varied uses that exist within the qualifying purposes.

Hereditaments that are being used for the provision of the following services to visiting members of the public:

F.25 The list below sets out the types of uses that the government does not consider to be an eligible use for the purpose of this discount. Again, it is for the Council to determine for themselves whether particular properties are broadly similar in nature to those below and, if so, to consider them **not** eligible for the discount under their local scheme:

- Financial services (e.g., banks, building societies, cash points, bureaux de change, short-term loan providers, betting shops);
- Medical services (e.g., vets, dentists, doctors, osteopaths, chiropractors);
- Professional services (e.g., solicitors, accountants, insurance agents/ financial advisers, employment agencies, estate agents, letting agents); and
- Post office sorting offices.

Retail Hospitality and Leisure Business Rates Scheme (2025/26) - the Council's policy for granting discretionary relief.

F.26 The Council has decided to grant relief strictly in accordance with Central Government guidelines.

Appendix G
Application Form

Application for Discretionary Rate Relief

Please read the
enclosed criteria carefully before completing

The Applicant
Name of Organisation:
Property Address for which rate relief is being sought:
Property Reference Number:
Contact Name and Address:
Contact Telephone Number:
Contact Email Address:
About Your Organisation
Is your organisation a Registered Charity? YES NO Registered Charity Number: If you have answered YES, go to section on participation
Are you registered with the Inland Revenue as a Community Amateur Sports Club (CASC)? YES NO Registration Number: If you have answered YES, go to section on participation
Is the organisation established or conducted on a not-for-profit basis? YES NO
Please tell us what is the legal structure of your organisation:
Only not for profit organisations are eligible for DRR. If your organisation makes a surplus, please tell us how those are distributed

Participation

Tell us how your organisation meets the essential criteria and give examples of community working with our target groups:

Please continue on a separate sheet where necessary

Financial Information

Reserves

Please complete the following statement of funds held on 1st April last in your:

Current Account: £

Deposit Account: £

Building Society Account: £

Other: £

If in making our assessment you think we should discount any part of your reserves please supply documentary evidence to explain why they are held and when you expect to use them. Reasons for discounting reserves could include – capital reserves kept for an identified project or to meet a specific legal requirement.

Please enclose copies of your last two years audited accounts or statement of income and expenditure

Equalities

Does your organisation have a formally adopted equality and diversity policy?
YES NO

Please indicate if your organisation currently produces Community Impact Assessments (CIA) for the activities you provide. If yes, please enclose with your application.

Please note that throughout the course of the award officers will conduct random sampling of CIAs
Membership
Is membership and/or hire open to everyone? YES NO Please enclose your membership and/or hire policy
What percentage of your users / members are York residents?
Does your organisation offer discounts for YorkCard holders? YES NO If yes, please give details
Supporting documentation
Please indicate which documents you have included to support your application:- ☐ Copy of your membership/hire policy and fees ☐ Documentary evidence of any reserves which you wish us to discount ☐ Copy of the last two years audited accounts, or statement of Income and Expenditure ☐ Copy of your community impact assessment (CIA) ☐ Separate sheet supporting section on participation, where needed
Declaration
I confirm that the information supplied is true and correct and that I am authorised to make this application. Name…….. Signature…………………………………………………………………………………………………….. Capacity in which signed……………………………………………………………………………… Date……...
Please return the completed form and supporting documents to: business.rates@york.gov.uk

Business Rates Team,
Customer & Corporate Services , Level 2
West Offices,
Station Rise,
York,
YO1 6GA

This information can be provided in your own language.

Informacje te mogą być przekazywane w języku ojczystym.
Polish

Bu bilgi kendi dilinizde almaniz mümkündür.
Turkish

此信息可以在您自己的语言。
Chinese (Simplified)

此資訊可以提供您自己的語言。
Chinese (Traditional)

01904 551550

Appendix H
Application Criteria

DISCRETIONARY RATE RELIEF

In order to qualify for Discretionary Rate Relief your organisation must meet all of the following criteria.

This criteria is applicable to any application made for up to 100% discretionary rate relief. The decision will be made by the Economic Growth team

The total budget available for Discretionary Rate Relief is cash limited. If the total relief assessed exceeds the available budget, all payments will be reduced proportionately.

1. Your organisation must be working in one of the following areas:
   - Sport and Active Leisure
   - Arts and Culture
   - Community Centres / Halls (i.e. facilities primarily used as a meeting place by members of a community for social, cultural, or recreational purposes)
   - Museums
   - Public parks & open spaces (including allotments)
   - Children's play and young people's leisure
   - Events and festivals

2. Your organisation must be:
   - non-profit making
   - based in and delivering services in York
   - non-governmental
   - for the social good
   - non party political
   - and must reinvest any financial surpluses to further social, environmental or cultural objectives that bring a significant community benefit to York

   If your organisation is a sports club it must be either a registered charity or a registered Community Amateur Sports Club (CASC).

3. Your organisation must be undertaking activities that contribute to the outcomes under our Council Plan objective of "Building Stronger Communities":
   - Community Engagement – more residents engaged in planning and problem solving in their communities.
   - Stronger voluntary sector –a strong volunteering infrastructure with increased levels of volunteering in the city and opportunities for not for profit organisations to deliver services.
   - Safer inclusive communities –safe, resilient and cohesive communities where no person or community feels left behind or disadvantaged.
   - Improved community infrastructure –an appropriate infrastructure including housing, leisure, schools.
   - Healthy sustainable communities –healthy and sustainable living options in communities
   - Communities where young people flourish – we will consult with young people to build communities that reflect their needs.

4. Specifically, your organisation's activities must actively increase participation amongst one or more of those groups identified by the One City Plan as being most at risk of disadvantage and exclusion:
   - Specific neighbourhoods, who feel more excluded due to issues such as low income.
   - Young people who are not in education, employment or training or who face other challenges such as homelessness.
   - Older people who require support to live independently.
   - Black and Minority Ethnic people and migrant workers.
   - Gypsies and Travellers.
   - Carers.
   - Disabled people and people with mental illness.

5. The level of your organisation's revenue reserves must not be in excess of:
   - 10 times the amount of the rates payable (after any mandatory relief is deducted), or
   - £10,000

   (whichever is the higher).

   In assessing the level of reserves for this purpose, the assessment will be restricted to "free" reserves which are available in reasonably liquid form (e.g. not tied up in facilities) and are not required to meet legal requirements.

   Higher reserves may be allowed if:
   - your organisation can demonstrate that they are being kept for a specific, acceptable, development project, or
   - you have charitable status and your organisation's reserve policy meets the requirement of the Charity Commission or
   - it will be unable to pay the rates without putting its financial viability at risk.

6. Your organisation must have a formally adopted Equality and Diversity policy covering age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion, sex, sexual orientation. Furthermore, you must be able to demonstrate that you are implementing your policy through carrying out community impact assessments. Membership must be open to all sections of the community. Organisations that require new members to be nominated by existing members will not be eligible for DRR.

7. Any fees charged by your organisation must be consistent with promoting participation and equality of opportunity. Fees must be affordable. ("Affordable" will be interpreted as not being so expensive as to inhibit participation by the wider community). Where, of necessity, a high level of fees is charged, for example in the form of an annual membership subscription, DRR will only be awarded if the organisation can demonstrate that it has taken measures to address affordability through:
   - appropriate remissions for target groups, and
   - payment schemes that allow fees to be paid over the course of the year, and
   - schemes to encourage potential participants to try the activity at a modest cost before having to commit to the full fees

8. Your organisation must be primarily for the benefit of people who live or work in York, (i.e. at least 80% of users fall in this category). Theatres and Museums whose services are aimed

at a wider audience and who do not meet this 80% threshold will be given assistance on a sliding scale based on the percentage of York users over the last 12 months.
Organisations who do not meet the 80% threshold may be given up to 100% relief if they provide discounts for York*Card* holders in respect of their core services (as a minimum in line with the level of discount that the Council itself applies). This provision will not apply to any organisation that already receives grant funding from the Council which assists the organisation in providing York*Card* discounts.

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City of York Council
Non Domestic Rating - Hardship Policy

Contents

1.0 Purpose of the Policy

1.1 The purpose of this policy is to detail the Council's provisions for reducing or remitting Non Domestic Rates liability where the ratepayer is suffering hardship.

2.0 General Explanation and Legislation

2.1. Section 49 of the Local Government Finance Act 1988 gives billing authorities discretion to reduce or remit the payment of rates whilst giving regard to the interests of its Council Tax payers. This legislation gave the power to reduce or remit rates on both occupied and unoccupied property rates.

2.2 The legislation states the following:

Reduction or remission of liability.
(1)A billing authority may—
- (a) reduce any amount a person is liable to pay to it under section 43 (occupied rates) or 45 (unoccupied property rating: or
- (b) remit payment of the whole of any amount a person would otherwise be liable to pay to it under section 43 or 45.

(2)But an authority may **not** act under this section unless it is satisfied that—
- (a) the ratepayer would sustain hardship if the authority did not do so, and
- (b) it is reasonable for the authority to do so, having regard to the interests of persons liable to pay council tax set by it.

(3)The amount as regards which a reduction or remittance may be made under subsection (1) above is the amount the person would be liable to pay (apart from this section) taking account of anything done under section 47 .

(4)Where an authority acts under this section, section 43 or 45 shall be construed accordingly as regards the case concerned.

3.0 How will the reduction or remission be provided?

3.1 In making decisions on whether to award the relief the Council generally takes into account the following criteria (not listed in any priority):
- Any reduction or remission of rates on the grounds of hardship should be the exception rather than the rule;
- Any reduction of the rates must be shown to be significant to the future viability of the business;
- The business must continue to trade;
- Cash flow forecasts for a minimum of the next twelve months must be provided together with a comprehensive Business Plan incorporating a brief history of the business;

- The test of "hardship" is not strictly confined to financial hardship and that this, in itself, is not a deciding factor;
- The loss of the business would reduce amenities of an area if it is the sole provider of a service in the area;
- The loss of the business would worsen the employment prospects in the area;
- The interests of the Council Tax payers of the area would be best served by awarding the relief;
- The business must demonstrate how it is beneficial to the local community and why it is currently suffering financial hardship;
- The business provides employment to local residents in an area where employment opportunities are limited;
- Independent advice given by banks or financial advisors should be sought to demonstrate the future viability of the business;
- Applications will only be considered where signed by the ratepayer, or, where an organisation is the ratepayer, an appropriately authorised representative of the organisation; and
- The ratepayer will provide additional information as deemed necessary by the Council to be essential in order for a fair evaluation of the application.

4.0 Applications and evidence

4.1 All applications must be made in writing to the Council.

4.2 Ratepayers should be able to demonstrate that they meet the criteria specified in Section A below **AND** at least one of the criteria in Section B.

Section A - (Hardship)

- The ratepayer must be able to display, (giving evidence and reasons), that the organisation/business has run into financial difficulties such that it is unable to meet its liability for Non Domestic rates and to prove that if the rates are not remitted, then the business will have to cease trading.

- The ratepayer must also be able to provide a business plan which indicates that the business can reasonably expect to continue if relief is granted.

Section B – (Interests of the Charge payers of the City)

- The ratepayer must be able to show that the cessation of the organisation's activities will involve one or more of the following:-

  (a) Substantial reduction in amenities for the residents of City of York Council, or

(b) Serious implications for employment prospects in the Council's area; or
(c) Loss of a unique amenity within the Council's area.

.

5.0 Effect on the Council's Finances

5.1 The costs of any reduction or remission of liability will be borne equally between the Council and Government in line with the Business Rates Retention regime.

6.0 Scheme of Delegation

Granting, Varying, Reviewing and Cancellation

6.1 All powers in relation to reductions and reliefs are given under the Local Government Finance Act 1988, the Local Government and Rating Act 1997, the Local Government Act 2003, and the Localism Act 2011. However section 223 of the Local Government Act 1992 allows for delegation of decisions by the Council to Cabinet, Committees, Sub-Committees or Officers.

6.2 For the purposes of this policy, the Section 151 officer in consultation with the relevant Executive Member for Finance and Major Projects will be able to reduce or remit a ratepayers Non Domestic Rates liability.

6.3 Applications that are refused will, on request, be reconsidered if additional supporting information is provided or the refusal is subsequently considered to be based on a misinterpretation of the application.

7.0 Reviews

7.1 Where the Council receives an appeal from the ratepayer regarding the granting, of any reduction or remission, the case will be reviewed by the Head of Customer and Exchequer Services. Where a decision is revised, then the ratepayer shall be informed, likewise if the original decision is upheld.

7.2 Where the ratepayer wishes to appeal the decision, the case will be considered by the Council's Section 151 Officer whose decision on behalf of the Council will be final.

7.3 Ultimately the formal appeal process for the ratepayer is Judicial Review although the Council will endeavour to explain any decision fully and openly with the ratepayer.

8.0 Reporting changes in circumstances

8.1 Where any reduction or remission is granted to a ratepayer, the Council will require any changes in circumstances which may affect the reduction, to be reported as soon as possible or in any event within 21 days of the change. This will be important where the change would result in the amount of the reduction or remission being reduced or cancelled.

8.2 Where a change of circumstances is reported, the reduction or remission will, if appropriate, be revised or cancelled as appropriate. Where any reduction of remission is to be reduced or cancelled, the Council will look to recover the amount from the date the change of circumstances occurred.

9.0 Fraud

9.1 Where a ratepayer falsely applies for any relief, or where the ratepayer provides false information, makes false representation, or deliberately withholds information in order to gain a reduction or remission, prosecutions will be considered under the Fraud Act 2006.

CITY OF YORK COUNCIL

Meeting:	Executive
Meeting date:	21/01/2025
Report of:	Debbie Mitchell, Director of Finance
Portfolio of:	Councillor Katie Lomas, Executive Member for Finance, Performance, Major Projects, Human Rights, Equality & Inclusion

Decision Report: Capital Budget 2025/26 to 2029/30

Subject of Report

1. This report sets out the capital programme for 2025/26 to 2029/30, 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.

Benefits and Challenges

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 current economic uncertainty, it is proposed that any new borrowing is minimised as much as possible by reprioritising elements of the existing approved programme.

3. The costs of supporting the capital programme have increased over the years as the Bank of England increased base rates from 0.25% in February 2022 to 5.25% in August 2023 and have only recently started to reduce to 4.75% in November 2024. This has resulted in increases to the cost of borrowing compared to 2022. Given the challenges outlined in the Financial Strategy report elsewhere in the agenda, only essential new investment is recommended at this time.

4. The council has been successful in identifying external funding for much of its schemes. The 5 year capital programme currently stands at £427m

(as reported in Monitor 3) of which £166m (42%) is funded from external grants and contributions, £167m (34%) from general fund borrowing / internal resources and £94m (24%) from internal Housing Revenue Account (HRA) funding. There are further opportunities in the recently created York and North Yorkshire Mayoral Combined Authority to further increase external funding for investment in the city.

5. The Prudential Code requires Local Authorities to only undertake borrowing that is affordable within available resources. This report therefore needs to considered in line with the other budget papers on this Agenda.

Policy Basis for Decisions

6. The capital programme budget covers the period 2025/26 to 2029/30 and sets out revised investment in the capital programme over the next 5 years.

7. The level of capital investment and levels of borrowing are a key element of the overall finances of the council and key part of the Medium Term Financial Plan.

Financial Strategy Implications

8. This report outlines the five year programme for capital investment and needs to be considered alongside the other key financial reports on the agenda. The report recommends an increase in the council’s borrowing of £32.862m (the largest amount being in 2029/30).

Recommendations and Reasons

9. The Executive is requested to recommend that Council:

- Agree to the revised capital programme of **£385.383m** that reflects a net overall increase of **£60.947m** (as set out in table 2 and in Annex 1). Key elements of this include:
  - New schemes funded by prudential borrowing totalling £8.150m as set out in table 3;
  - Extension of prudential borrowing funded Rolling Programme schemes totalling £24.712m as set out in table 4;
  - Extension of externally funded Rolling Programme schemes totalling £11.935m as set out in table 5;

  - An increase in HRA funded schemes totalling £16.150m funded from a combination HRA balances/capital receipts as set out in table 6;

- Note the total increase in Council borrowing as a result of new schemes being recommended for approval is £32.862m the details of which are considered within this report and the financial strategy report.

