

**Notice of a public meeting of
Executive**

To: Councillors Douglas (Chair), Kilbane (Vice-Chair), Coles, Kent, Lomas, Pavlovic, Ravilious and Webb

Date: Thursday, 25 January 2024

Time: 4.00 pm

Venue: The George Hudson Board Room - 1st Floor West Offices (F045)

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 Monday, 29 January 2024**.

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

1. Declarations of Interest

At this point 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
<i>Disclosable Pecuniary Interests</i>	<i>Disclose the interest, not participate in the discussion or vote, and leave the meeting <u>unless</u> you have a dispensation.</i>
<i>Other Registrable Interests (Directly Related)</i> OR <i>Non-Registrable Interests (Directly Related)</i>	<i>Disclose the interest; speak on the item <u>only if</u> the public are also allowed to speak, but otherwise not participate in the discussion or vote, and leave the meeting <u>unless</u> you have a dispensation.</i>
<i>Other Registrable Interests (Affects)</i> OR <i>Non-Registrable Interests (Affects)</i>	<i>Disclose the interest; remain in the meeting, participate and vote <u>unless</u> 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 <u>only if</u> the public are also allowed to speak, but otherwise do not participate in the discussion or vote, and leave the meeting <u>unless</u> you have a dispensation.</i>

- (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 1 - 8)

To approve and sign the minutes of the Executive meeting held on 14 December 2023.

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 Tuesday 23 January 2024.**

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 9 - 10)
To receive details of those items that are listed on the Forward Plan for the next two Executive meetings.
- 5. Developing a Welcome Centre Approach for Unaccompanied Asylum-Seeking Children** (Pages 11 - 22)
This report sets out proposals to develop a welcome centre approach to providing accommodation and support to unaccompanied asylum-seeking children, aged 16 and 17 years old, referred to the City of York by Migration Yorkshire and Home Office under the National Transfer Scheme (NTS).
- 6. Waste Services – Service developments** (Pages 23 - 88)
This report focusses on the collection of household waste and sets out a number of policy changes to consider as part of the budget process.
- 7. Finance & performance monitor 3** (Pages 89 - 132)
This report sets out the projected 2023/24 financial position and the performance position for the period covering 1 April 2023 to 31 December 2023. This is the third report of the financial year and assesses performance against budgets, including progress in delivering the Council’s savings programme.
- 8. Capital Programme Update monitor 3** (Pages 133 - 162)
This report sets out the projected outturn position for 2023/24 including any under/overspends and adjustments, along with requests to re-profile budgets to/from current and future years.
- 9. Treasury Management Quarter 3 Prudential Indicators** (Pages 163 - 180)
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 2023/24 financial year and to provide the latest update of the prudential indicators.
- 10. Financial Strategy 2024/25** (Pages 181 - 316)
This report presents the financial strategy 2024/25 to 2028/29, including detailed revenue budget proposals for 2024/25, and asks Members to recommend to Council approval of the proposals.
- 11. Capital Budget 2024/25 to 2028/29** (Pages 317 - 358)
This report sets out the capital programme for 2024/25 to 2028/29, 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.

12. Capital & Investment Strategy (Pages 359 - 372)

This report gives 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.

13. Treasury Management Strategy Statement (Pages 373 - 414)
2024/25 - 2028/29

This report seeks the recommendation of Executive to Full Council for the approval of the treasury management strategy and prudential indicators for the 2024/25 financial year.

14. 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.

This information can be provided in your own language.

我們也用您們的語言提供這個信息 (Cantonese)

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

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

Bu bilgiyi kendi dilinizde almanız mümkündür. (Turkish)

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

 (01904) 551550

City of York Council

Committee Minutes

Meeting	Executive
Date	14 December 2023
Present	Councillors Douglas (Chair), Kilbane (Vice-Chair), Coles, Lomas, Pavlovic, Ravilious and Webb
Present	Councillor Widdowson
Officers in Attendance	Ian Floyd – Chief Operating Officer Bryn Roberts – Director of Governance Debbie Mitchell – Chief Finance Officer Michael Melvin – Interim Adults and Integration Pauline Stuchfield - Director of Customer & Communities Laura Williams - Assistant Director Customer, Communities and Inclusion
Apologies	Councillors Kent

63. Declarations of Interest (17:30)

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 (17:30)

Resolved: That the minutes of the Executive meeting held on 16 November 2023 be approved and then signed by the Chair as a correct record.

