

Council

17 July 2019

Report of the Deputy Chief Executive/ Director of Customer and Corporate Services

Supplementary Budget Proposals 2019/20

Introduction

1. This report sets out proposals for amendments to the Councils revenue and capital budgets, as set out in Annex 1.

Recommendations

2. Members are asked to approve the proposals as set out in Annex 1, agreeing in particular to:-
 - i) The use of £798k from the revenue contingency budget to a range of projects
 - ii) The increase in the capital programme of £4.25m, £2.25m of which is general fund schemes funded from prudential borrowing and £2m is from Housing Revenue Account
 - iii) The allocations from the Service risk reserve totalling £822k
 - iv) A £300k reallocation of existing Leeds City Region (LCR) funding from Place based narrative scheme to inclusive growth projects
 - v) The use of £565k venture funding to deliver 4 specific invest to save schemes
 - vi) The use of £100k from the Brexit grant (total of £210k) towards investment in community engagement

Reason: To ensure a legally balanced budget is set

Revenue investment

3. As reported to executive in June there was an under spend of £801k in the 2018/19 budget. The under spend was allocated by Executive initially to the Council's general contingency budget, pending further consideration. It is proposed to utilise the majority of this on a range of projects as set out in Annex 1.
4. It should be noted that a number of these proposals, as identified in the annexe, have full year implications of £522k and will therefore require consideration as part of the budget for 2020/21 budget.

Service risk reserve

5. The service risk reserve was created in the budget agreed February 2019. The funding was established to tackle critical performance issues, and to invest in cost mitigation strategies. The investment is primarily being used to tackle issues in adults, children's and public health services.

Capital

6. The proposals shown in the annexe total £4.25m, with £2m funded from Housing Revenue Account reserves, and £2.25m from Prudential Borrowing. The revenue effect of this will only be felt from 20/21 onwards but members should note this will be around £157k which will need to be found in the 20/21 budget.

Leeds City Region Business Rates Pool

7. Further to our successful bid for £660k to the Leeds City Region Business Rates Pool to formulate a city brand for York, we are now seeking to prioritise inclusive growth projects and refocusing the available budget accordingly. Work has commenced on the York City Narrative, with the TalkYork consultation currently underway, a series of stakeholder interviews and workshops in progress, and the development of citywide steering group to guide the work. This will continue, and the results of the TalkYork consultation, to be reported to an Executive Decision Session, will help influence how this refocused funding will have most impact.
8. The new prioritisation means we will no longer deliver the digital immersive model or the range of marketing materials and £300k will be allocated to inclusive growth projects, such as strengthening our approach to child poverty, greening the high street and promoting

lifelong learning, rather than marketing. This will continue, and the results of the consultation will help to influence how the refocused inclusive growth funding will be used to have most impact. The projects for inclusive growth will be agreed at an Executive Member Decision Session.

Brexit Grant Funding

9. Of a total grant of £210k, £100k is to be allocated to develop connections with communities most impacted by EU exit to better meet their needs, and to take forward the community hubs work initiated.

Venture Fund

10. As set out in the February 2019 budget report, the Venture Fund balance at the end of 2018/19 is £5.2m, which includes £1.5m of funding which was transferred to the fund from recent business rates retention schemes. Although the majority of the Venture Fund balance is already earmarked for major development projects such as York Central and the Community Stadium, further details of which are included in the February 2019 budget report, there is capacity to fund additional proposals as set out in this report.
11. Proposals are set out for investment of £565k from the Venture Fund. These proposals are projected to generate revenue savings of over £1m in total and appropriate repayment of the investment from the service will be agreed by the S.151 officer. Further details on each scheme are shown in Annex 2.

Consultation

12. Consultation was undertaken as part of the annual budget setting process and this has been used to inform the supplementary proposals.

Options

13. Options open to the Council are to approve the recommendations or to approve any amendments that may be moved by other Members of Council.

Equalities/One Planet

14. An assessment was completed on the overall impact of the annual budget proposals using the Better Decision Making Tool. The impact assessment considered risks associated with savings proposals to

ensure any negative impact for a particular group, sector or community is eliminated or counterbalanced.

15. These supplementary budget proposals do not include any savings proposals. The additional spending will provide a beneficial impact and each project will be subject to an individual assessment in more detailed approvals.

Implications

16. The implications are:

- **Financial** are contained throughout the main body of the report.
- **Human Resources (HR)** There are no HR implications.
- **Legal** There are no legal implications.
- **Crime and Disorder** There are no crime and disorder implications.
- **Information Technology (IT)** There are no IT implications.
- **Property** There are no property implications.
- **Other** There are no other implications.

Risk Management

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

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Report
Approved



Date 8/7/19

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

All

For further information please contact the authors of the report

Background Papers:

Reports to Executive meeting held on 14 February 2019

<https://democracy.york.gov.uk/ieListDocuments.aspx?CId=733&MIId=11007>

- Financial Strategy 2019/20 to 2023/24
- Capital Budget 2019/20 to 2023/24

Annexes:

Annexe 1: Supplementary budget 2019/20 proposals

Annexe 2: Venture Fund Proposals

Abbreviations used in this report:

ASC – Adult Social Care

CHC – Continuing Healthcare

HHASC – Health Housing and Adult Social Care

IFA – Independent Fostering Placement

LCR – Leeds City Region

SEND – Special Educational Needs and Disability

TEWV – Tees Esk and Wear Valley

VOYCCG – Vale of York Clinical Commissioning Group