- Approve the full restated programme as summarised in Annex 2 totalling **£385.383m** covering financial years 2025/26 to 2029/30 as set out in table 10 and Annex 2

Background

10. The current 2024/25 – 2028/29 capital programme was approved by Council on 22 February 2024. Since then, a number of amendments have taken place as reported to the Executive up to and including the 2024/25 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 2024/25 – 2028/29 of £427.283m, financed by £165.716m of external funding and Council controlled resources of £261.567m. Table 1 illustrates the current approved capital programme profile from 2024/25 – 2028/29 as of capital monitor 3 2024/25.

	24/25 £m	**25/26 £m**	**26/27 £m**	**27/28 £m**	**28/29 £m**	**Total £m**
Gross Capital Programme	**102.847**	**137.824**	**79.382**	**61.091**	**46.139**	**427.283**
Funded by:						
External Funding	42.128	50.509	38.200	26.058	8.821	**165.716**
Council Controlled Resources	60.719	87.315	41.182	35.033	37.318	**261.567**
Total Funding	**102.847**	**137.824**	**79.382**	**61.091**	**46.139**	**427.283**

Table 1 – Funding Position of approved 2024/25 – 2028/29 Capital programme per Monitor 3

11. 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.

Options

12. This report sets out the new capital investment proposals for the 5 year period covering 2025/26 to 2029/30. 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 per Local Government Act 2003 (revised).

Summary of Proposed Capital Investment

13. The capital budget process invited proposals from the departments asking to submit requests for the Councils main capital priorities. Of the 33 proposals going forward 10 are new schemes requiring decision for new council funding, 14 are extensions to rolling programmes that require council funding, 2 are new proposed rolling programmes. The remainder are externally funded (4) and HRA funded (3).

14. In total, proposals have been made that would increase the existing 2025/26 – 2029/30 Capital Programme by **£60.947m**. The proposals are comprised as follows:
    - General Fund schemes requiring financing by Council borrowing **£32.862m**
    - General Fund Schemes and HRA Schemes financed by external funds **£11.935m**
    - Housing Revenue Account schemes financed by HRA funds **£16.150m**

Key Scheme proposals

15. The table below summarises the key proposals that result in an increase to the capital programme of £60.947m split by type. Whilst much of the investment relates to adding a future year to the programme there are proposals to invest in Gypsy and Traveller Site provision, upgrading the riverside pathway by Scarborough Bridge and further investment in Housing Maintenance. 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	8.150	Table 3
Rolling Programme – Prudentially Borrowed	24.712	Table 4
Rolling Programme – Externally Funded	6.110	Table 5
Housing Revenue Account (HRA) Schemes – Funded by HRA resources	16.150	Table 6
Total Increase in Capital Programme	**60.947**	

Table 2 – Summary of New Proposals and Increase in Capital Programme

16. Overall, this report proposes new capital schemes totalling **£60.947m** which result in a net increase to the Capital Programme of the same amount. Details of all schemes within the proposed capital programme can be seen in Annex 2.

Detailed Consideration of Proposed Investment

<u>New Schemes – Prudential Borrowing</u>

17. 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	
Gypsy and Traveller Site Investment	5.250	2025/26 to 2027/28
Leisure Facilities Solar Arrays	0.750	2025/26
Riverbank Repairs (Riverside Path)	0.600	2025/26-2026/27
Mansion House Refurbishment	0.450	2025/26
Crematorium Refurbishment	0.375	2025/26
Union Terrace & Robinson Court Refurbishment	0.325	2025/26
CRIS Portal Replacement	0.125	2025/26

Pay & Display Parking Machines	0.125	2025/26
CCTV Asset Replacement (incl ANPR)	0.100	2025/26
Rufforth Public Right of Way Bridge	0.050	2025/26
New Proposals Requiring Prudential Borrowing	**8.150**	

Table 3 – Summary of New Proposals Requiring Prudential Borrowing Funding

18. An overview of each new scheme being proposed is set out in the following paragraphs.

19. **Gypsy and Traveller Site Investment - Total £5,250k (£750k in 2025/26, £1,500k in 2026/27 and £3,000k 2027/28) -** The council own and manage 61 Gypsy and Traveller pitches across three sites. These are at Water Lane in Clifton, Outgang Lane in Osbaldwick, and James Street in Layerthorpe. The evidence base for the emerging Local Plan identifies the need for additional pitches to meet an identified need. These will be provided through a combination of new pitch provision on both strategic housing sites and direct delivery by the council. As well as providing new pitches, there is a need to invest in existing pitches and sites to improve the quality of accommodation and facilities for residents. This report Executive 14th March 2024 identified how the additional pitches will be delivered by the council alongside improvements to existing facilities. This programme of works will be forward funded with a full business case to be developed and brought before Executive this year. It is estimated the cost of the additional pitch provision and improvements will be around £5.25m.

20. This investment supports the core commitments of the council in the following ways. Gypsies and Travellers are one of the largest minority groups in York, and inequalities affecting Gypsies and Travellers include lack of access to suitable accommodation. This programme of work aims to both increase both the amount and quality of accommodation for Gypsy and Traveller communities and reduce the costs of living through upgrading the energy efficiency of the council owned buildings. Improving the energy efficiency of the buildings will reduce carbon emissions. Improving the sites will have a positive effect on residents physical and mental health. Improvements could include upgrades to walking and cycling routes, street lighting, quality and quantity of open space as well as warmer and healthier living accommodation.

21. The s106's will not be available for a number of years and will be received as and when Local Plan developments are progressed. It will be necessary for the council in the short term to fund the investment.

22. **Leisure Facilities Solar Array – (£750k in 2025/26)** - GLL as the Council's operator for our leisure estate including the LNER Community Stadium are seeking to reduce its reliance on fossil fuels by using alternative methods. This bid is to install solar arrays on four of the leisure building, to save 121,401 tons a year of CO2 emissions and up to £1.3m saving over a 13 year period, excluding the initial investment. This would support the Council's EACH values and the target of being net zero by 2030, through decarbonising the four leisure venues.

23. Currently the Council has a contractual risk share with GLL on utilities. GLL take the risk on consumption levels and the Council take the risk on unit price of energy. Over the last two years the Council has been liable for an additional cost of on average, £500k per year. This proposal would also offset this liability.

24. **Riverside Path - Total £600k (£200k in 2025/26 and £400k in 2026/27) -** The riverside embankment is currently in a state of disrepair. Up until 2021, the embankment was leased from Helmsley Group. Executive agreed to purchase the land at a report in April 2021 which gives the council full control of the asset. As part of the land purchase a dilapidation survey of the embankment was undertake by consultants, which identified the need for remedial work to address the embankments condition.

25. In 2024, a subsequent report was commissioned by the Riverside Improvement Scheme project to provide a more current assessment of the embankment's condition and to understand the impact on the Riverside Path Improvement Scheme project. This report also examined the potential risks associated with not addressing the necessary repairs in the time frames (1-5yrs+).

26. The majority of observed defects are located on the capping beam and piles. While most of these defects are classified as minor in severity, there are small sections where the defects are severe and require high-priority attention.

27. There are a number of repairs recommended to deal with the pitched stone embankment, concrete slabs, capping beam and piles, The estimated cost is £600k but should extend the life of the embankment by 30-40 years.

28. **Mansion House – (£450k in 2025/26).** A full condition survey was carried out in 2022 to highlight areas in need of work and to remain compliant with previous grant monies awarded to the house in 2016, to remedy and maintain essential items. The survey highlighted some £2.2m of works, c£1m of which were identified as red or urgent/ essential works. The following years initial capital funding value was based on that extensive specialist survey and totalled £1.27m awarded which included costs for specialist architects and consultants, surveys and fees in addition to the monies required for the essential works. This was only to cover the essential/ urgent items and only those have been tendered.

29. The scheme also implements the conservation management plan (CMP) and issues identified as part of the fabric condition survey (FCS) carried out in March 2023. The outcome of the scheme will ensure the grade 1 listed building is maintained to industry standards, continues to be publicly accessible, income generating, whilst ensuring it remains the symbol of civic pride in York. The scheme will consist of the following key areas:

    - Repair the vaulting in the passageway under the Mansion House leading to the Guildhall.
    - Install a new fire rated passenger lift.
    - External restoration and repair of the windows and exterior façade
    - Internal restoration including the failing plaster work in the main hall staircase and drawing room.
    - Re-roof and address the rot in the roof structure of the slated areas.
    - Address issues with the hot water system.
    - Compliance with Health and safety and equality legislation

30. The CMP/FCS sets out detailed and specific time scales for key works to be undertaken with other works being reactive to the developing condition of the building. Even if this CRAM bid is successful the planned scheme the works (as per the CMP and emerging conditional needs) will not be commenced until late 2024/2025, which means the building will undergo another winter (maybe two) of further degradation in those areas.

31. The initial funding was approved in the 2024/25 Capital Budget report and the next six months consisted of numerous detailed surveys and assessments of the house in order to provide the most robust and

detailed specification possible for the tender. This was to try and reduce risk of further major issues being identified during the construction phase. Whilst this risk in a property of its age and type is inherent, the information gathered over time has resulted in four tenders from specialist contractors, exceeding expectations.

32. Due to construction costs increasing and specialist materials costs increasing still further, the tenders returned are above the initial expected budget. Prices also reflect the urgency of the works with the Mansion House 300 years approaching and activities and bookings scheduled around that, contractors have a limited time in which to complete the necessary remedials. This further reinforces the need to complete the works urgently as further delay will not only include significant abortive costs for this procurement but will see defects worsen, prices from the market increase further and a subsequent re-procurement will suffer from contractors engaging with the knowledge of cost risk and so will price that into their subsequent tenders.

33. The team and consultants continue to review items and processes and have identified some savings within the initial cost assessment. Ideally all works need addressing as they are on the priority list, but several small items could be excluded if needed. Whilst we await final confirmation and clarifications for the procurement tender award the amount for the likely winning bid would require £450k of additional funds to ensure all items are met and a working contingency is available to the project.

34. As noted, buildings of this age and condition come with inherent risk and until works are fully started and areas exposed there will always remain potential for further issues to be discovered, therefore a contingency is essential in this process.

35. **Crematorium Upgrade (£375k in 2025/26)** - The crematorium is in dire need of refurbishment and expansion. The facility is dated and subject to numerous complaints as it has not been maintained over the years due to lack of funding. The budget, along with the monies already approved would provide a refurbishment of the toilet facilities, expansion of a new waiting area and the delivery of a changing place facility for use by those of accessible needs. this would provide a far more fitting environment for the activities the facility delivers. The original 2019 award of £250k supplemented by £73k (from capital contingency but not allocated) in 2021 due to price rises during the pandemic was to provide a standalone waiting room separate to the existing building. this modular unit was designed and planning approved, however, the contract fell through

during the Covid pandemic. Costs have risen considerably since then and so the old scheme is now no longer affordable.

36. There is £221k left from the original scheme. A reduced scheme has been designed to meet the remaining budget but this is small and does little to improve the existing building. The reduced scheme would simply provide additional waiting space. The crematorium building receives up to 1,000 visitors a day for services and the existing facilities are in desperate need of update. The additional funds we believe, would enable us to return to the original scheme, providing a modular addition with toilet and accessible facilities on the grounds directly opposite the main entrance to the crematorium, plus the conversion of the old waiting space into a changing place toilet and a refresh of the existing toilets on site providing a much more presentable facility to the mourners attending. This will lead to a scheme valued at £596k and also provides a platform for other future developments under review including solutions around providing visiting mourners with refreshments.

37. **Union Terrace and Robinson Court Upgrades (£325k in 2025/26) -** Works to upgrade hostel resident shower rooms and carry out other essential capital works as newly acquired hostels at Union Terrace and Robinson Court (women's only accommodation) are brought into the management of the authority following Executive decision of May 2024. The hostels were previously managed by Changing Lives under contract to the Council but the capital responsibility for the buildings and related maintenance remained with the Council.

38. The ensuite shower rooms in these hostels are designed to allow level access and to mitigate damage and disruption through malicious use. Their safe and efficient operation is important to the wellbeing of residents. Over the last two years, four bathrooms have failed and many more have been "patch repaired" to prolong their operation in anticipation of upgrade works. In addition, damp and/or air quality issues need to be addressed by works to air-exchange units in bedrooms and other items of Mechanical and Electrical works.

39. **CRIS Replacement (£125k in 2025/26)** - To replace the existing in-house provider portal (CRIS), which receives weekly actuals of care delivered to customers, with the fully integrated Mosaic Provider Portal. CRIS provides a tool to end the processing of paper homecare invoices, however the system lacks flexibility and cannot support the change to locality service provision or support the removal of the remaining paper invoices. The CRIS portal is now unsupported, and further in house development of the system cannot proceed as the code and technology

is out of date and knowledge has been lost through staff attrition. The aim of the scheme is to implement a provider portal which is configurable to the Council's specifications, which will allow all suppliers to submit invoices (regardless of the type of care being provided) and which is maintained/updated through an annual service agreement.

40. **Pay and Display Ticket Machines (Car Parks) (£125k in 2025/26)** - Replacement of all car park pay and display machines following decision to go cashless. Currently all pay and display machines accept cash, they cannot be retro fitted to become card only. Not all machines take card therefore all machines need to be replaced. 40% of these machines are over 15 years old and as such parts are now obsolete, they also are unable to communicate large data files as required for remote tariff upgrades. Preference would be to move to a ticketless solution where a motorist uses the registration number and parking session details are sent to the CEO handhelds, this would remove a further expense (ticket roll cost and replacement) as well as another component to repair and maintain (printer) It would also make patrols more efficient as all checks can be done using ANPR.

41. **CCTV Asset Replacement and ANPR Cameras (£100k in 2025/26)** – The council has recently gained powers to enforce moving traffic offences. To properly enforce such powers will require additional equipment such as ANPR cameras. This budget will allow for the purchase of such equipment. Any schemes taken forward will be subject to approved business case,

42. There is also a necessity to replace a number of life expired CCTV cameras. City of York Council owns and operates a Public Space Surveillance System that comprises of several hundred CCTV cameras, plus communications and instation equipment. These assets are subject to a full maintenance contract, however as with all assets, they eventually become life-expired and need replacing. A contract is already in place through which these assets can be purchased.

43. **Rufforth Public Rights of Way Bridge (£50k in 2025/26**) - In May 2024, scheduled maintenance works to the timber bridleway bridge on the popular and well-used public bridleway/cycle path between Rufforth and Knapton, revealed that the beams of the bridge had rotted more than expected, meaning that the maintenance works scheduled to be carried out could not continue and the bridge had to be closed to the public on safety grounds.

44. The route has strategic importance in that it provides a safe off-road active travel route from Rufforth to Knapton and the cycle network into York. The route is also well frequented by leisure users (walkers, wheelers, cyclists and equestrians) for health and well-being purposes.

Rolling Programme Schemes – Prudential Borrowing

45. The 2024/25 – 2028/29 capital programme contained a number of rolling programme schemes that require funding on an ongoing basis. This report extends the rolling capital programme to 2029/2030 and also incorporates proposals which increase the level of currently approved rolling programme schemes by adding additional years across the financial years. These schemes are set out in the table below:

Scheme Type / Description	Total Value	Financial Year
	£m	
Structures (Special Bridge Maintenance)	0.605	2029/30
Non-Highways Structures	0.250	2025/26 - 2029/30
Drainage	1.400	2025/26 - 2029/30
Highways	5.070	2029/30
Replacement of unsound columns	1.650	2027/28 – 29/30
City Walls Maintenance	1.035	2025/26 - 2029/30
Fleet Replacement	8.532	2029/30
Park Investment Fund	0.500	2025/26 - 2026/27
Asset Maintenance	1.175	2025/26, 2026/27 & 2029/30
Disabled Facilities Grant	0.475	2029/30
Disability Support Budget	0.310	2029/30
Major Items of Disability Equipment	0.172	2029/30
Telecare Equipment	0.318	2029/30
ICT Rolling Programme	2.820	2029/30
Project Support Fund	0.200	2029/30
Contingency	0.200	2025/26
Total Rolling Programme Schemes	**24.712**	

Table 4 – Summary of Rolling Programme Proposals Requiring Prudential Borrowing Funding

46. All of the £24.712m of rolling programme scheme will require revenue growth to fund (to support the prudential borrowing), the revenue

implications are contained in the Financial Strategy 2025/26 – 2029/30 report also on this agenda.

47. An overview of each scheme being proposed is set out in the following paragraphs.

48. **Structures (Special Bridge Maintenance) (£605k 2029/30)** – All highway bridges and other highway structures are fundamental to the transport infrastructure. They are relied upon to remain in service year after year and are carrying ever increasing traffic flows. The Highways Act places a statutory obligation on highway authorities to maintain the public highway.