65. Public Participation (17:31)

It was reported that there had been 5 registrations to speak at the meeting under the Council's Public Participation Scheme. However, one speaker did not attend the meeting.

Flick Williams raised the withdrawal of the application for a railway crossing in Copmanthorpe by Network Rail. She noted the challenges in campaigning for a new crossing to be accessible and asked what the Council's position would be if a new application was submitted.

Cllr Warters raised concerns regarding how the Council had managed capital projects under previous administrations and invited the Executive to take a back to basics approach with the upcoming budget and leave major projects to the private sector.

Gwen Swinburn spoke on the governance of the Council. She asked that the Council publish a forward plan for decision making which provides in some cases such as reprourement options a year in advance of a decision being made.

Nigel Poulton CEO of the Island Children Charity in York informed the Executive of the charities vision and aim to support children and confirmed that they were seeking to provide a new centre for their work.

66. Forward Plan (17:47)

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. Lord Mayoralty 2024/25 (17:47)

The Director of Governance informed the Executive of the results of the accumulated points system. he recommended the Executive to agree to invite Labour Group to consider accepting nomination for Lord Mayor for 2024/2025, in line with the results from the accumulated points system.

The Executive Leader acknowledged the result of the accumulated point system and thanked the current Lord Mayor Cllr Cullwick and the Civic team for their work on behalf of the city.

Resolved:

- i. Noted the accumulated points system;
- ii. Invite the Labour Group to consider accepting the nomination for Lord Mayor for 2024/2025, in line with the accumulated points system.

Reason: To ensure that the Council adopts an appropriate method by which to nominate Lord Mayors for Office.

68. Refreshed Governance Arrangements for York's Human Rights & Equalities Board (HREB) (17:52)

Assistant Director Customer, Communities and Inclusion introduced the report noting that the previous administration had sought to recommit to York as a Human Rights City. This followed a fundamental breakdown of the relationship between CYC and the York Human Rights City Network (YHRCN) due to City Centre Access decisions made by the previous administration in 2021.

Executive Member for Finance, Performance, Major Projects, Human Rights and Equalities noted the Executive's disappointment that the HREB was allowed to breakdown due to decision's taken by the Council. She thanked all those involved in re-establishing the board. The Executive acknowledged the importance of human rights and noted that the Council required a board it could challenge and be challenged by.

Resolved:

- i. Approved the refreshed governance arrangements included in the report including the new Terms of Reference for the Human Rights and Equalities Board at Annex A of the report;
- ii. Noted the response to the YHRCN Annual Indicator Report.
- iii. Noted the plans for developing Human Rights & Equality Analysis ("HREA") to support decision-making and plans for subsequent officer training.

Reason: To allow the Human Rights and Equalities Board and its members to move forward in ensuring that York

delivers against its commitment as a Human Rights City.

69. City of York Council Actions in Response to the York Anti-Racism and Inclusion Strategy (18:03)

The Director of Customer & Communities introduced the report which sought to approve the plan of actions outlined within the report in response to the Five Year Anti-Racism and Inclusion Strategy which was presented to and approved by Executive and full Council in July 2023.

The Executive Leader noted that the work currently focused on the internal structures of the Council. This work would cover the representation of Council staff and how the Council recruits to better represent the city. Discussing the action plan the Executive outlined the need for measurable outcomes when embedding anti-racism into the Council's strategies.

