

## EXECUTIVE

TUESDAY, 15 FEBRUARY 2011

### DECISIONS

Set out below is a summary of the decisions taken at the meeting of the Executive held on Tuesday, 15 February 2011. The wording used does not necessarily reflect the actual wording that will appear in the minutes.

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

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

#### 5. CAPITAL PROGRAMME - MONITOR 3

*[See also under Part B Minutes]*

RESOLVED: (i) That the 2010/11 revised budget of £64.802m, as set out in paragraph 6 and Table 2, be noted.

(ii) That the re-stated capital programme for 2010/11-2014/15, as set out in paragraph 14 and Table 13, and detailed in Annex A, be noted.

(iii) That the use of an additional £124k of Prudential Borrowing for the funding of Self Issue Library machines which will generate future savings, as detailed in paragraph 24, be approved.

(iv) That the underspend of £28k on the special bridge maintenance scheme, which has been transferred to a winter resilience approved in accordance with financial regulations by the Director of Customer & Business Support Services, as detailed in paragraph 30, be noted.

(v) That the use of capital contingency to the value of £40k, to enable work on the James Street Travellers' Site Flood Defence to progress, be approved.

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

#### 6. QUARTER 3 FINANCE & PERFORMANCE MONITOR FOR 2010-11

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

REASON: So that corrective action on these issues can be taken by

Members and directorates.

(ii) That the finance issues identified in the report be noted.

REASON: So that the Council's expenditure can be contained within budget, where possible, by the end of the financial year.

**7. TREASURY MANAGEMENT MONITOR 3 AND PRUDENTIAL INDICATORS 2010/11**

RESOLVED: (i) That the performance of the Treasury Management activity be noted.

(ii) That the projected underspend of £200k on the Treasury Management budget be noted.

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

**8. HOUSING RENT INCREASE 2011/12**

RESOLVED: (i) That the current system, whereby council home rent levels are effectively set by central government, be noted.

(ii) That Officers be requested to progress plans which would allow the Council to take more direct control of housing revenue decisions, including rent levels.

REASON: To enable the Council to set rent levels that take account of tenants' ability to pay, and to use rent revenues to benefit York residents.

(ii) That Option 1 be approved, with the average rent increases of 6.4%.

REASON: To ensure a balanced Housing Revenue Account.

**9. CREATING A LOCAL AUTHORITY COMPANY**

RESOLVED: (i) That Option 3, the creation of a local authority company with the primary purpose of providing business support activity to public sector and other organisations, be approved.

REASON: To allow the Council to take advantage of income opportunities and make efficient use of its assets, workforce and knowledge.

(ii) That the Director of Customer & Business Support Services (CBSS) and the Assistant Directors (ADs) of CBSS be appointed as Directors of the Company, with

the Director of CBSS acting as Chief Executive and the AD Governance & Legal acting as Company Secretary.

REASON: To ensure that the company works under a suitable governance structure.

(iii) That regular further reports be brought back to the Executive.

REASON: To ensure transparency at all stages of the company's development and to ensure that the company's activities are in keeping with the Council's priorities and operating model.

(iv) That the company name be determined by the Director of CBSS and the Executive Member for Corporate Services, following a consultation with staff.

REASON: To ensure staff involvement in the setting up of the company.

(v) That any additional costs incurred as a result of establishing the company be capped at a maximum of £20,000, to be funded from a £20k carry-forward of CBSS budgeted underspend.

REASON: To provide set-up costs, but in such a way as to minimise the cost to the Council.

## **10. REVIEW OF DIRECTORATE OF CITY STRATEGY**

RESOLVED: (i) That the outline proposals, established through phase 1 of the review of the Directorate of City Strategy, be approved.

(ii) That authority be delegated to the Director of City Strategy to complete the review through the detailed phase 2 and to implement the outcome of the review.

REASON: In order to improve efficiency in the delivery of projects and improve the monitoring of those contracts put out to external providers, taking account of a reduced capital programme and potential income that has previously financed this work.

## **11. CAPITAL PROGRAMME - MONITOR 3**

*[See also under Part A Minutes]*

RECOMMENDED: That Council approve the net adjustments of (£8.504m) in 2010/11, £2.337m in 2011/12, (£5.851m) in 2012/13, (£6.023m) in 2013/14 and (£3.517m) in 2014/15, as set out on a scheme by

scheme basis in the report and contained in Annex A.

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

## 12. CAPITAL PROGRAMME BUDGET 2011/12 TO 2015/16

RECOMMENDED: That Council:

(i) Agree to the revised capital programme of £175.318m, that reflects a net overall increase of £18.891m (as set out in the 'growth' column of Annex A **with the amendments totalling £2.616m set out in (d) and (e) below**). Key elements of this include:

- a) the bids recommended in paragraph 114 (table 5) totalling £7.205m, **subject to the following amendment:**
  - the timing of Yearsley Pool energy solution moved to 2012/13 from 2011/12 to permit thorough investigation of necessity and appropriate technology;
- b) the schemes funded from external resources in paragraph 122 (table 8) totalling £3.629m;
- c) the revised prudential borrowing profile for the IT development plan in paragraph 126 (table 9) totalling £3.750m that shows a decrease of £250k per annum in years 11/12 - 14/15 and an extension of the programme by £750k in 2015/16 containing specific schemes;
- d) the use of HRA balances to fund HRA capital schemes as set out in paragraph 130 (table 10) totalling £5.691m **subject to the following amendment:**
  - the inclusion of £700k (including work at The Glebe) towards a building insulation programme, including the fitting of double glazed windows, to commence in 2011/12 to bring the increase in the HRA capital programme to £6.391m;
- e) **the inclusion of the following new/amended schemes totalling £1.916m with a revenue implication of £29k in 2011/12:**
  - £1.000m in 2012/13 to be utilised in conjunction with the Environment Agency

- for the provision of the Leeman Road flood defences
- an additional £50k p.a.(to the £80k p. a. already included in the LTP line) allocation for the street lamppost replacement programme from 2011/12 to 2015/16, totalling £250k
- £100k p.a. from 2011/12 to 2015/16 to fund an energy generation project which will exploit modern technologies such as photovoltaic cells and which is aimed at providing an additional revenue stream, through the sale of energy, by utilising the availability of new “feed in” tariffs, totalling £500k
- an additional capital investment in structural highways of £166k for 2011/12.