49. Costs for an inspection and assessment regime are included within this bid, routine principal and general inspections and bridge assessments help identify whether the structures are safe for use and fit for purpose. Other work will include bridge minor maintenance works identified through the BCI forms undertaken for the general and principal bridge inspections.

50. This is for various bridges in the Council's bridge stock and will incorporate low, medium and high priority works on a case-by-case basis. The bid covers future major maintenance of bridges which will include bridge waterproofing and joint replacements, painting works, small bridge replacements and strengthening works.

51. **Non-Highways Structures £250k (£50k pa 2025/26 to 2029/30)** – A significant number of historic CYC assets have been passed to the Highway Asset Management Team for investigation, renewal and management in recent years. These have been delivered through a number of routes in the past but have not actively been managed by the service as part of the core adopted highway network. With the emerging Local Transport Plan and Movement & Place Plan it is likely that more assets will be passed to the service.

52. The programme will encompass all the work required to ensure that these additional structures are inspected and maintained in accordance with the Code of Practice for Well-Managed Highways Infrastructure or the CYC Highways Infrastructure Asset Management Plan which will be updated in line with the LTP and Movement & Place plans.

53. These additional structures are over and above those structures identified and included within the CRAM bid for Special Bridge

Maintenance and have not previously been managed by the Highways Team.

54. The initial programme may include, but are not limited to, the following assets, future years programmes will be revised as new assets are identified:
    - Monk Stray / University footbridge.
    - Moore Avenue footbridge
    - Temple Avenue footbridge.
    - Cable Bridge Foss Islands
    - Highways Retaining Walls

55. **Drainage £1,400k (£100k pa 2025/26 to 2028/29 £1,000k 2029/30)** – Funding through the capital programme has enabled the team to repair and remedy persistent highway flooding problems, many of which also affected properties. Investigations in many parts of the city have all located unrecorded drainage infrastructure affected by blockages from silt, tree roots and damage by utilities.

56. The Flood Risk Management team has developed a Surface Water Management Plan for the Council's area which has been approved by Executive. Based on findings from the investigations and modelling it concludes that significant investment is required to restore the highway drainage infrastructure to a satisfactory standard to enable future flood risk to be managed effectively.

57. This budget includes works that have been identified following drainage investigations.

58. **Highways Schemes (£5,070k in 2029/30)** – The total annual rolling budget requirement for an optimum structural maintenance regime is circa £10m representing current costing.

59. Outputs from the Councils highway inspection and deterioration data (Vaisala) will be used to target additional highways R&R funding to address emerging highway asset defects, proactive works will slow the deterioration of the cities highway network, The current rate of highway depreciation is greater than the funding the service is receiving annually, the highways asset management team are therefore requesting capital funding required to slow the rate of depreciation across the network.

60. To achieve best value, we undertake a range of interventions, which include but are not limited to Reconstruction, Resurfacing, Micro Surfacing, Surface Dressing, Footway Reconstruction including modular

and asphalt, Footways Resurfacing and Slurry Sealing. In order to continue our maintenance of the highway network, it is recommended that rolling funding of £5,070k is made available for 2029/30.

61. The service is reporting a c £100m maintenance backlog and therefore even with this level of investment the network is likely to continue to deteriorate. The council already adds significant sums on top of funding that is above funding provided by Central Government.

62. The benefits of surface treatments on roads, footpaths and footways are felt by all users. Treatments delivered at the optimum time in the carriageway lifecycle, will prevent the formation of defects like potholes, for the benefit of all road users.

63. The Council contribution to Highway Maintenance is £5.070m and as in previous years this includes an allocation towards the maintenance of traffic signals (£1m). The balance is used for highway repairs. It is proposed that included in the highway repairs is an allocation made to compliment highway maintenance such as such as road safety, danger reduction, pedestrian crossings and speed management interventions (£300k).

64. The government have announced an allocation of £62.181m for Highway Maintenance to York and North Yorkshire Combined Authority. This is an increase of c.37% compared to baseline. It will be for the Combined Authority to agree the individual allocations, but it is likely that there will be an increase to the council. It is currently assumed for planning purposes that this will increase Highway Funding by £1.165m in 2025/26 and subsequent years. This is considered later in the External Funding section of the report.

65. **City Walls £1,035k (£350k in 2025/26 £45k a year 2026/27 to 2028/29 and £550k 2029/30)** – The city walls are one of the most important assets for the city, offering outstanding heritage value but also a civic amenity for residents and key tourist attraction. This programme encompasses all works required to ensure that the City Walls are managed, maintained, and remain open for both residents and visitors.

66. As the owners of the schedule monument, we have obligations of care under the Monuments and Archaeological Areas Act 1979, The National Planning Policy Framework and The Planning (Listed Buildings and Conservation Areas) Act 1990. This investment is therefore a statutory requirement.

67. We are committed to principles of affordability, by investing in inspection and monitoring regimes to identify issues early, so that smaller scale timely interventions can be undertaken, reducing the needs for more extensive works.

68. Additionally, we will be rolling out initiatives such as donation points and interpretation spaces to encourage visitors to donate to the upkeep of the monument.

69. The annual cost for the mandatory inspection and monitoring regime of the City Walls are included for the 2029/30 rolling programme bid.

70. These costs cover monitoring and general inspections of the assets, the identification of any degrading of monuments and the extent of any intervention and remedial works, where required. The scheme encompasses all required work to ensure that the City Walls are inspected and maintained in accordance with the adopted Conservation Management Plan. The City Walls are an Ancient Monuments with the highest level of heritage significance, a key draw for tourism and of singular importance to the residents of York.

71. Costs for an inspection and monitoring regime are included within this bid, regular monitoring and general inspections identify how the monument is degrading, where intervention is warranted and keeps the structure safe and accessible. The bid includes provision for all routine conservation and maintenance works, as well as larger scale interventions for the area of the Monument that have been identified as of High at risk of damage.

72. For 2025/26 it is recommended that an additional £350k is added to the current programme which brings the funding available to the £550k required plus a further contribution to cover urgent repairs that are required at Bootham Bar.

73. The current the roof is in a poor state, it is not keeping water from entering the building and we are having to jury rig a solution to manage quite a severe leak in order to prevent the upper floor flooding. Failure to address water ingress has already caused significant decay to some of the roof timbers to the point where they now require replacing, and in one case temporarily propping to prevent collapse as well as the floor of the roof space. The scheme encompasses all required work to ensure that the City Walls are inspected and maintained in accordance with the adopted Conservation Management Plan.

74. **Fleet Replacement (£8,532k in 2029/30) -** Ongoing replacement of vehicle and plant since 2020, continued procurement is required to ensure fleet reliability and to assist services with maintenance budgets and costs that can escalate if assets are kept after scheduled replacement life. The funds required are to replace EV vehicles at end of life and to replace diesel powered HGV vehicles to EV in line with CYC policy to be carbon neutral by 2030. There is a case for HGV's to be purchased with diesel powered engines, this would significantly reduce the purchase costs but will delay the CYC policy of being carbon neutral by seven years.

75. **Park Investment Fund £500k (£300k 2025/26, £200k 2026/27) -** Public Realm manages a significant estate across the city. The service has a very limited provision in terms of basic maintenance and would like to create a public realm improvement fund to ensure that investment can be focused into the effective management and maintenance of its assets. The fund would be used to make improvements to parks and open space across the city but particularly to deliver the Council's ambition to have more Green Flag parks. The money would be directed towards improvements to core infrastructure, fencing, parks buildings and roofs and other needs as and where required across Green Flag Parks (and other sites across the city that we want to improve to Green Flag standards) and other open space. There are a number of built structures in parks at Hull Road, West bank park and Rowntree Park in particular that will require investment/maintenance works over the next few years and this fund can be directed to such works. It is proposed that spending priorities would be agreed with the Director of Environment, Transport and Planning in consultation with the Executive Member for the Environment and Climate Emergency.

76. **Asset Maintenance £1,175k (£500k in 2025/26, £400k in 2026/27 and £275k 2029/30)** – There is currently a rolling programme capital Scheme for health and safety repairs of £275k per annum with 4 years left to run. The previous years allocations have been spent and committed 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.

77. The budget has previously been used to address costly capital repairs such as roofs on the commercial and operational estate, mechanical and electrical major expense such as heating systems and to cover the council's responsibility for closed churchyards. Extending the scheme for another year so there are 5 years remaining as has been undertaken

previously is recommended. This bid therefore is to increase the approved annual rolling programme to help fund these critical repairs to the retained buildings.

78. There are additional requests for funding to deal with major repairs at the council's Administrative Accommodation estate totalling £900k over 2025/26 and 2026/27.

79. At Hazel Court the Eco building roof has been under investigation for repairs for many months due to a leak in the 1st floor kitchen, which has resulted in many findings. The PV panels across the whole roof have been fitted incorrectly and over time has created holes in the shingle that now allow water to egress into the structure. The shingles have also been incorrectly fitting to exacerbate the water egress leaving the water nowhere to drain off other than underneath the roof and again into the building. The batons fitted are of an inferior size which over time have worn to the point where it has no void for condensation to escape and again is finding its way into the building structure. Finally, the flashings around the roof lights (Velux windows) have worn and now leak precipitation into the 1st floor office space. All of the moisture and water seeping into the building, which is built of wood with straw bale walls, is gradually deteriorating and has been for almost 12 months, thus any longer term delays will compromise the integrity of the structure. The repair requires will replace the roofing lights, repair the roof and refit the PV's correctly to ensure it is water tight and will last up to a further 10 years.

80. The Eco Depot Salt barn requires concrete repairs to ensure the ongoing viability of this resource. Surveys have been carried out which conclude the rods in the concrete walls are corroding and the impact to the concrete is corrosion, ultimately deeming the structure to be a H&S risk. Albeit the concrete walls only form part of the full scale walls these do support the upper portions of the enclosure and roof. The structure has been in place for 10 years and to date has received no maintenance or survey until now. The repairs will cement a 5-10 year lifespan by halting the corrosion process and enabling the service to provide a continued essential gritting service to the roads of York, ultimately supporting the safety of our residents. By law we are required to have 2900 tonnes of salt at any one time during our gritting season, this is provided by our current facility, however over the past 10 years the salt has ultimately corroded the wall concrete over time and compromised the metal supports within the concrete. Without this repair the barn would be deemed in time unsafe and alternative storage would need to be sought incurring additional costs.

81. At West Offices there is a need to replace the destratification fans which reduce heat particularly on the third floor during summer months. These were installed in 2012 and are life expired. West Officed does generate significant external income particularly from hiring out the higher floors and therefore it is necessary that the office environment remains comfortable.

82. **Disabled Facilities Grant (£475k 2029/30)** – The Disabled Facilities Grants programme provides financial, to occupiers of privately owned properties, to undertake adaptations to help owner occupiers and tenants living in the properties to live independently within the property in the future. A wide range of adaptations are provided ranging from minor to major works, with these being funded through minor works grants, disabled adaptation grants and disabled facility grants. Typical adaptations included minor adaptations such as the installation of hand rails, steps and other equipment, to more major adaptations such as stairlifts, through floor lifts, level access showers (wet rooms) etc. In more complex cases we can also provide funding to enable extensions or to support relocation of the applicant where it is found to be more cost effective. The budget is financed through monies allocated from the Better Care Fund and CYC's budget in line with our statutory obligations.

83. The government have announced nationally there will be an increase in of £86m for disabled facilities in 2025/26. This could lead to an increase to CYC of c. £200k per annum.

84. **Major Items of Disability Equipment (£172k 2029/30)** – CYC provide equipment 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 rather than moving to residential care. It also contributes to successful community reablement and is a key component of hospital discharge packages.

85. **Telecare equipment (£309k 2029/30) –** Funding for Telecare equipment - sensors will 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 response 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.

86. **ICT Rolling Programme (£2,820k 2029/30)** - Crucially this budget funds the maintenance, development and compliancy requirements of the key corporate systems enabling and supporting ICT infrastructure, device and application estate that is required to underpin the delivery, sustainability and security of these programme supporting technologies whilst also maintaining the organisation’s business as usual critical ICT services to staff and citizens. In addition, each of the years in the bid requires a significant allocation to fund our technology refresh programme that is required as part of the new Network Managed Service Agreement and the connectivity, supporting technology platforms and devices to enable and sustain the mobilisation of a flexible workforce and building estate across CYC. This programme 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 and development programme.

87. **Project Support Fund (£200k 2029/30) –** To extend the existing funding into 2029/30 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 to support the successful delivery of bringing new assets into operation.

88. **Contingency Funds (£200k 2025/26) –** Included within the capital programme is a contingency which is available to reallocate to other capital schemes if there are unexpected cost increases which cannot be managed within the programme. At Monitor 3 the Contingency stands at £1,176k. Given the scale of the capital programme it is proposed to increase by £200k. The use of the contingency will need to be approved by Executive.

<u>Rolling programme - Externally Funded + HRA Funded</u>

89. In additional 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	Financial Year
	£m	
Existing General Fund Schemes New External Funding		
Highways schemes	8.660	2025/26 to 2029/30
Integrated Transport	1.570	2029/30
Disabled Facilities Grant	1.625	2029/30
Total	**11.855**	
New General Fund Schemes – New External Funding		
Drainage Works	0.080	2025/26
New General Fund Schemes – New External Funding TOTAL	**0.080**	
Total – New External Funding	**11.935**	

Table 5 – Summary of New External Funding

90. The funding for the schemes set out above for the rolling programmes have been updated to reflect the indicative funding settlements in 2029/30.

91. The Highways and Transport capital allocations will in future be passed through from the York and North Yorkshire Combined Authority. As they will be determined by the Mayor and Members of the Authority the ongoing allocations will be subject to change.

92. As stated in paragraph 64 above, the Government have announced the 2025/26 allocation to York and North Yorkshire Combined Authority of £62.181m for Highway Maintenance. This is an increase of c. 37% compared to baseline. It will be for the Combined Authority to agree the individual allocations, but it is assumed that there will be an increase to the council. The figures above assume an increase of £1.165m to take the budget to £4m over the years in the plan. When the final allocation to CYC is determined this will be updated in future monitoring reports.

93. At the time of writing the report there has been no indication of funding related to Integrated Transport. This will also be passed to the

Combined Authority who will determine allocations to the constituent authorities.

External Drainage Funding

94. City of York Council have worked with the Environment Agency and Yorkshire Regional Flood and Coastal Committee on a number of projects in recent years, grant in aid and Local Levy funding, respectively, has been awarded to CYC for a number of schemes and works have been delivered to remedy issues and increase flood resilience.

95. In several past financial years some grant funding has remained unallocated to specific budgets post scheme completion and local service area spend have not been offset by the incoming grant. This grant funding has been accrued and is available to be re-distributed to similar schemes, finance officers have advised that a CRAM bid is submitted to reallocate.

96. The available funding will be targeted towards schemes and improvements to increase flood resilience across numerous sites affected by fluvial flooding or surface water flooding in accordance with our Strategic Flood Risk Management Plan, Local Flood Risk Management Strategy and flood operations plans.

97. Specific sites for targeted improvements are to be determined but likely sites are Peckitt Street, Tower Gardens and numerous surface water flood risk sites identified within our strategy.

98. The **Housing Revenue Account (HRA)** generates funds within the account to deliver capital repairs and investment in its properties.

99. Table 6 shows the overall movement (growth) against the existing approved expenditure plans.

Scheme Type / Description	**Total Value £’m**	**Financial Year**
New Investment for the HRA		
Major Repairs & Modernisation	15.300	2025/26 to 2028/29
Assistance to Older and Disabled People	0.680	2029/30

Housing Environmental Improvement Programme	0.170	2029/30
New Investment for the HRA	**16.150**	

Table 6 – Summary of HRA investment

100. **Major Repairs & Modernisation of LA Homes (£800k growth per annum 2025/26 to 2028/29, £12,100k 2029/30) –** The HRA has required to allocate additional funds to reflect the need to structurally maintain its stock which has resulted in an increase of £800k per annum in the capital budget across all years. A major stock condition survey has been completed against all of the councils c.7,500 homes. The programme of works for 2025/26 will be focused on delivering all of the required improvements under Year 1 of a 5 year programme. Works will ensure that homes reach the “City of York Standard”, focusing upon matters of interest for tenants such as:

- Improving the energy efficiency of homes, seeking to bring the Energy Performance rating of homes up from D to C.
- Working to complete the upgrading of older uPVC windows, installing high performance and thermal efficient new windows.
- Continuing the programme of work to provide effective protection in walls and floors to prevent damp penetration and measures to manage or eradicate water below suspended floors, where problems have been identified.
- When we modernise homes, ensure that there are extractor fans in both the kitchen and bathroom which are humidistat controlled, helping to control the moisture which can give rise to mould.
- Installing secure, ideally composite, external doors, replacing soft-wood doors as a priority.