Resolved:

- i. Approved the initial CYC Anti-Racism Action Plan attached at Annex A of the report including:
 - a. Actioning the output from a workforce race equality impact assessment which will inform further plans;
 - b. Reviewing further the Anti Racism and Equality Strategy findings and recommendations relating to Housing, Schools and Social Care and work with directorate management teams on dedicated responses;
 - c. Continue to engage with the council's Black, Asian and Racially Minoritised Communities (BARMC) staff group and wider workforce to inform strategy, policy and process change; and
 - d. To work with city partners and IERUK 3.0 on city wide solutions.

Reason: To demonstrate the City of York Council's commitment to eradicating racism and working with partners to become an Anti-Racist City.

70. Reprourement of the Adult Community Wellbeing and Support Service (18:19)

The Interim Corporate Director of Adults and Integration introduced the report which sort to extend the Changing Lives contract by 6 months, to allow the reprourement of community wellbeing contract for 7 years. He outlined the work the contract provider would deliver, which provided accommodation for people with complex needs.

The Executive Member for Health, Wellbeing and Adult Social Care noted the increasing level of need and the challenges of budget constraints. The Executive also acknowledged the challenges to homeless individuals especially as it gets colder and noted this was why they were pursuing a new homelessness strategy. The Executive welcomed the opportunity for a 6 month contract extension to allow for a consultation process prior to reprourement of the Adult Community Wellbeing and Support Service.

Resolved:

- i. Delegated authority to the Corporate Director of Adults and Integration (and their delegated officers) in consultation with the Head of Procurement (and their delegated officers) to seek Providers from the market for provision of a total 7-year Community Wellbeing contract (with initial length and break clauses to be delegated to the Corporate Director of Adults and Integration) via an open, fair and transparent competitive procurement process and evaluation criteria in compliance with the Council's Contract Procedure Rules under Appendix 11 of the Council's Constitution (the "Council's CPRs") and the Light Touch Regime under Regulations 74 to 76 and Schedule 3 of Public Contract Regulations 2015 (the "Procurement Regs");
- ii. Delegated authority to the Corporate Director of Adults and Integration (and their delegated officers), in consultation with the Director of Governance (and their delegated officers), to determine the provisions of the new Community Wellbeing contract, and to award and conclude the Community Wellbeing contract following an open, fair, and transparent competitive process and evaluation criteria in

- compliance with the Council's CPRs and the Light Touch Regime under the Procurement Regs;
- iii. Delegated authority to the Corporate Director of Adults and Integration (and their delegated officers), in consultation with the Director of Governance (and their delegated officers), to negotiate the provisions of, and conclude and effect entry into, of leases to the appointed provider of the new Community & Wellbeing contract of:
 - a. Union Terrace hostel;
 - b. Robinson Court hostel;
 - c. part of 16/18 Bootham;
 - d. 89/91 Scarcroft Road;
 - e. 9 Melbourne Street; and
 - f. 2 Sandringham Streetfor a Term of 7 years from and including the Commencement Date of the service contract but excluded from the security of tenure provisions of the Landlord and Tenant Act 1954 and containing provisions entitling the Council as landlord to terminate such leases early upon expiry/ termination /non-extension of the service contract;
 - iv. Approved the extension of the current Community Wellbeing and Support Contract for Adults with Changing Lives by 6- months until 31st July 2024;
 - v. Delegated authority to the Corporate Director of Adults and Integration (and their delegated officers) in consultation with both the Director Governance and the Chief Finance Officer (and their respective delegated officers) to draft, negotiate and conclude any necessary documentation with The Cyrenians Ltd (Changing Lives) to extend the Contract, in compliance with the terms and conditions of the Contract, the Council's Contract Procedure Rules set out within Appendix 11 of the Council's Constitution ("the Council's CPRs") and the Council's statutory obligations under the Public Contract Regulations 2015 ("the Procurement Regs");
 - vi. Delegated authority to the Corporate Director of Adults and Integration (and their delegated officers), in consultation with the Director of Governance (and their delegated officers), to negotiate the provisions of, and conclude and effect entry into, of further leases to The Cyrenians Ltd (Changing Lives) of the following properties:

- a. Union Terrace hostel;
- b. Robinson Court hostel;
- c. part of 16/18 Bootham;
- d. 89/91 Scarcroft Road;
- e. 9 Melbourne Street; and
- f. 2 Sandringham Street

for a Term expiring on 31st July 2024 excluded from the security of tenure provisions of the Landlord and Tenant Act 1954 and containing provisions entitling the Council as landlord to terminate such leases early upon expiry/termination/non-extension of the current extended service contract.