(ii) Note that the revenue implications of the above amendments in 2011/12 are £29k, to be reflected in the revenue budget proposals.

(iii) Note the overall funding position identified in the report, which highlights a current shortfall in resources over the next five years, which the Council will need to address through increased revenue contributions in the medium term.

(iv) Approve the full restated programme as summarised in Annex A totalling £175.318m (£172.702m plus £2.616m amendments) up to 2015/16.

REASON: To set a balanced capital programme as required by the Local Government Act 2003.

### **13. FINANCIAL STRATEGY 2011-2017**

RESOLVED: (i) That the Equalities Impact Assessment on the budget be noted.

(ii) That priority be given to growth expected to have a positive effect on older and younger people who are disabled, and their carers.

(iii) That the savings expected to have a negative effect on the groups mentioned above be noted.

(iv) That, regarding increases in fees and charges, particularly in adult social care, Officers be asked to make appropriate provision for people from the groups above, especially those who have limited financial means.

(v) That, in cases where service provision is passed on to independent providers, Officers be asked to ensure that contractual agreements ensure that people from the groups above receive the same level of service as before, or better.

- (vi) That, having considered:
- a. Expenditure pressures facing the Council in 2011/12, as detailed at Annex 1, including the loss of departmental grant income;
  - b. The impacts in 2011/12 of the growth requirements and savings proposals outlined in Annexes 3 and 4;
  - c. Medium term financial factors facing the Council, as outlined in the report;
  - d. The level of reserves projected to be held at 31 March 2011, 2012, 2013, 2014, 2015, 2016 and 2017 (Annex B);
  - e. The significant future pressures identified;
  - f. The statutory advice from the Director of Customer and Business Support Services;
  - g. The need to ensure that any adjustments to these proposals are self-balancing within the requirements laid down by the Director of Customer and Business Support Services, as the Council's responsible financial officer;

It be

**RECOMMENDED:** That Council approve the budget proposals outlined in the report of the Director of Customer and Business Support Services and set out in detail within the financial strategy, in particular:

(i) the net revenue expenditure requirement for 2011/12 of £125,728k (£123,900k after deducting the grant assistance to keep the council tax rise to zero), as set out in Annex 1;

(ii) the housing revenue account proposals outlined in Annex 6;

(iii) the dedicated schools grant proposals outlined in the report;

(iv) the revenue growth proposals of £9,394k on-going for 2011/12, plus one-off growth of £442k, outlined in Annex 3, **subject to the following amendments:**

- a) reduce growth proposals by £301k as follows:
  - CORG04 - Corporate contingency

reduce from £400k to £99k

- b) include new growth proposals totalling £824k as follows:
- one-off investment in highways maintenance of £657k to be funded from reserves
  - Winter maintenance budget for ward committees in the sum of £40k
  - Jobs fighting fund in the sum of £98k
  - Revenue impact of capital programme amendment for street lighting in the sum of £5k
  - Revenue impact of capital programme amendment for photovoltaic scheme in the sum of £9k
  - Revenue impact of capital programme amendment for highways maintenance in the sum of £15k

resulting in revised figures of £9,260k for ongoing growth in 2011/12, plus one-off growth of £1,099k;

(v) the revenue savings proposals of £21,170k for 2011/12 outlined in Annex 4, **subject to the following amendments;**

a) reduce saving proposals by £100k as follows:

- ACES12 - reduce saving for review of young people's service from £200k to £100k to help sustain the Urbie bus, skatepark and Duke of Edinburgh schemes.

b) reject savings proposals totalling £34k as follows:

- CSTS43 / SCTED04 Welcome to Yorkshire in the sum of £34k

resulting in a revised figure of £21,036k;

(vi) use of prior year collection fund surplus of £1,000k;

**(vii) in terms of the Council's reserves, the use in 2011/12 of £657k from general reserves for highways maintenance.**

(viii) note the medium term financial strategy projections that indicate the need for savings/efficiencies in future years of £10m per annum,

REASON: In order to set a balanced budget, taking into account the

priorities and considerations identified by the Executive.

**14. TREASURY MANAGEMENT STRATEGY  
STATEMENT AND PRUDENTIAL INDICATORS  
FOR 2011/12 TO 2015/16**

RECOMMENDED: That Council approve:

- (i) The proposed Treasury Management Strategy for 2011/12, including the annual investment strategy and the minimum revenue provision policy statement;
- (ii) The Prudential Indicators for 2011/12 to 2015/16 (Annex A);
- (iii) The Specified and Non-specified Investments Schedule (Annex D)
- (iv) The Scheme of Delegation and the Role of the Section 151 Officer (Annex F).

REASON: To enable the continued effective operation of the Treasury Management function and to ensure that all Council borrowing is prudent, affordable and sustainable.