The major repairs and modernisation budget for 2025/26 is £12,741k which includes £800k carried forward from 2024/25. A preliminary breakdown of the type and value of works are provided below:

	2025/26 budget £’000	**Description of works 2025/26**
Home Modernisation	1,695	Periodic modernisation of homes, providing new kitchens, bathrooms and electrical wiring. At the same time, and where the energy efficiency of the home is currently rated D, seek to carry out insulation and other works to improve its thermal efficiency. Homes will benefit from an upgrade to their bathroom and kitchen ventilation, when new humidistat

		controlled, extract fans are installed, helping to control the moisture which can give rise to mould. An estimated 130 homes will be modernised which will include properties identified in the stock condition survey.
Modernisation of Void properties	2,000	Essential repairs to void properties including the upgrading of the kitchen, bathroom and electrical wiring if the out-going tenant had previously refused this. We will also carry out works to improve the energy efficiency of the home and major structural damp where required. An estimated 100 homes are expected be improved which is greater than last year but with less resources.
Heating/Boilers	300	Boiler replacements are currently well ahead of schedule and for 2025/26 the focus will be on replacement of boilers that are uneconomic to repair. This will free up resources for other elements of the programme.
Roof Replacements	600	Roof Replacement Works, guided by stock condition results. An estimated 100 homes will be updated this year and the next 4 years. Loft insulation to be topped up where necessary to improved thermal performance of properties
Door Entry Systems	400	Programme to upgrade the communal door entry systems plus replacement when beyond repair.
External Doors	300	A programme of External Door Replacements to approximately 300 homes in order to provide high quality composite doors and deliver Decent Homes "safe and secure”. This includes properties identified as needing replacement in year 1 of the stock condition survey
Window Replacements	700	Window Replacements in the Tang Hall area will progress, addressing difficulties with 1st generation uPVC double glazed windows. 70 homes will get new, high

		performance, windows, helping to keep homes secure and draught free.
Tackling damp	2,100	Addressing rising and penetrating damp issues in homes. This will include a review and reform of our approach, helping to make best use of these resources, and expect to carry out works to an estimated 70 homes. This year will be the first year of proactively finding damp in properties rather than waiting for tenants to report issues.
Fire Remedial Works	1,840	Year 2 of a 4 year programme to address all actions from 2023 Fire risk assessments.
Fire Doors	100	Installation of Fire Doors following FRA and Fire Door inspections. 50 to be installed to help keep tenants safe in the event of a fire.
Smoke alarms and electrical upgrades	350	Installation of smoke alarms, rewires and replacement of consumers units. Work identifies in the stock condition survey and electrical testing.
Asbestos Removal	150	Remedial works following asbestos surveys.
Energy efficiency works	500	Matched funded to improve the energy efficiency of properties currently below EPC band C.
Other	1,706	Various budgets including one-off capital salaries, health and safety works, retrofit works, small planned and reactive projects, kitchen and bathroom refurbishments, upgrading communal corridor lighting and a budget for design drawings to improve the approach taken to investment to include architectural designs when required.

Table 7 – Breakdown of Major Repairs & Modernisation of LA Homes 2025/26 Budget

101. The intention of these projects is to ensure the Council invest in and plan for the future, ensuring we support safe, sustainable, affordable and good quality homes.

102. **Assistance to Older and Disabled People (£680k 2029/30)** – 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.

103. **Housing Environmental Improvement Programme (£170k 2029/30) -** 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. Whilst there is a review of how this funding can maximised the benefits to the HRA estates and council stock, it is proposed that the funding continues to be set aside.

104. **Local Authority Homes (no proposed budget changes)** - The Council's first fully certified Passivhaus projects, Duncombe Barracks and Burnholme, continue to make progress on site. The first handovers for Duncombe Barracks are expected in Spring 2025. The site comprises of 34 homes and one commercial unit as well as generous public open space in the heart of the development. The first handovers for Burnholme are forecast for autumn 2025 providing 78 new homes. Both sites are 60% affordable housing supported by grant funding from Homes England.

105. Ordnance Lane is the first site in the Housing Delivery Programme to be delivered as 100% affordable housing. Following Planning Approval in August 2024, the site is out to tender for a Principal Contractor to build the 101 homes. All new build homes on the site will be delivered to Passivhaus certified standards. The retained 'Married Quarters' building will be retrofit to high environmental standards. It is expected the project will start on site Summer 2026 and will complete within approximately 24 months. The site has now been cleared ready for development to begin utilising funding from the One Public Estate. The project has been awarded £2m of funding from the Mayoral Combined Authority Brownfield Housing Fund to support this exemplar development.

106. Work to deliver new housing in the South Walmgate area is progressing well through design stages. The work to date has involved developing a Community Design Panel alongside a Youth Design Panel to co-design the buildings and develop ideas for wider area

improvements. It is expected that a planning application will be made in Spring 2025 with an enabling contract to follow shortly after.

107. The Housing Delivery Programme are soon to conclude two highly successful low-cost home ownership schemes. The schemes are funded through two grant funded sources; Homes England's Second Hand Shared Ownership and YNY Devolution funded Second Hand Shared Ownership with Retrofit. Combined these two schemes have delivered 40 new affordable homes. All the properties within these schemes have now been identified with all purchases due to complete within 24/25. A detailed end of project evaluation report will be developed to gather key learnings and demonstrate the benefits of these projects including the number of families houses and the savings in carbon emissions as a result of retrofit measures undertaken.

Funding Position – Council Prudential Borrowing

108. The budget proposals requires additional prudential borrowing to existing rolling programme schemes of £24.712m and to new schemes totalling £8.150m. This results in a total increase in the level of debt (the underlying need to borrow for capital investment purposes only) of £32.862m over the 5 year programme. Table 9 shows the financial impact on a year by year basis and over the 5 year period.

	25/26 £000	**26/27 £000**	**27/28 £000**	**28/29 £000**	**29/30 £000**	**Total £000**
Rolling Programme	1.500	0.795	0.745	0.745	20.927	**24.712**
New Schemes	3.250	1.900	3.000	-	-	**8.150**
Increase in Prudential Borrowing	**4.750**	**2.695**	**3.745**	**0.745**	**20.927**	**32.862**

Table 8 – Net Funding Position of Prudential Borrowing Schemes

109. The incremental revenue costs of the new schemes funded by prudential borrowing is estimated at £3.166m over the 5 year budget period, assuming borrowing of £32.862m. Actual borrowing may be taken during 2025/26, although the costs are not incurred in revenue until the year following any capital expenditure. The Financial strategy report elsewhere on the agenda includes revenue growth of £1.8m to cover additional capital investment.

Summary of Analysis

110. 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 **£60.947m** of which £41.072m relates to the extension of the programme to future years.

	25/26 £m	26/27 £m	27/28 £m	28/29 £m	29/30 £m	Total £m
1) New CYC Schemes Funded by CYC PB **(table 3)**	3.250	1.900	3.000	-	-	**8.150**
2) Rolling Programme Schemes Funded by CYC PB **(table 4)**	1.500	0.795	0.745	0.745	20.927	**24.712**
3) Existing Schemes Funded by External Grant **(table 5)**	1.245	1.165	1.165	1.165	7.195	**11.935**
4) HRA Schemes Funded by HRA **(table 6)**	0.800	0.800	0.800	0.800	12.950	**16.150**
Total Net Increase to Capital Programme	**6.795**	**4.660**	**5.710**	**2.710**	**41.072**	**60.947**

Table 9 – Summary of new expenditure by funding type 2025/26 – 2029/30

111. 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 2.

Gross Capital Programme	**2025/26 £m**	**2026/27 £m**	**2027/28 £m**	**2028/29 £m**	**2029/30 £m**	**Total £m**
Children's services	13.918	1.631	0	0	0	**15.549**
Adult Social Care	0.830	0.728	0.752	0.776	0.800	**3.886**
Housing	32.933	17.601	18.438	15.150	15.050	**99.172**
Communities	4.375	0	0	0	0	**4.375**
Transport, Env & Planning	60.063	49.636	41.516	27.708	21.927	**200.850**
City Development	27.167	10.582	2.800	1.920	0	**42.469**
Property Services	1.593	0.675	0.275	0.275	0.275	**3.093**
ICT	3.170	2.820	2.820	2.820	2.820	**14.450**

Corporate Services	0.570	0.369	0.200	0.200	0.200	**1.539**
Total Capital Programme	**144.619**	**84.042**	**66.801**	**48.849**	**41.072**	**385.383**

Table 10 – Proposed Capital Programme 2025/26 – 2029/30

<u>Other Major Capital Projects</u>

112. **York Outer Ring Road Dualling** - During 2024/25, the main focus of activity for the project team has been gaining planning approval for the scheme. Following approval by City of York's planning committee on Tuesday 19 March 2024, and referral to the Secretary of State, the York Outer Ring Road planning application was approved on the 12 April 2024.

113. After the granting of planning approval a cost review has been undertaken which is part of a full scheme review, with the aim of updating all the key areas of the project such as the latest anticipated cost, programme, risk and land acquisition against the original business case and funding. The review will help inform the required update to the business case for funders and the best way for the project to progress forward through to delivery.

114. The cost review report which was issued in October has confirmed that there is a significant funding gap to deliver the whole of the dualling scheme. It is at present looking unlikely that efforts to fill the funding gap will prove successful therefore CYC is looking to potentially reduce the scope of the works to accord with the available funding. This will involve optioneering and value engineering to establish what elements of the scheme, in economic terms, are best value for money. Given the nature of the works, the likely reduction in scope will involve sections of the dualling scheme being omitted and focus being turned to upgrade roundabouts and improvements to active travel measures. The outcome of this cost review has generated a number of queries and issues to address prior to determining a way forward and has thus impacted on the programme. The previous programme was to present a report to Executive Committee by November 2024, this has now slipped to circa March 2025.

115. Meanwhile concurrent workstreams have continued in other areas. Work continues to take place to attempt to purchase land for the scheme. This is slow as many landowners appear to be waiting to see what happens following the scheme review. All adjacent workstreams such as work on the CPO, land referencing and planning support are

also awaiting the outcome of the scheme review, which will confirm the reduced scope of the scheme. The detailed design to assist with the submission of the planning application is complete, however once the reduced scope is confirmed then amendments to the existing design will be required and necessary preparations will need to be made for the final business case.

116. 2025 will therefore be a time to confirm the reduced scope of the scheme, acquire as much land as possible by private agreement for the revised scheme, progress with any required CPO, finalise the business case and launch procurement of a contractor for commencement of construction in late 2026.

117. **York Station Gateway** – The York Station Gateway scheme is to be delivered in five works packages. The first package of enabling works involving the diversion of key statutory utilities from in and around Queen Street Bridge to enable its demolition was completed in October 2023. This package of work was delivered by CYC and completed on budget.

118. Following a procurement exercise, delivery contractor, John Sisk and Son, in August 2023 was appointed as the main delivery contractor for Package 2 Highway Works. The current programme (December 2024) estimates completion of the Package 2 works in February 2026. Package 2 of the scheme required the acquisition of two areas of land: an area of the station long stay car park owned by Network Rail; and an area of land to the front of George Stephenson House owned by Canada Life. Both parcels of land have been acquired at a total cost of £2.8m (including fees). A further parcel of land currently in the station car park is required for the delivery of Packages 3 and 4 of the scheme, and negotiations are taking place for completion in Spring 2025. The Package 2 works is currently forecasting a £7m funding gap to complete delivery.

119. The delivery of the Package 3 Station Works is led by LNER under a Development Agreement. This package is currently at tender with price returns expected in December 2024. If a suitable bid is received, the Package 3 works are programmed to commence in June 2025. Meanwhile, the Package 4 Loop Road works, which provides access the station car park and three new bus stops will be re-priced in early 2025. If a suitable bid is received for this package, works are expected to begin in autumn 2025. The Package 5 Multi-Storey Car Park works is funded and delivered by Network Rail is currently programmed to commence in March 2025 with an 18-month programme.

120. **Haxby Station -** 2024 started off very positively, with the first two months comprising delivery funding being provisionally secured; a visit by the (then) Prime Minister to site; and submission of a planning application for the new £24m railway station at Towthorpe Road, Haxby. Additionally, our delivery partners Network Rail had secured investment authority to progress to the next stage of development (detailed design and procurement of a delivery contractor), pending release of further funding by Department for Transport.

121. However, a change of national UK government in July led to the newly appointed Chancellor cancelling a number of DfT programmes and funding streams. This included the 'Restoring Your Railway' programme, which Haxby Station had been part of. This has put future funding of the project into significant doubt at this particular time. The DfT themselves have continued to actively submit queries relating to the Outline Business Case however (originally submitted in 2023) and it is currently believed that the project is still in scope for potential future funding, as part of the governmental Spending Review. To date, circa £1.5m of central government funding has been spent; with City of York Council committing £4.3m of match funding. This now leaves a funding shortfall of approximately £18m for the project, and we continue to work with partners, including the Mayoral Combined Authority, to identify potential funding options. Further time-related delays are likely to subject this previous cost estimate (£24m) to inflationary pressures.

122. Whilst there is still much uncertainty in terms of future funding, we have continued to progress the (pending) planning application, to put the project in as strong a position as possible. Due to the requirement to undertake statutory wildlife surveys in the spring season, this now means that determination of planning has been delayed until an expected date of late Summer 2025. If full governmental funding was forthcoming in early 2025, the target date for construction completion and entry into service of the new station would now stand at (provisionally) May 2027. However, this is all dependant on the timing of any future funding announcements by the government.

123. **York Central -** The project is now well underway. Led by Homes England who is responsible for the access infrastructure contract IP2 – and appointment of development partners Arlington/McLaren. The access infrastructure work is scheduled for completion late 2026/27 with the reserved matters planning application for offices and housing due summer 2025. The council still has a significant role to play as the local planning / highway authority and as a funder with Enterprise Zone borrowing to start August 2025 and into 2027/28

124. **Castle Gateway -** In November 2023 Executive approved a revised brief for the design of the Castle / Eye of York which included creating a greener scheme with children's play, whilst still retaining the disabled parking bays and also reducing the upfront and ongoing maintenance costs. The revised brief responded to the councils' priorities around improving sustainability and accessibility, and also responded to the council's financial position and the recent unsuccessful funding bids. Public and stakeholder consultation was undertaken on the new concept designs at the end of the summer 2024 and the feedback received is being used to shape the next stage of the design prior to submission to planning in February 2025. A report will be brought back to Executive in April 2025, seeking approval to proceed with procuring a contractor to finalise the design and deliver the scheme. This report will consider the cost of delivering the scheme as well as the implications associated with closing Castle car park. With the proposed closure of Castle car park, the importance of St George's Field as a parking location is acknowledged and proposals for improving parking provision with coach drop off facilities are being progressed as well as exploring opportunities for improved cycle connectivity.

125. At the same Executive in November 2023, officers were also asked to explore opportunities for delivering a 100% affordable housing scheme on the Castle Mills site. Officers were also asked to explore the option of delivering the pedestrian and cycle bridge at Castle Mills in isolation to the residential scheme, utilising the West Yorkshire Transport Fund. Both these options continue to be explored.

Consultation Analysis

126. There has been widespread consultation over the budget process and this has been detailed within the Financial Strategy 2025/26 to 2029/30 report elsewhere on the agenda.

Organisational Impact and Implications

127. The recommendations in the report potentially have implications across several areas. However, at this stage

- **Financial implications** are contained throughout the main body of the report.
- **Human Resources (HR),** the capital programme supports a number of staff within the organisation who deliver capital schemes. The level of funding available will impact the number of staff who are required. It is not anticipated that the

changes in the programme reported will have a significant impact on staffing levels.

- **Legal** *Local authorities are required under the capital finance regime set out in the Local Government Act 2003 to have regard to the Prudential Code when carrying out their duties. The key objectives of the Code are to ensure '… within a clear framework, that the capital expenditure plans of local authorities are affordable, prudent and sustainable, and that treasury management decisions are taken in accordance with good professional practice and in full understanding of the risks involved and how these risks will be managed to levels that are acceptable to the organisation.'*

  Schemes within the capital programme will themselves be in receipt of legal advice where necessary throughout the year.