Reason: The proposed Community & Wellbeing contract will ensure that services are procured in line with our statutory duties and obligations under the Care Act 2014 and the Light Touch Regime under the Procurement Regs, as well as our own standing orders set out within the Council's CPRs and to ensure the Contract is set up within the procurement timescales.

Cllr Douglas, Chair

[The meeting started at 5.30 pm and finished at 6.07 pm].

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Forward Plan: Executive Meeting: 25 January 2024

Table 1: Items scheduled on the Forward Plan for the Executive Meeting on 20 February 2024

Title and Description	Author	Portfolio Holder
<p>York Tourism Strategy</p> <p>Purpose of the Report:</p> <p>The report will outline the Tourism Strategy that York’s Tourism Advisory Board (TAB) have developed with industry partners, consider its strategic fit with Council Plan Priorities, and recommend that Executive ask Full Council to adopt the strategy on behalf of the city. It will also update Executive on the joint work with North Yorkshire Council, Make it York and the shadow Combined Authority to establish a York & North Yorkshire Local Visitor Economy Partnership (YNY LVEP) for York and North Yorkshire and the collaborative arrangements in place for developing and implementing that LVEP.</p> <p>The Executive will be asked: .</p> <ul style="list-style-type: none"> • Thank the Tourism Advisory Board for their work in preparing a new Tourism Strategy for the city and recommend the strategy to Full Council so that it can be adopted on behalf of the city • Note the requirement to work collaboratively with North Yorkshire Council to prepare a YNY LVEP Year 1 Growth Action Plan and a framework which aligns the York Tourism Strategy and the North Yorkshire Destination Management Plan by 31 March 2024 <p>Delegate the sign off for York input to the collaborative work on the LVEP Growth Action Plan/LVEP Framework to the Director of Housing, Economy</p>	<p>Simon Brereton</p>	<p>Executive Member for Economy and Transport</p>

Title and Description	Author	Portfolio Holder
and Regeneration.		

Table 2: Items scheduled on the Forward Plan for the Executive Meeting on 14 March 2023

None currently listed.



Meeting:	Executive Meeting
Meeting date:	25 January 2024
Report of:	Martin Kelly - Corporate Director Children, Families and Education
Portfolio of:	Cllr Robert Webb

Developing a welcome centre approach for unaccompanied asylum-seeking children

Subject of Report

1. This report sets out proposals to develop a welcome centre approach to providing accommodation and support to unaccompanied asylum-seeking children, aged 16 and 17 years old, referred to the City of York by Migration Yorkshire and Home Office under the National Transfer Scheme **(NTS)**.
2. The proposal sets out our plans to repurpose capital funding, which was agreed in 2019 to address placement sufficiency for children and young people in care.

Benefits and Challenges

3. The key benefits of making the decisions outlined in this report are:
 - Better financial control of placements, in a landscape of rising placement costs across the sector.
 - Provide services locally and close to supervising social workers, alongside other resources, making this geographically more practical and cost effective.
 - There will be immediate access to a range of specialist roles using our residential and edge of care service, called Together, We Can.

- It will enable the Council to develop more effective and smoother pathways into independence and resettlement.
- It provides unaccompanied asylum-seeking children with a sense of being welcomed in York, a city of sanctuary (i.e., not agreed to be accepted by one local authority and then placed in another).
- Through a careful and coordinated matching process, we will be better placed to ensure that services are coordinated and cost effective i.e., the use of single language interpreters providing services to a small group rather than individual arrangements being made.

The challenges of making the decisions outlined in this report are:

- In approving the decision to have a welcome centre, we recognise the need to build close working relationships within the community to ensure that young people are fully integrated and accepted.