- **Procurement**, Whilst there are no direct procurement implications relating to the report itself, procurement will be a main tool used to deliver some of the upcoming projects and will be a supporting tool for the capital programme. Should works and/or services become apparent, these must be procured via a compliant, open, transparent, and fair process in accordance with the council's Contract Procedure Rules and where applicable, the Public Contract Regulations 2015. Creative and innovative ways of procuring will be explored to ensure York's local supply chain can tender for any contracts to support and improve the local economy. Further advice regarding the procurement process and development of procurement strategies must be sought from the Commercial Procurement team.
- **Health and Wellbeing**, reductions in spend in some areas could impact on the health and wellbeing of both our staff and residents. The impact of any reductions in spend will continue to be carefully monitored so that implications can be considered and mitigated where possible.
- **Environment and Climate action**, there are no direct implications related to the recommendations, but each scheme will need to consider the Environment and Climate impacts as they progress through future decisions.
- **Affordability**, Works to improve affordability of homes are included through the provision of a wide range energy efficiency improvements and affordable house building plans. The Rough Sleepers Accommodation Programme provides homes for those at risk of homelessness in the city, therefore

this report has a positive impact on affordability of housing in the city.

- **Equalities and Human Rights**, whilst there are no specific implications within this report, some of the individual schemes within the programme make due consideration of these implications as a matter of course.
- **Data Protection and Privacy,** there are no implications related to the recommendations.
- **Communications**, the information set out in this report necessitates both internal and external communications.
- **Economy**, the council's capital programme does provide work for regional and national suppliers / contractors so will impact the wider economy.

Risks and Mitigations

128. 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.

129. 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.

Wards Impacted

130. The schemes within the capital programme impact all wards across the council.

Contact details

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Annexes

- Annex 1 – Capital Budget Growth 2025/26 to 2029/30
- Annex 2 – Restated Capital Budget 2025/26 to 2029/30

Abbreviations used in this report:
ANPR – Automatic Number Plate Recognition
BCI – Bridge Condition Index
CCTV – Closed Circuit Television
CMP – Conservation Management Plan
CPO – Compulsory Purchase Order
CRAM – Capital Resource Allocation Methodology
CYC – City of York Council
DfT – Department for Transport
EPC – Energy Performance Certificate
EV – Electric Vehicle
FCS – Fabric Condition Survey
FRA – Fire Risk Assessment
GF - General Fund
GLL – Greenwich Leisure Limited
HGV – Heavy Goods Vehicle
HRA - Housing Revenue Account
ICT – Information & Communications Technology
IP2 – Infrastructure Package 2
LTP – Local Transport Plan
PB- Prudential Borrowing
R&R – Resurfacing & Reconstruction

uPVC - Unplasticized Polyvinyl Chloride
YNY – York & North Yorkshire

Proposed Capital Growth 2025/26 to 2029/30

Directorate	New Schemes - CYC Funded	25/26 £000	26/27 £000	27/28 £000	28/29 £000	29/30 £000	Total £000	Approximate Revenue cost £000
		Growth above existing approved budget						
Housing & Communities	Gypsy and Traveller Site Investment	750	1,500	3,000	-	-	**5,250**	525
Housing & Communities	Leisure Facilities Solar Arrays	750	-	-	-	-	**750**	75
Transport Env. & Plan.	Riverbank Repairs (Riverside Path)	200	400	-	-	-	**600**	*
Housing & Communities	Mansion House Refurbishment	450					**450**	
Housing & Communities	Crematorium Refurbishment	375	-	-	-	-	**375**	38
Housing & Communities	Union Terrace & Robinson Court	325	-	-	-	-	**325**	33
Adult Soc. Care & Integration	CRIS Portal Replacement	125	-	-	-	-	**125**	13
Transport Env. & Plan.	Pay and Display machines Parking	125	-	-	-	-	**125**	13
Transport Env. & Plan.	CCTV Asset Replacement (incl ANPR)	100	-	-	-	-	**100**	10
Transport Env. & Plan.	Rufforth Bridge	50	-	-	-	-	**50**	5
	TOTAL - Funded by CYC Prudential Borrowing	**3,250**	**1,900**	**3,000**	**-**	**-**	**8,150**	

Directorate	Rolling Programme Schemes - Additional Years/Amendments	25/26 £000	26/27 £000	27/28 £000	28/29 £000	29/30 £000	Total £000	
Transport Env. & Plan.	Structures (special Bridge Maintenance)	-	-	-	-	605	**605**	61
Transport Env. & Plan.	Non-Highways Structures Investigations & Renewals	50	50	50	50	50	**250**	25
Transport Env. & Plan.	Drainage	100	100	100	100	1,000	**1,400**	140
Transport Env. & Plan.	Highways	-	-	-	-	5,070	**5,070**	507
Transport Env. & Plan.	Replacement of unsound columns	-	-	550	550	550	**1,650**	165
Transport Env. & Plan.	City Walls Maintenance	350	45	45	45	550	**1,035**	104
Transport Env. & Plan.	Fleet Replacement - replace like for like	-	-	-	-	8,532	**8,532**	853
Transport Env. & Plan.	Parks Investment Fund	300	200	-	-	-	**500**	50
Adult Soc. Care & Integration	Disability Support budget	-	-	-	-	310	**310**	31
Adult Soc. Care & Integration	Major items of disability equipment	-	-	-	-	172	**172**	17
Adult Soc. Care & Integration	Telecare equipment	-	-	-	-	318	**318**	32
Housing & Communities	Disabled Facilities Grant	-	-	-	-	475	**475**	48
Finance	Asset Maintenance	500	400	-	-	275	**1,175**	118
Finance	Project Support Fund	-	-	-	-	200	**200**	20
Finance	Contingency	200	-	-	-	-	**200**	20
HR & Support	ICT	-	-	-	-	2,820	**2,820**	282
	TOTAL - Funded by CYC Prudential Borrowing	**1,500**	**795**	**745**	**745**	**20,927**	**24,712**	

Proposed Capital Growth 2025/26 to 2029/30

Directorate	Rolling Programme Schemes - Additional Years/Amendments Funded Externally (Government Grant)	25/26 £000	26/27 £000	27/28 £000	28/29 £000	29/30 £000	Total £000
Transport Env. & Plan.	Highways	1,165	1,165	1,165	1,165	4,000	**8,660**
Transport Env. & Plan.	Integrated Transport					1,570	**1,570**
Housing & Communities	Disabled Facilities Grant	-	-	-	-	1,625	**1,625**
Transport Env. & Plan.	Flood Risk Operational Improvements	80					**80**
	TOTAL - Funded Externally	**1,245**	**1,165**	**1,165**	**1,165**	**7,195**	**11,935**

Directorate	HRA Schemes	£000	£000	£000	£000	£000	£000
Housing & Communities	Assistance to Older & Disabled Persons	-	-	-	-	680	**680**
Housing & Communities	Major repairs and modernisation	800	800	800	800	12,100	**15,300**
Housing & Communities	Housing Environment Improvement Programme	-	-	-	-	170	**170**
	TOTAL - HRA Funded	**800**	**800**	**800**	**800**	**12,950**	**16,150**

Funded Split	25/26 £000	26/27 £000	27/28 £000	28/29 £000	29/30 £000	Total £000
Total CYC Prudential Borrowing	4,750	2,695	3,745	745	20,927	**32,862**
Other Internal Funding	-	-	-	-	-	**-**
Total External Funding	1,245	1,165	1,165	1,165	7,195	**11,935**
Total HRA Funding	800	800	800	800	12,950	**16,150**
Overall Increase in Capital Programme	**6,795**	**4,660**	**5,710**	**2,710**	**41,072**	**60,947**

Revenue Impact (following year)	26/27 £000	27/28 £000	28/29 £000	29/30 £000	30/31 £000	Total Revenue cost of bids £000
Incremental Revenue Growth of CYC Prudential Borrowing	455	230	375	75	2,093	3,226
Overall Revenue Impact (Cost to CYC)	**455**	**230**	**375**	**75**	**2,093**	

Annex 2 - Capital Programme by Year 202526 to 2029/30

	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000	Capital Programme 2025/26-2029/30 £000
CHILDRENS SERVICES						
Basic Need	4,042	125	0	0	0	**4,167**
DfE Maintenance	2,269	1,300	0	0	0	**3,569**
St Oswald's Classrooms	1,400	0	0	0	0	**1,400**
SEND - St Paul's Nursery ERP Expansion	1,400	0	0	0	0	**1,400**
SEND - Applefields Extension (Phase 3)	1,161	0	0	0	0	**1,161**
Schools Essential Mechanical & Electrical Work	1,081	0	0	0	0	**1,081**
Hob Moor Oaks Classrooms	500	0	0	0	0	**500**
Mainstream Schools SEND fund	500	0	0	0	0	**500**
NDS Devolved Capital	206	206	0	0	0	**412**
Children in Care Residential Commissioning Plan	392	0	0	0	0	**392**
Schools Essential Building Work	381	0	0	0	0	**381**
SEND - Huntington School ERP	310	0	0	0	0	**310**
Expansion and Improvement of Facilities for Pupils with SEND	276	0	0	0	0	**276**
ADULT SOCIAL CARE						
Telecare Equipment and Infrastructure	283	291	300	309	318	**1,501**
Disabled Support Grant	270	280	290	300	310	**1,450**
Major Items of Disability Equipment	152	157	162	167	172	**810**
CRIS Portal replacement	125	0	0	0	0	**125**
HOUSING (HRA & GF)						
Major Repairs & Modernisation of Local Authority Homes	12,741	11,827	12,043	12,200	12,100	**60,911**
Disabled Facilities Grant (G/fund)	2,375	2,565	2,565	2,100	2,100	**11,705**
LA Homes - Burnholme	7,789	0	0	0	0	**7,789**
Gypsy and Traveller Site Investment	750	1,500	3,000	0	0	**5,250**
Assistance to Older & Disabled People	840	650	660	680	680	**3,510**
Bell Farm Modernisation	2,740	0	0	0	0	**2,740**
Local Authority Homes - Project Team	1,370	889	0	0	0	**2,259**
Duncombe Barracks	1,532	0	0	0	0	**1,532**
Local Authority Homes - Phase 2	900	0	0	0	0	**900**
Housing Environmental Improvement Programme	170	170	170	170	170	**850**
Glen Lodge Refurbishment	565	0	0	0	0	**565**
Willow House Housing Development	500	0	0	0	0	**500**
Union Terrace & Robinson Court	325	0	0	0	0	**325**
Lowfield Housing	286	0	0	0	0	**286**
Water Mains Upgrade	50	0	0	0	0	**50**
COMMUNITIES (INCL CLIMATE CHANGE)						
Climate Change schemes including Northern Forest	1,750	0	0	0	0	**1,750**
Mansion House	1,350	0	0	0	0	**1,350**
Leisure Facilities Solar Arrays	750	0	0	0	0	**750**
Crematorium Waiting Room / Refurbishment	375	0	0	0	0	**375**
Westfield Multi Use Games Area	150	0	0	0	0	**150**
TRANSPORT, HIGHWAYS & ENVIRONMENT						
York Outer Ring Road - Dualling	9,164	22,394	19,563	5,603	0	**56,724**
Highway Schemes	9,070	9,070	9,070	9,070	9,070	**45,350**
Replacement Vehicles & Plant	5,169	3,392	7,323	8,510	8,532	**32,926**
Integrated Transport	5,197	1,570	1,570	1,570	1,570	**11,477**
Bus Service Improvement Plan	7,748	0	0	0	0	**7,748**
WYTF - Station Frontage	5,189	1,000	0	0	0	**6,189**
Drainage Investigation & Renewal	1,000	1,000	1,000	1,000	1,000	**5,000**
WYTF - Castle Gateway Development	0	4,523	0	0	0	**4,523**
Haxby Station	1,000	2,000	873	0	0	**3,873**
Innovative Flood Resilience	1,490	1,937	0	0	0	**3,427**
Flood Alleviation Schemes including Germany Beck	3,254	0	0	0	0	**3,254**
Special Bridge Maintenance (Struct maint)	615	622	617	605	605	**3,064**
York City Walls - Repairs & Renewals (City Walls)	650	550	550	550	550	**2,850**
Replacement of Unsound Lighting Columns	578	578	550	550	550	**2,806**
Askham Bar Hyperhub (Levi)	2,043	0	0	0	0	**2,043**
Essential Bridge Maintenance (Lendal Bridge)	1,800	0	0	0	0	**1,800**
Flood Scheme Contributions	1,500	0	0	0	0	**1,500**
Electric Vehicle Charging Infrastructure (LEVI)	1,486	0	0	0	0	**1,486**
Access Barrier Review	300	200	200	200	0	**900**
River Bank repairs (Riverside Walk)	348	400	0	0	0	**748**
Castle Mills Lock	700	0	0	0	0	**700**

Annex 2 - Capital Programme by Year 202526 to 2029/30

	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000	Capital Programme 2025/26-2029/30 £000
Parks Investment Fund	300	200	0	0	0	**500**
Smarter Travel Evolution Programme	467	0	0	0	0	**467**
Garden Bin Replacement	150	150	150	0	0	**450**
EV Charging Asset Replacement	256	0	0	0	0	**256**
Non-Highways Structures Investigations & Renewals	50	50	50	50	50	**250**
P&D Machines Parking	125	0	0	0	0	**125**
National Cycle Network 65 Targeted Repairs	100	0	0	0	0	**100**
CCTV Asset Replacement (incl ANPR)	100	0	0	0	0	**100**
Knavesmire Culverts	81	0	0	0	0	**81**
Flood Risk Operational Improvements	80	0	0	0	0	**80**
Rufforth Bridge	50	0	0	0	0	**50**
Air Quality Monitoring	3	0	0	0	0	**3**
CITY DEVELOPMENT						
York Central Infrastructure	26,100	7,700	2,800	1,920	0	**38,520**
Castle Gateway (Piccadilly Regeneration)	980	2,882	0	0	0	**3,862**
Guildhall	87	0	0	0	0	**87**
PROPERTY SERVICES						
Asset Maintenance + Critical H&S Repairs	775	675	275	275	275	**2,275**
West Offices Data Centre	380	0	0	0	0	**380**
Removal of Asbestos	200	0	0	0	0	**200**
Hazel Court welfare facilities	95	0	0	0	0	**95**
Photovoltaic Energy Programme	81	0	0	0	0	**81**
Fire Safety Regulations - Adaptations	62	0	0	0	0	**62**
ICT						
IT Development plan	3,170	2,820	2,820	2,820	2,820	**14,450**
CORPORATE SERVICES						
Project Support Fund	370	369	200	200	200	**1,339**
Capital Contingency	200	0	0	0	0	**200**
GROSS EXPENDITURE BY DEPARTMENT						
CHILDRENS SERVICES	**13,918**	**1,631**	**0**	**0**	**0**	**15,549**
ADULT SOCIAL CARE	**830**	**728**	**752**	**776**	**800**	**3,886**
HOUSING (HRA & GF)	**32,933**	**17,601**	**18,438**	**15,150**	**15,050**	**99,172**
COMMUNITIES (INCL CLIMATE CHANGE)	**4,375**	**0**	**0**	**0**	**0**	**4,375**
TRANSPORT, HIGHWAYS & ENVIRONMENT	**60,063**	**49,636**	**41,516**	**27,708**	**21,927**	**200,850**
CITY DEVELOPMENT	**27,167**	**10,582**	**2,800**	**1,920**	**0**	**42,469**
PROPERTY SERVICES	**1,593**	**675**	**275**	**275**	**275**	**3,093**
ICT	**3,170**	**2,820**	**2,820**	**2,820**	**2,820**	**14,450**
CORPORATE SERVICES	**570**	**369**	**200**	**200**	**200**	**1,539**
TOTAL BY DEPARTMENT	**144,619**	**84,042**	**66,801**	**48,849**	**41,072**	**385,383**
TOTAL GROSS EXPENDITURE	**144,619**	**84,042**	**66,801**	**48,849**	**41,072**	**385,383**
TOTAL EXTERNAL FUNDING	51,754	39,365	27,223	9,986	7,195	**135,523**
TOTAL INTERNAL FUNDING	92,865	44,677	39,578	38,863	33,877	**249,860**

Meeting:	Executive
Meeting date:	21/01/2025
Report of:	Debbie Mitchell, Chief Finance Officer
Portfolio of:	Cllr Katie Lomas, Executive Member for Finance, Performance, Major Projects, Human Rights, Equality & Inclusion

Decision Report: Capital Financing & Investment Strategy

Subject of Report

1. This is a statutory report which is required following a 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.

Benefits and Challenges

2. The Capital & Investment Strategy forms a key part of the overall financial framework and benefits are that it ensures capital expenditure is financed in a cost effective way and that we adhere to the Prudential Code.

3. The challenges include the overall financial position of the Council that will put pressure on all budgets, including the capital programme.

Policy Basis for Decision

4. 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.

5. The Strategy outlines how the Council will use its resources to deliver the Council Plan.

Financial Strategy Implications

6. This report is part of the suite of budget reports considered by Executive each year. It is linked to, and should be read in conjunction with, the annual revenue and capital budget reports and the treasury management strategy.

Recommendation and Reasons

7. 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

8. 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.

9. 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.

10. The strategy sets out the Council's 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 the Council Plan priorities in the assessment of schemes.
- The Housing Revenue Account.
- The flexible use of capital receipts policy.

11. The broad strategy remains unchanged from the previous year.

Consultation

12. 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

13. 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.

Organisational Impact and Implications

- **Financial,** 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.
- **Human Resources (HR)**, this report has no financial implications.
- **Legal,** 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.
- **Procurement**, there are no direct implications related to the recommendations.

- **Health and Wellbeing**, there are no direct implications related to the recommendations.
- **Environment and Climate action**, there are no direct implications related to the recommendations.
- **Affordability**, there are no direct implications related to the recommendations.
- **Equalities and Human Rights**, there are no direct implications related to the recommendations.
- **Data Protection and Privacy,** there are no direct implications related to the recommendations.
- **Communications**, there are no direct implications related to the recommendations.
- **Economy**, there are no direct implications related to the recommendations.

Risks and Mitigations

14. 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

For further information please contact:

Name:	Debbie Mitchell
Job Title:	Chief Finance Officer
Service Area:	Finance
Telephone:	01904 554161
Report approved:	Yes
Date:	16/12/2024

Background papers

None

Annexes

Annex A – Capital Financing and Investment Strategy

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City of York Council Capital Financing and Investment Strategy 2025/26

Introduction 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).

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

Regarding investments and commercial activity, the council acknowledges that risk will always exist and will take some measure of risk in order realise investment gain. The council will balance risk and return 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.

Flexible use of capital receipts

The capital receipts flexibility programme gives local authorities the ability to use capital receipts from the sale of their own assets to help fund the revenue costs of transformation projects and release savings. The required Flexible Use of Capital Receipts Policy is included as an annex to the main Financial Strategy 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 into 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 not 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. 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 2024 income from property assets, excluding operational assets was c £6.76 million, which represents a return of 6.5%. 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 local authorities across the country, the council has declared a climate emergency and set a target for York to be a net zero and climate ready city 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 net zero and climate ready 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, creating a sustainable future and addressing the climate emergency.

Capital investment will therefore need to demonstrate that it meets, and contributes to, these aims of the Council Plan. Climate change implications will be considered in the assessment of proposed schemes, along with identifying any potential financial costs and savings.

Schemes designed to reduce carbon emissions can deliver financial savings by minimising energy use or generating revenue through carbon offsetting and these opportunities should be maximised. Any investment should consider how the risks presented by an already changing climate could impact future costs, with resilience measures providing the potential to avoid higher future costs.

The development of a climate change plan is ongoing and any implications of this will be incorporated into future versions of this strategy.

Council Plan Priorities

Our Council Plan for 2023-27 is called 'One City, for all' and sets out the council’s vision for the next four years:

The council will establish the conditions that would make the city of York a healthier, fairer, more affordable, more sustainable and more accessible place, where everyone feels values, creating more regional opportunities to help today's residents and benefit future generations.

To deliver this vision, we have four core commitments which are for EACH and every one of us:

- Equalities and Human Rights
- Affordability
- Climate and Environment
- Health.

They guide everything we do, including the decisions we make, and how we deliver services. Therefore, these core commitments will be considered in every capital and investment decision made.

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. The council set upon building new Housing on sites at Lowfield (completed), Burnholme and Duncombe Barracks (under construction) with combined budgets of £72m to deliver affordable housing through social rent and shared ownership as well as some Market Sales.

The Council Plan approved in September 2023 has committed to seek to achieve 100% affordable Passivhaus standard housing, including working with the new Mayoral Combined Authority to unlock funding, whilst delivering the schemes set out in the Housing Delivery Programme (Shape Homes York). Executive will receive business cases on future sites to see the impact of investment on rent levels, shared ownership levels, capital financing and borrowing. Schemes in the pipeline for approval include Ordnance Lane / Hospital Fields Road, Willow House and Lowfield Extra Care.

The Government have announced a number of changes that will impact HRA finances in the medium term. There is a consultation on a longer term rent increase settlement which may make forecasting revenues more certain and the implementation of changes to maximum Right to Buy discounts is anticipated to reduce the number of discounted sales which will reduce capital receipts that fund new housebuilding. The government is also consulting on changes to the decent home standard which in association with the results of the council's own stock condition survey will determine repairs priorities.

The HRA continues to significantly invest in the structural maintenance of existing stock within its capital programme. Investment over the period 2025/26 to 2029/30 in this area totals c £61m this includes £800k increases for each year over the capital programme period.

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. Given the changes detailed above there is a requirement to reassess the assumptions underpinning the HRA during 2025//26. The first tranche of the £121.5 self-financing settlement debt was repaid in March 2024 and further tranches are planned to be repaid in March 2025 and March 2026.

CITY OF YORK COUNCIL

Meeting:	Executive
Meeting date:	21 January 2025
Report of:	Debbie Mitchell Director of Finance.
Portfolio of:	Councillor Katie Lomas. Executive Member for Finance, Performance, Major Projects, Human Rights, Equality & Inclusion.

Decision Report: Treasury Management Strategy Statement and Prudential Indicators for 2025/26 to 2029/30

Subject of Report

1. The purpose of this report is to is to seek the recommendation of Executive to Full Council for the approval of the Treasury Management Strategy and Prudential Indicators for the 2025/26 financial year.

Benefits and Challenges

2. Treasury Management is the effective management of the Council's cash flow. Doing this effectively protects the Council from risks and ensures the ability to meet spending commitments as they fall due.

Policy Basis for Decision

3. The CIPFA (Chartered Institute of Public Finance and Accountancy) Code of Practice for Treasury Management 2021 requires that full Council be updated with, review and approve, as a minimum three reports annually. These reports are the Treasury Management Strategy Statement setting out policy for the forthcoming year, a mid-year review report, and an annual report detailing the treasury activities and performance for the previous year. Quarterly reports are also required to provide an update on treasury management activities and can be assigned to a designated committee or member as deemed appropriate.

4. This report is the Treasury Management Strategy Statement setting out policy and the Prudential Indicators for the forthcoming year 2025/26. The Council is required through legislation to have these policies and Prudential Indicators approved by members; therefore, this report ensures this Council is implementing best practice in accordance with the Code.

Financial Strategy Implications

5. The Treasury Management function is responsible for the effective management of the Council's investments, cash flows, banking, and money market transactions. It also considers the effective control of the risks associated with those activities and ensures optimum performance within those risk parameters.

Recommendation and Reasons

6. Executive are asked to recommend that Council, in accordance with the Local Government Act 2003 (revised), approve:
   - The proposed Treasury Management Strategy for 2025/26 including the Annual Investment Strategy and the Minimum Revenue Provision policy statement.
   - The prudential indicators for 2025/26 to 2029/30 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 ensure the continued effective operation and performance of the Council's Treasury Management function and ensure that all Council treasury activity is prudent, affordable and sustainable and complies with policies set.

Background

7. This Treasury Management Strategy Statement has been prepared in compliance with the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management and Prudential Code.

8. CIPFA published the revised Codes on 20th December 2021 and stated that revisions need to be included in the reporting framework from the 2023/24 financial year. This Council, therefore, has to have regard to these Codes of Practice when it prepares the Treasury Management Strategy Statement and

Annual Investment Strategy, and also related reports during the financial year, which are taken to Full Council for approval.

9. As part of the updated code the Council is required to ensure that it has appropriate risk, investment, governance and reporting processes in place:
    - A new debt liability benchmark treasury indicator to support the financing risk management of the capital financing requirement (CFR) is introduced and is included in this report (Prudential Indictor 3).
    - There is a renewed emphasis that increases in CFR and borrowing should only be undertaken where related to the functions of the Council; any returns related to the financial viability of an asset or scheme should be incidental to the primary purpose.
    - Capital and investments plans should be affordable and proportionate with all borrowing and other long-term liabilities within prudent and sustainable levels.
    - All Treasury Management decisions should be made in accordance with good professional practice and the Council should have access to the appropriate level of expertise across all areas of investments and capital expenditure in order to make properly informed decisions.

10. 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.

11. 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.

12. 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.

13. 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.

14. 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

15. The CIPFA revised 2021 Prudential and Treasury Management Codes require all local authorities to prepare 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.

16. The aim of the 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.

17. The 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.

18. 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.

19. 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 Ministry of Housing, Communities and Local Government (MHCLG) Investment Guidance and CIPFA Prudential Code have not been adhered to.

20. 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

21. The CIPFA revised 2021 Prudential and Treasury Management Codes require all local authorities to prepare a number of treasury reports. The Council is currently required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of polices, estimates and actuals. The three reports are:
    - **Treasury Management Strategy Statement and Prudential Indicators report** (this report) – this covers the capital plans including Prudential Indicators, the Minimum Revenue Provision policy, the Treasury Management Strategy and the Annual Investment Strategy.
    - **Treasury Management Mid-year report** – this covers whether the treasury activities are meeting the strategy, whether any policies require revision, amending Prudential Indicators if necessary.
    - **Treasury Management Annual report** – this covers treasury activity and operations for the year and compares actual Prudential Indicators with estimates from the strategy.

22. These reports are required to be scrutinised before being recommended to the Council. This scrutiny role is undertaken by Audit & Governance Committee.

23. In addition to the three major reports detailed above, from 2023/24 quarterly reporting is also required as part of the Council's general revenue and capital monitoring and will comprise updated Treasury and Prudential Indicators. While it is not a requirement for these quarterly reports to be reported to full Council they will be reported to the Audit and Governance Committee to ensure adequate scrutiny.

Treasury Management Strategy for 2025/26

24. The Treasury Management Strategy for 2025/26 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.
- Investment strategy.
- Creditworthiness policy.
- Policy on use of external service providers.
- Scheme of delegation and the role of the S151 officer.

25. These elements cover the statutory and regulatory requirements of the Local Government Act 2003 and statutory guidance on local government investments, the CIPFA Prudential Code and the CIPFA Treasury Management Code, and the Ministry of Housing, Communities and Local Government (MHCLG) Minimum Revenue Provision (MRP) guidance.

26. 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.

Training

27. The CIPFA Treasury Management 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 members and officers is periodically reviewed to ensure the relevant knowledge and skills are kept up to date.

Treasury Management Consultants

28. The Council uses Link Group, Link Treasury Services Limited as its external treasury management advisors.

29. 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.

The Capital Prudential Indicators 2025/26– 2029/30

30. 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.

31. 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 (CFR).
    - PI 3: Liability Benchmark.
    - PI 4: Ratio of Financing Costs to Net Revenue Stream.
    - PI 5: External Debt.
    - PI 6a: Authorised Limit for External Debt.
    - PI 6b: Operational Boundary for External Debt.
    - PI 7: Maturity Structure of Debt.
    - PI 8: Funds Invested >364 days.

32. **Prudential Indicator 1 - Capital Expenditure**. This Prudential Indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. Detailed information on the individual schemes is provided in the Capital Monitor 3 and Capital Strategy report. Members are asked to approve the capital expenditure forecasts as part of the Treasury Management Strategy Statement.

Capital Expenditure	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m	2028/29 Estimate £m	2029/30 Estimate £m
General Fund (Non HRA)	63.4	114.1	69.0	50.9	35.8	28.1
Housing Revenue Account (HRA)	39.5	30.6	15.0	15.9	13.1	13.0
Sub Total	**102.9**	**144.7**	**84.0**	**66.8**	**48.9**	**41.1**

Other Long-Term Liabilities	3.3	0.5	0.5	0.5	0.5	0.5
Total	**106.2**	**145.2**	**84.5**	**67.3**	**49.4**	**41.6**

Table 1: Capital Expenditure

33. Table 1 details the capital expenditure of the Council, based on the Capital Programme report, including other long-term liabilities, such as PFI and leasing arrangements which already include borrowing instruments.

34. There are no new PFI schemes forecast to be entered into in 2025/26. The adoption of the IFRS 16 Leases accounting standard occurred on 1st April 2024 and forms part of the 2024/25 Code, meaning existing lessee leases which were previously off-balance sheet, were brought onto and included on the balance sheet from 1st April 2024. The Prudential Indicators for capital expenditure, the Capital Financing Requirement (CFR) and external debt make an estimate within other long-term liabilities for this, as do the Authorised Limit and Operational Boundary.

35. Further details on this capital expenditure, and how it is funded, are included within the Capital Programme report elsewhere on this agenda.

36. 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.

37. 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 asset's life, and so charges the economic consumption of capital assets as they are used.

38. The CFR includes any other long-term liabilities which includes PFI schemes, and leases on balance sheet from 1st April 2024 under IFRS 16. Whilst these increase the CFR, and therefore the Council's overall borrowing requirement, these types of schemes include a borrowing facility and so the Council is not required to separately borrow for these schemes. As set out in paragraph 63 table 5 the projected level of debt is below the CFR over the 5 year period.

39. Table 2 below, shows the CFR, including other long-term liabilities. Members are asked to approve the CFR forecasts as part of Treasury Management Strategy Statement.

Capital Financing Requirement	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m	2028/29 Estimate £m	2029/30 Estimate £m
General Fund (Non HRA)	335.1	391.4	411.4	424.2	438.3	446.4
Housing Revenue Account (HRA)	136.1	137.2	138.7	141.7	141.7	141.7
Other Long-term Liabilities*	43.3	41.9	40.6	39.3	38.0	36.7
Total CFR	**514.5**	**570.5**	**590.7**	**605.2**	**618.0**	**624.8**

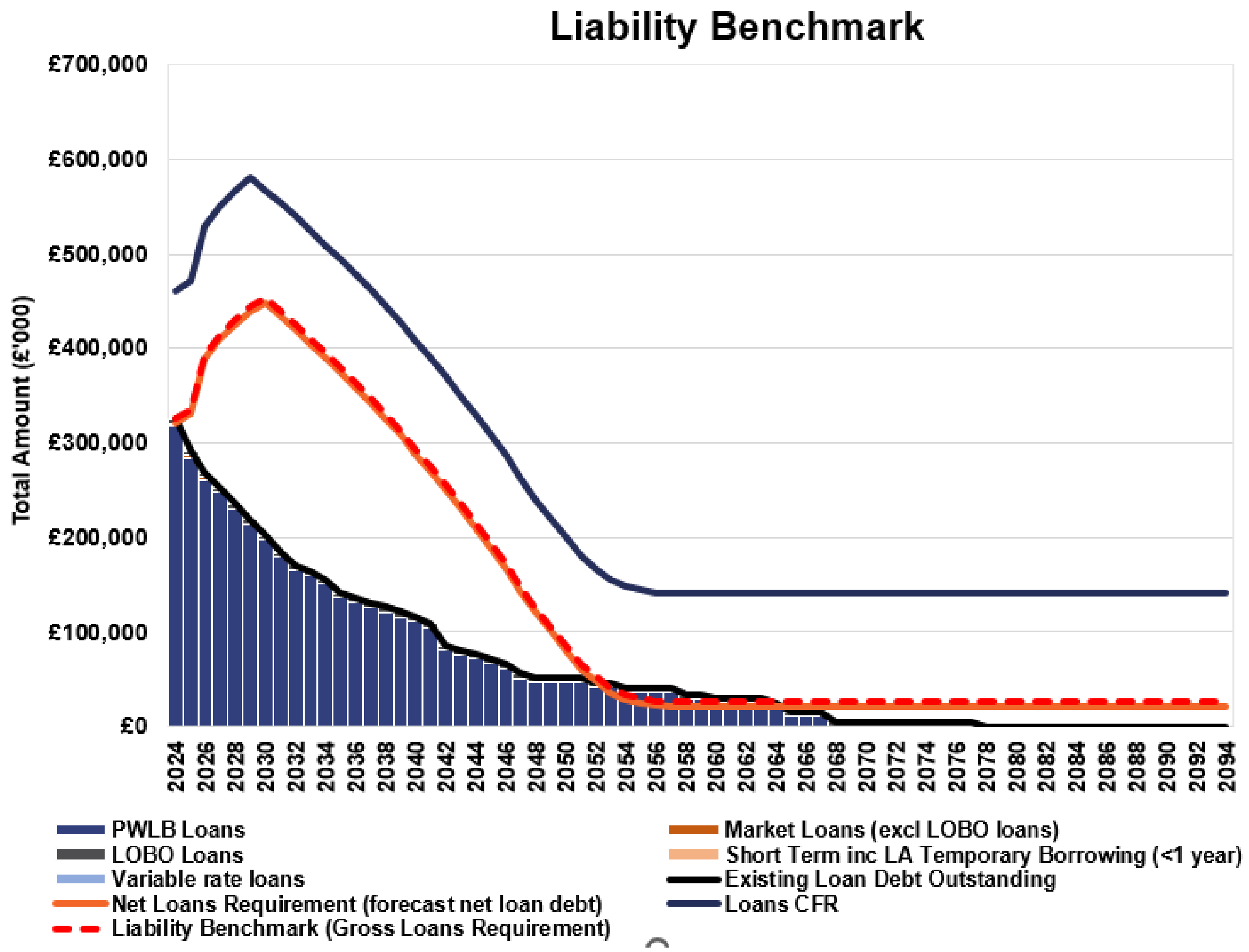
*Other Long-term is for PFI/PPP & Leases

Table 2: Capital financing requirement (CFR)

40. **Prudential indicator 3 - Liability Benchmark.** The Liability Benchmark, based on current capital plans and cash flow assumptions, gives the Council an indication of how much it needs to borrow, when it is likely to need to borrow, and where to match maturities to its planned borrowing needs. The liability benchmark makes no assumption about the level of future prudential borrowing in unknown capital budgets. There are four components that make up the Liability Benchmark:
    - **Existing loan debt outstanding**: the Councils existing loans that are still outstanding in future years.
    - **CFR**: as per Prudential Indicator 2, this is calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing and planned MRP.
    - **Net loans requirement**: this will show the Council’s gross loan debt less treasury management investments at the last financial year-end, projected into the future and based on its approved prudential borrowing, planned MRP and any other major cash flows forecast.
    - **Liability benchmark** (or gross loans requirement): this equals net loans requirement plus short-term liquidity allowance.

41. The purpose of this Prudential Indicator is to compare the authority’s existing loans outstanding against its future need for loan debt; the liability benchmark (the red dotted line). If the loans outstanding are below the liability benchmark (the red dotted line), the existing debt outstanding is less than the loan debt required, and the authority will need to borrow in the future to meet the shortfall. If the loans outstanding are above the liability benchmark (the red

dotted line), the authority will have more debt than it needs based on current plans and the excess will have to be invested.



Graph 1: Liability Benchmark

42. As can be seen from the Council's liability benchmark graph, the loans outstanding, CFR, liability benchmark and net loans requirement broadly follow the same trend lines. Based on the CFR position and loans outstanding at 31st March 2024 we see the Council's current under borrowed position. In the next 5 years the CFR increases in line with prudential borrowing expectations (seen by the peak of the CFR line) to fund increases to the capital programme before gradually starting to decrease. The liability benchmark and net loans requirement also increase to indicate the additional borrowing need before gradually starting to decrease. The liability benchmark makes no assumptions past the 5-year prudential borrowing forecasts. Existing loans start to decrease as maturities occur and loans are paid back.

43. Taking into account the current under borrowed position and with no assumptions on future borrowing requirements beyond the current capital programme, the gap between the CFR and loans outstanding remain broadly similar over the term indicted on the liability benchmark graph. When taking into account the liability benchmark and net loans requirement this gives an

indication of how much future loan debt may need be taken and on what maturity term to assist with long term planning and reduce risk.

44. Actual future debt taken may not exactly follow the liability benchmark as this is only a guide at a specific point in time, and one of several considerations when drawing down long term debt, to be determined by the S.151 Officer.

Minimum Revenue Provision (MRP) Policy Statement

45. In accordance with Regulation 27 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 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).

46. The Council is required to determine a level of MRP it considers to be prudent, whilst having regard to the current MRP Guidance issued in April 2024 (the 5th edition) amended with full effect from April 2025. The overriding requirement of the MRP Guidance is to set a prudent provision which ensures that debt is repaid over a period that is reasonably commensurate with that over which the capital expenditure provides benefits. The 5th edition update notes that in determining a prudent provision MRP should not exclude any amount of CFR, and that capital receipts cannot be used to replace MRP.

47. The Council is also allowed to undertake additional voluntary payments (Voluntary Revenue Provision - VRP) should the Council wish to do so.

48. MHCLG regulations require full Council to approve an MRP statement in advance of each year. The Policy may be revised during the year by full Council, or the appropriate body of Members where required.

49. The regulations allow the Council to review its policy every year and set a policy that it considers prudent at that time. The impact of a revised MRP policy will be kept under regular review in order to ensure that the annual provision is prudent.

50. Full Council is recommended to approve the following MRP statement for the 2025/26 financial year as part of Treasury Management Strategy statement:

    1. For supported borrowing MRP will be calculated using an Asset Life annuity basis on the remaining average life of the overall asset base.

2. For all unsupported borrowing MRP will be calculated using an Asset Life annuity basis. Estimated asset life periods will be determined under delegated powers.

3. MRP in respect of PFI contracts will be calculated by the amount that writes down the balance sheet liability unless the asset life is considerably longer than the PFI contract, where MRP will be calculated on an asset life basis.

4. MRP in respect of leases where a right of use asset is on the balance sheet will equal the repayment amount in year that writes down the balance sheet liability.

5. 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.

6. MRP Guidance allows any charges made in excess of the statutory MRP, i.e. Voluntary Revenue Provision (VRP) or overpayments, to be reclaimed in later years if deemed necessary or prudent. In order for these sums to be reclaimed for use in the budget, this policy must disclose the cumulative overpayment made each year.
   - To date, cumulative VRP overpayments are £0m.
   - In 2024/25 so far, no VRP has been made and none is expected to be made.
   - No VRP is planned for 2025/26.

   VRP will be kept under review, and should it be deemed prudent to make any VRP at any point this will be the decision of the S.151 Officer and reported to Executive and Audit & Governance Committee at the next available opportunity.

7. MRP will generally commence in the financial year following the one in which the expenditure was incurred. However, for long life assets, the authority will postpone the commencement of MRP until the financial year following the one in which the asset becomes operational.

8. The Council reserves the right to determine useful life periods and prudent MRP in exceptional circumstances where the recommendations of the guidance would not be appropriate.

9. In terms of application of capital receipts, these cannot be used to replace an in year MRP charge (unless under the exceptions provided for by regulation 28(5)), however the Council reserves the right to apply a capital receipt in year, alongside the calculated MRP charge, to reduce its CFR leaving the residual CFR as the basis for the future MRP calculation.

10. In respect of any capital loans, MRP will be decided with reference to the type of capital loan, commercial or non-commercial, and the current MRP regulations and guidance in place. Where required, MRP will be provided for using an Asset Life annuity basis with reference to the asset life the expenditure will ultimately finance (as per the Capitalised Expenditure regulations), or, based on an amount equal to impairment or the expected credit loss in the year of occurrence. Where an MRP charge has been made in respect of an expected credit loss that is reversed in a future financial year, the MRP charge can be treated as an overpayment in the same way a VRP and be used to reduce future MRP charges.

11. Where the Council incurs expenditure financed by borrowing that can be capitalised under section 16(2)(b) of the 2003 Act or Regulation 25(1) of the 2003 regulations, MRP will be calculated in accordance with Option 3 of the MRP guidance.

51. The Councils MRP policy is considered to be prudent as it complies with current regulations, making use of Option 3 Asset Life Method, for supported and unsupported borrowing, and following guidance for all other capital expenditure making up the CFR.

Affordability Prudential Indicators

52. 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.

53. **Prudential Indicator 4 - Ratio of financing costs to net revenue stream.** This indicator identifies the trend in the cost of capital (including debt and other long-term liabilities such as PFI and Leases) and compares it to the Council's net revenue stream.

Financing Costs	2024/25 Estimate %	2025/26 Estimate %	2026/27 Estimate %	2027/28 Estimate %	2028/29 Estimate %	2029/30 Estimate %
General Fund (Non HRA)	13.25	16.05	17.41	17.97	18.30	19.31
Housing Revenue	13.51	13.22	12.89	12.64	12.40	12.14

Account (HRA)						
Total	13.30	15.50	16.55	16.97	17.22	17.98

Table 3: Ratio of financing costs to net revenue stream.

54. The estimates of financing costs include current commitments and the proposals in the capital budget report considered elsewhere on this agenda.

55. 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.

56. 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 and Treasury Indicators, the current and projected debt positions, and the Annual Investment Strategy.

Current Treasury Portfolio Position

57. The Council's treasury investment and debt portfolio position at 31st December 2024 is detailed below in table 4:

	31st December 2024		
Institution Type	**No. of Loans**	**Principal**	**Average Rate**
Public Works Loan Board PWLB – Money borrowed from the Debt Management Office (HM Treasury)	57	£322.70m	3.43%
Market Loans LOBO Loans – Lender Option Borrower Option	1	£5.00m	3.88%
West Yorkshire Combined Authority WYCA – Zero interest loans the purpose of which are to help to fund York Central infrastructure projects.	4	£2.35m	0.00%
Total Borrowing (GF & HRA)	**62**	**£330.05m**	**3.41%**
Total Investments		**£10.91m**	**5.00%**
Net Treasury Position		**£319.14m**	

Table 4: Treasury position at 31st December 2024

58. Of the Council's £330.05m of fixed interest rate debt, £149.26m was HRA and £180.79m was General Fund. The cash balance available for investment was £10.91m. Over the long term as the Capital Programme progresses the level of cash available for investment is gradually decreasing as expected as the Council is internally borrowing using cash balances to fund the programme, maintaining an under-borrowed position.

59. The level of cash balances available is largely dependent on the timing of the Council's cash flow as a result of precept payments, receipt of grants, receipt of developers contributions, borrowing for capital purposes, payments to its suppliers of goods and services and spend progress on the Capital Programme. Cash balances are therefore only available on a temporary basis depending on cash flow movement.

60. At 31st December 2024 £10.00m of new borrowing has been taken in 2024/25 to replace cash balances and support the capital programme. This borrowing was required due to continued capital expenditure, the increasing CFR, and the decrease in cash balances as a result of internal borrowing.

61. The Council is currently maintaining an under-borrowed position in relation to the Capital Financing Requirement and the policy of using cash balances to delay long-term borrowing will be kept under review during the remainder of 2024/25 and into 2025/26 as borrowing rates have remained elevated across the curve in 2024/25.

62. The Council's forward projections for borrowing are summarised below. The table shows the actual external gross debt (including other long-term liabilities) against the CFR, highlighting any over or under borrowing.

63. **Prudential indicator 5 – 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 (S.151 Officer) confirms that the Council complies with this prudential indicator and does not envisage difficulties for the future.

	2024/25 Estimate £m	**2025/26 Estimate £m**	**2026/27 Estimate £m**	**2027/28 Estimate £m**	**2028/29 Estimate £m**	**2029/30 Estimate £m**
Gross Projected Debt*	399.3	463.1	490.9	516.6	541.3	577.6
Total CFR	514.5	570.5	590.7	605.2	618.0	624.8
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

64. 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 Section 151 officer and the figure above is a current broad assumption. Actual borrowing will be determined by the circumstances that prevail at the time, spend progress on the capital programme, borrowing rates and levels of cash balances.

65. 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 2025/26 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.

66. The Section 151 officer reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes account of current commitments, existing plans and the proposals in this budget report.

Treasury Prudential Indicators: Limits to Borrowing Activity

67. **Prudential Indicator 6A – 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 is a key Prudential Indicator representing 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.

68. Members are asked to approve the following Authorised Limit for 2025/26 as part of Treasury Management Strategy statement.

Authorised Limit	2024/25 £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m	2028/29 Estimate £m	2029/30 Estimate £m
Gross Projected Debt	470.3 (TMSS 2024/25)	463.1	490.9	516.6	541.3	577.6
Total CFR	592.3 (TMSS 2024/25)	570.5	590.7	605.2	618.0	624.8
Operational Boundary	602.3 (£602.3m set at TMSS 2024/25)	580.5 (Based on current CFR projection)	600.7 (Based on current CFR projection)	615.2 (Based on current CFR projection)	628.0 (Based on current CFR projection)	634.8 (Based on current CFR projection)
Other Long-term liabilities	30.0	30.0	30.0	30.0	30.0	30.0
Total	**632.3** (£632.3m set at TMSS 2024/25)	**610.5** (Based on current CFR projection)	**630.7** (Based on current CFR projection)	**645.2** (Based on current CFR projection)	**658.0** (Based on current CFR projection)	**664.8** (Based on current CFR projection)

Table 6: Authorised Borrowing Limit

69. **Prudential Indicator 6B – 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 and a limit beyond which external debt is not normally expected to exceed. 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 and the ability to fund under-borrowing by other cash resources.

Operational Boundary	2024/25 £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m	2028/29 Estimate £m	2029/30 Estimate £m
Gross Projected Debt	470.3 (TMSS 2024/25)	463.1	490.9	516.6	541.3	577.6
Total CFR	592.3	570.5	590.7	605.2	618.0	624.8

	(TMSS 2024/25)					
Short term liquidity	10.0	10.0	10.0	10.0	10.0	10.0
Total	**602.3** (£602.3m set at 2023/24 Strategy)	**580.5** (Based on current CFR projection)	**600.7** (Based on current CFR projection)	**615.2** (Based on current CFR projection)	**628.0** (Based on current CFR projection)	**634.8** (Based on current CFR projection)

Table 7: Operational Boundary

Prospects for Interest Rates

70. 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 Link Group as its treasury adviser. Part of their service is to assist the Council in formulating a view on interest rates. Table 8 below gives Link's central view. These are forecasts for bank rate and PWLB certainty rates, gilt yields plus 80 bps. (See also Annex A):

	Bank rate %	PWLB borrowing rates % (including certainty rate adjustment)			
		5 year	**10 year**	**25 year**	**50 year**
Dec 2024	4.75	5.00	5.30	5.60	5.40
Mar 2025	4.50	4.90	5.10	5.50	5.30
Jun 2025	4.25	4.80	5.00	5.40	5.20
Sep 2025	4.00	4.60	4.80	5.30	5.10
Dec 2025	4.00	4.50	4.80	5.20	5.00
Mar 2026	3.75	4.50	4.70	5.10	4.90
Jun 2026	3.75	4.40	4.50	5.00	4.80
Sep 2026	3.75	4.30	4.50	4.90	4.70
Dec 2026	3.50	4.20	4.40	4.80	4.60
Mar 2027	3.50	4.10	4.30	4.70	4.50
Jun 2027	3.50	4.00	4.20	4.60	4.40
Sep 2027	3.50	4.00	4.20	4.50	4.30
Dec 2027	3.50	3.90	4.10	4.50	4.30

Table 8 – Link's interest rate forecast at 11th November 2024

71. Link Groups Bank Rate forecast is now 50bps – 75bps higher than previous, and PWLB forecasts have been increased to reflect increased concerns around the future path of inflation and the increased level of UK Government

borrowing over the term of the current Parliament. Link Group's current view is that further rate cuts will be data dependant and any movement below 4% Bank Base Rate will be dependent on inflation data in the second half of 2025.

72. Markets are predicting fewer base rate cuts in the year ahead and Market expectations are that there will be more gradual cuts to the base rate in the next couple of years. On 19th December 2024 the Bank of England's Monetary Policy Committee (MPC) voted 6-3 to maintain base rate at 4.75%, following the previous meetings base rate cut of 0.25% from 5.00% to 4.75% on 7th November 2024 (where the MPC voted 8–1 in favour of the cut). The MPC's message in its 19th December 2024 report minutes was that it would closely monitor the risks of inflation persistence and continue its gradual approach to cutting base rate, deciding the appropriate *'degree of policy restrictiveness at each meeting'*, with monetary policy needing *'to continue to remain restrictive for sufficiently long until the risks to inflation returning sustainably to the 2% target in the medium term have dissipated further.'*

Investment Rates

73. Investment returns have started to decrease during 2024/25 as the Bank of England have started to gradually reduce Bank Base Rate. With interest rates expected to continue to decrease it is likely that longer dated fixed term investments prior to rate cuts where available would help to keep investment earnings higher in 2025/26. However, pursuing a policy of placing longer term fixed investments, is dependent on the level of cash held for investment purposes, cash backed reserves and cash flow requirements (see paragraphs 57 - 61). While a degree of liquidity is required to cover cash flow needs, opportunities to place fixed term investments will be monitored.

74. It is anticipated that the Council will continue to hold liquid or short-term investments in 2025/26 foregoing any higher interest rates that may be obtained from longer term investments. The reason for this is that the Council is currently maintaining an under-borrowed position in relation to the Capital Financing Requirement and the policy of using cash balances to delay long-term borrowing to fund the capital programme has served well over the last few years. Where this policy continues, should cash balances allow, cash kept in more liquid short-term investments will mean overall average returns are not as high as market averages.

Borrowing Rates

75. Link Group's long-term (beyond 10 years) forecast for Bank Rate has increased to 3.50% (from 3.00% in 2023/24). Currently all PWLB certainty

rates are significantly above this level. Better value can be obtained with shorter dated borrowing. Where borrowing is required and should greater value be obtained in borrowing for shorter maturity periods, the Council will assess its risk appetite in conjunction with budgetary pressures to reduce total interest costs. Temporary borrowing rates, including inter authority borrowing, are likely to remain elevated in the near term. Longer-term borrowing could be undertaken for the purpose of certainty, where that is desirable, or for flattening the profile of a heavily unbalanced maturity profile.

76. Where 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

77. The borrowing strategy takes into account the borrowing requirement, the current economic and market environments and is also influenced by the interest rate forecasts. 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 can be seen on the Liability Benchmark graph as shown by the gap between the loans outstanding and CFR (see paragraphs 40-44 and graph 1 Liability Benchmark). The CFR and external debt forecasts are also shown at Prudential Indicators 2 and 5.

78. This strategy is prudent as medium and longer dated borrowing rates are expected to fall from their current levels once prevailing inflation concerns are addressed by restrictive near-term monetary policy. Bank Rate is expected to remain elevated in 2025 even if some rate cuts arise.

79. Against this background and the risks within the economic forecast, caution will be adopted with the treasury operations. The S.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 borrowing rates, then long term borrowing will be postponed, and potential rescheduling from fixed rate funding into short term borrowing will be considered in the interim period.
    - If it was felt that there was a significant risk of a much sharper rise in long-term and short-term rates than that currently forecast, then the portfolio position will be re-appraised with the likely action that fixed rate

funding will be drawn down whilst interest rates are lower than they are projected to be in the next few years.

80. 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.

81. 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

82. 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, or 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.

83. 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.

84. 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 Limit	**Upper Limit**	**2024/25 Debt**	**2024/25 Debt**
Under 12 months	0%	30%	17%	£57.4m
12 months to 2 years	0%	30%	4%	£12.5m
2 years to 5 years	0%	40%	14%	£46.7m
5 years to 10 years	0%	40%	24%	£77.7m
10 years and above	30%	90%	41%	£135.8m
Total Borrowing			**100%**	**£330.1m**

Table 9: Maturity structure of borrowing at 31st December 2024

Policy on Borrowing in Advance of Need

85. 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.

86. 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.

    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

87. Debt rescheduling opportunities will be monitored and rescheduling of current borrowing in the Council's debt portfolio may be considered whilst premature redemption rates remain elevated but only if there is surplus cash available to facilitate any repayment, or rebalancing of the portfolio to provide more certainty is considered appropriate. In a high interest rate environment premature repayment of debt is likely to incur a lower premium or discount whereas when in a low interest rate environment, the cost of prematurely repaying debt would likely come with a higher premium cost to exit any loans.

88. If rescheduling was undertaken, it will be reported to the Executive and Audit & Governance Committee at the earliest meeting following its action.

PWLB and Other Borrowing Sources

89. In March 2020, the Government started a consultation process for reviewing PWLB borrowing terms for different types of local authority capital expenditure. Revised guidance was published in November 2020 and updated in May 2022 and June 2023. Capital spending committed to from 26th November 2020 has to comply with the revised borrowing terms which provides permissible categories of capital spending in line with the prudential system and denies access to borrowing from the PWLB for any local authority which has the purchase of investment assets for yield in its three-year capital programme.

90. Currently the PWLB Certainty Rate is set at gilts + 80 basis points for non-HRA borrowing and Councils are required to provide annual information on their capital plans and borrowing projections. From 15th June 2023 a new rate of gilts + 40 basis points was introduced for HRA borrowing. The Autumn Budget 2024 confirmed that the availability of this rate has now been extended to March 2026.

91. Consideration may still need to be given to sourcing funding from other sources such as Local Authorities (e.g. for shorter dated maturities), Banks and other Financial Institutions (e.g. for forward dates where the objective is to avoid a "cost of carry"). Our advisors will keep us informed as to the relative merits of each of these alternative funding sources.

Municipal Bond Agency

92. 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 will make use of this source of borrowing if appropriate.

Annual Investment Strategy

Investment Policy – Management of Risk

93. The Ministry of Housing, Communities and Local Government (MHCLG) and CIPFA have extended the meaning of 'investments' to include both financial and non-financial investments. This report deals solely with treasury (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).

94. The Council's investment policy has regard to the following:
    - MHCLG Guidance on Local Government Investments ("the Guidance").
    - CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2021 ("the Code").
    - CIPFA Treasury Management Guidance Notes 2021.

95. The Council's investment priorities will be security first, portfolio liquidity second and then yield (return). The Authority will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and with regard to the Authority's risk appetite. Environmental, Social & Governance (ESG) criteria will be considered as a fourth criteria.

96. 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 Council 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 or have less than a year left to run to maturity if originally they were classified as being non-specified investments solely due to the maturity period exceeding 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 (see Annex B).

vii. This Council will set a limit for its investments which are invested for longer than 365 days (see Prudential Indicator 8),

viii. Investments will only be placed with counterparties from countries with a specified minimum **sovereign rating**, (see Annex C).

ix. This authority has engaged **external consultants**, (see paragraphs 28 to 29), 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.

x. All investments will be denominated in **sterling**.

xi. As a result of the change in accounting standards for 2023/24 under IFRS 9, the Council 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 31st March 2023. More recently, a further extension to the over-ride to 31st March 2025 was agreed by Government.).

97. However, this Council 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 110). Regular monitoring of investment performance will be carried out during the year, and this will be reported in the appropriate mid-year, outturn and quarterly reports.

98. In line with the Council's current treasury policy of delaying long-term borrowing and using cash balances to cover capital programme spending, it is considered appropriate to maintain a degree of liquidity to cover cash flow needs, which may result in lower investment returns due to lower rates being offered for short term investments.

Creditworthiness Policy

99. This Council applies the creditworthiness service provided by the Link Group. This service employs a sophisticated modelling 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.

100. This modelling approach combines credit ratings, credit watches, and 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*
- Dark pink 5 years (for Ultra-Short Dated Bond Funds with a credit score of 1.25)
- Light pink 5 years (for Ultra-Short Dated Bond Funds with a credit score of 1.5)
- 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), and money market funds.*

101. The Link creditworthiness service 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.

102. 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.

103. All credit ratings are monitored daily. 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 daily basis by Link. Extreme

market movements may result in the downgrade of an institution or removal from the Councils lending list.

104. Although sole reliance is not placed on the use of this external service, as the Council uses market data and market information, as well as information on external and government support for banks (and the credit ratings of that supporting government), the suitability of each counterparty is based heavily on advice from Link.

105. 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 during the year in accordance with this policy.

Investment Strategy

106. 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 the 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.

107. If it is thought that Bank Rate is likely to rise significantly within the time horizon being considered, then consideration will be given to keeping most investments short term or variable. Conversely, if it is thought that Bank Rate is likely to fall within that time period, consideration will be given to locking in higher rates where available and obtainable, for longer periods. Any investment decisions will take account of the cash flow requirements in accordance with the creditworthiness policy.

108. For its cash flow generated balances, the Council will seek to use a combination of business reserve instant access and notice accounts (call accounts), short dated fixed term deposits and Money Market Funds. In addition, the Council will look for investment opportunities in longer dated fixed term deals with specific counterparties that offer enhanced rates for Local Authority investment. All investments will be undertaken in accordance with the creditworthiness policy set out above.

109. **Prudential Indicator 8 - Total Principal Investment Funds Invested for Greater than 364 Days.** These limits are set with regard 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. Members are asked to approve the following Treasury Prudential Indicator and limit as part of Treasury Management Strategy statement:

	2024/25 Estimate £m	**2025/26 Estimate £m**	**2026/27 Estimate £m**	**2027/28 Estimate £m**	**2028/29 Estimate £m**	**2029/30 Estimate £m**
Maximum limit per year for Investments > 364 days	15.0	15.0	15.0	15.0	15.0	15.0
Current investments as at 31/12/24 invested > 364 days maturing in each year	0.00	0.00	0.00	0.00	0.00	0.00

Table 10: Investments over 364 days

110. The Council will use an investment benchmark to assess the performance of its investment portfolio, this will be the average SONIA (Sterling Overnight Index Average) rate. The benchmark is a simple guide with the purpose to allow officers to monitor the current and trend position and amend the operational strategy of investments, cash flow permitting, while maintaining compliance with the investment priorities set out in paragraphs 94 - 97.

111. At the end of the financial year, the Council will report on its investment activity as part of its annual treasury outturn report. Investments will also be reported in the quarterly and mid-year reports. 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 Analysis

112. 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 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 (see Appendix D), 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.

Options Analysis and Evidential Basis

113. 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.

114. 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 as set out in the Council Plan.

Organisational Impact and Implications

115. The Treasury Management function aims to achieve the optimum return on investments commensurate with the proper levels of security, and to minimise the interest payable by the Council on its debt structure. It thereby contributes to all Council Plan priorities.

- ***Financial*** - The financial implications of the Treasury Management Strategy are in contained in the body of the report and set out in the Financial Strategy and Capital Strategy reports also on this agenda.

- ***Human Resources (HR)*** - n/a

- ***Legal*** – 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.

- ***Procurement*** - n/a
- ***Health and Wellbeing*** - n/a
- ***Environment and Climate action*** - n/a
- ***Affordability*** - The financial implications of the Treasury Management Strategy are contained in the body of the report and set out in the Financial Strategy and Capital Strategy reports also on this agenda.
- ***Equalities and Human Rights*** - n/a
- ***Data Protection and Privacy*** - n/a
- ***Communications*** - n/a
- ***Economy*** - n/a.
- ***Specialist Implications Officers*** - n/a

Risks and Mitigations

116. The Treasury Management function is a high-risk area because of the volume and level of large money transactions. As a result, there are procedures set out for day-to-day Treasury Management operations that aim to reduce the risk associated with high volume high value transactions as set out as part within the Treasury Management Strategy Statement at the start of each financial year. 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.

Wards Impacted

All

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Background papers

- None

Annexes

- Annex A – Interest Rate Forecast.
- Annex B – Specified and Non-Specified Investment Categories Schedule.
- Annex C – Approved Countries for Investments.
- Annex D – Scheme of Delegation and the role of the Section 151 Officer.

Glossary of Abbreviations used in the report

CIPFA	Chartered Institute of Public Finance & Accountancy
CFR	Capital Financing Requirement
CPI	Consumer Prices Index
CYC	City of York Council
GDP	Gross Domestic Product
GF	General Fund

HRA	Housing Revenue Account
MHCLG	Ministry of Housing, Communities and Local Government
MPC	Monetary Policy Committee
MRP	Minimum Revenue Provision
PWLB	Public Works Loan Board
SONIA	Sterling Overnight Index Average
TMSS	Treasury Management Strategy Statement

Interest Rate Forecasts 2025 – 2027. **Appendix A**

PWLB rate forecasts below are based on the Certainty Rate (the standard rate minus 20 basis points) which has been accessible to most authorities since 1 November 2012.

Link Group Interest Rate View	11.11.24												
	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27
BANK RATE	4.75	4.50	4.25	4.00	4.00	3.75	3.75	3.75	3.50	3.50	3.50	3.50	3.50
3 month ave earnings	4.70	4.50	4.30	4.00	4.00	4.00	3.80	3.80	3.80	3.50	3.50	3.50	3.50
6 month ave earnings	4.70	4.40	4.20	3.90	3.90	3.90	3.80	3.80	3.80	3.50	3.50	3.50	3.50
12 month ave earnings	4.70	4.40	4.20	3.90	3.90	3.90	3.80	3.80	3.80	3.50	3.50	3.50	3.50
5 yr PWLB	5.00	4.90	4.80	4.60	4.50	4.50	4.40	4.30	4.20	4.10	4.00	4.00	3.90
10 yr PWLB	5.30	5.10	5.00	4.80	4.80	4.70	4.50	4.50	4.40	4.30	4.20	4.20	4.10
25 yr PWLB	5.60	5.50	5.40	5.30	5.20	5.10	5.00	4.90	4.80	4.70	4.60	4.50	4.50
50 yr PWLB	5.40	5.30	5.20	5.10	5.00	4.90	4.80	4.70	4.60	4.50	4.40	4.30	4.30

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
DMADF – UK Government	*UK sovereign rating Yellow*	*£15m*	*6 months**
UK Government Treasury Bills	*UK sovereign rating Yellow*	*£15m*	*364 days**
UK Government Gilts	*UK sovereign rating Yellow*	*£15m*	*1 year*
Term deposits - local authorities	*UK sovereign rating Yellow*	*£15m*	*1 year*
Part-nationalised UK Banks	*Blue*	*£15m*	*1 year*
Term Deposits - UK Banks and Building Societies	*Orange* *Red* *Green*	*£15m* *£15m* *£8m*	*1 year* *6 months* *100 days*
Term Deposits - Non-UK Banks	*Sovereign rating of AA-* *Orange* *Red* *Green*	*£15m* *£15m* *£8m*	*1 year* *6 months* *100 days*

Certificates of Deposits issued by Banks and Building Societies	*Blue Orange Red Green*	*£15m £15m £15m £8m*	*1 year 1 year 6 months 100 days*
Collective investment schemes structured as open ended investment companies (OEICs) as below:-			
*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*
6. Gilt Funds	*UK sovereign rating*	*£15m*	*Liquid*

** Maximum set by the UK Debt Management Office of HM Treasury*

***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 investments.

1. Maturities of ANY period.

Counterparty type	***Minimum credit criteria***	**Maximum investment limit per counterparty institution**	**Maximum Maturity Period**
Fixed term deposits with variable rate and variable maturities: - Structured deposits	*UK sovereign rating or Sovereign rating of AA- Yellow Purple Blue Orange Red Green*	*£15m £15m £15m £15m £15m £8m*	*5 year 2 year 1 year 1 year 6 months 100 days*
Certificates of Deposits issued by Banks and Building Societies	*UK sovereign rating or Sovereign rating of AA- Yellow Purple Blue Orange Red Green*	*£15m £15m £15m £15m £15m £8m*	*5 year 2 year 1 year 1 year 6 months 100 days*

Floating Rate Notes	*Long-term AAA*	*£15m*	*1 year*
Collective investment schemes structured as open ended investment companies (OEICs) as below:-			
Property Funds: the use of these investments may constitute capital expenditure	*AAA-rated*	*£15m*	*5 years*

2. Maturities in excess of 1 year.

Term Deposits– local authorities	*UK Sovereign Rating*	*£15m*	*> 1 year & < 5 years*
Term deposits – Banks and Building Societies	*UK sovereign rating or Sovereign rating of AA-* *Yellow* *Purple* *Blue* *Orange* *Red* *Green*	*£15m* *£15m* *£15m* *£15m* *£15m* *£8m*	*5 year* *2 year* *1 year* *1 year* *6 months* *100 days*
Certificates of Deposits issued by Banks and Building Societies	*UK sovereign rating or Sovereign rating of AA-* *Yellow* *Purple* *Blue* *Orange* *Red* *Green*	*£15m* *£15m* *£15m* *£15m* *£15m* *£8m*	*5 year* *2 year* *1 year* *1 year* *6 months* *100 days*
UK Government Gilts	*UK sovereign rating*	*£15m*	*> 1 year & < 5 years*
Collective investment schemes structured as open ended investment companies (OEICs) as below:-			
1. Bond Funds	*Long-term AAA*	*£15m*	*> 1 year & < 5 years*
2. Gilt funds	*UK sovereign rating*	*£15m*	*> 1 year & < 5 years*

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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 25/11/24

Based on lowest available rating

AAA

- Australia
- Denmark
- Germany
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

AA+

- Canada
- Finland
- U.S.A.

AA

AA-

- Belgium
- France
- 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)

- 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.
- Reviewing the Treasury Management policy and procedures and making recommendations to the responsible body.
- 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.

- All operational decisions delegated by the Council to the Chief Finance Officer (Section 151 Officer), who operates within the framework set out in this strategy and through the Treasury Management policies and practices.
- Recommending clauses, Treasury Management policy/practices for approval, reviewing the same regularly, and monitoring compliance.
- 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 Council does not undertake a level of investing which exposes the Council 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.*