Policy Basis for Decision

4. On 23rd November 2021 the UK Government took steps to ensure the National Transfer Scheme (**NTS**) works effectively, and ensures all children are transferred promptly to local authorities to be cared for.
5. The NTS is currently operating under the powers set out under Section 72(3) of the 2016 Act, providing for the Secretary of State for the Home Department to direct local authorities to comply with the scheme.
6. All local authorities and Health and Social Care Trusts in Northern Ireland are subject to a direction under Section 72(3) of the 2016 Act, and are under a mandatory duty to comply with the NTS. This was reflected in the judgment of Mr Justice Chamberlain in *ECPAT UK, R (On the Application Of) v Kent County Council & Anor* [2023] EWHC 1953 (Admin) (27 July 2023).

7. The Council Plan 2023-2027, **One City, For All**, sets a strong ambition to increase opportunities for everyone living in York to live healthy and fulfilling lives. This proposal will develop and provide a welcome centre approach to unaccompanied asylum-seeking children within the City of York and aligns to our four commitments:
- **Equalities and Human Rights** – Equality of opportunity
 - **Affordability** - Tackling the cost-of-living crisis
 - **Climate** - Environment and the climate emergency
 - **Health** - Improve health and wellbeing and reduce health inequalities, taking a Health in All Policies approach.

Financial Strategy Implications

8. The Council currently has 19 unaccompanied asylum-seeking children in placements, 10 of which are within our own in-house provision and a further 9 in private foster care, residential or supported accommodation. The average cost per placement per week is £930, with our highest cost placement being £2,200 per week.
9. These figures are set to increase overtime as we are required, under the National Transfer Scheme (NTS) to continue to provide safe and effective placements for unaccompanied asylum-seeking children. We are now seeing other local authorities meeting their threshold (up to 0.1% of child population), meaning that increased pressure will be placed on neighbouring authorities due to demand.
10. As a result of this, our overall costs will continue to rise as we meet these requirements through spot purchasing private placements. Whilst the funding received from the Home Office will mitigate some of these costs, we would still have no control of the private sector market in terms of placement availability, costs and location. Therefore, we would be at the behest of what is available at the time.
11. The costs incurred with time and travel to and from these placements in terms of managing, overseeing, and ensuring good governance of these provisions would also increase in line with the number of placements commissioned.
12. Therefore, taking no action and relying on the private sector at this time would see our overall costs increase.

Recommendation and Reasons

Recommendations:

That Executive:

13. Approve the delivery model of developing a welcome centre approach for unaccompanied asylum-seeking children aged 16 and 17 years by a) committing a total spend of £275,000 from the existing capital budget for the development of a bespoke supported accommodation provision to accommodate 4 unaccompanied asylum-seeking children (aged 16/17) and b) developing a second such provision in 2024/25 within available capital budget.
14. That delegated authority be granted to the Corporate Director of Children services and Education, in consultation with the Corporate Director of Place and the Director of Governance, to approve and effect any necessary appropriations of Council-owned properties from general housing stock (or from other existing use(s)) or any properties necessary to deliver the plans outlined in this Report.
15. That delegated authority be granted to the Corporate Director of Children's and Education, in consultation with the Director of Governance, to negotiate and conclude/enter into any legal documentation required for the freehold purchase and/or lease by the Council of any properties necessary to deliver the plans outlined in this Report for supported accommodation.
16. That delegated authority be granted to the Corporate Director of Children's and Education, in consultation with the Corporate Director of Place and the Director of Governance, to apply for and obtain any necessary planning permission(s) and/or building regulations approvals in respect of any change of use of and/or adaptations to said properties necessary to deliver the plans outlined in this Report for supported accommodation.

Reasons:

17. To continue to develop the City of York's provision for children in care and ensure the Council meets its statutory sufficiency duty and its duty under Section 72(3) of the Immigration Act 2016 in respect of unaccompanied asylum-seeking children.

Background

18. A capital budget of £1,360,000 was approved by the Executive on 18th July 2019, as an overall allocation to support a Children in Care Commissioning Plan. This was to purchase 3-residential properties and make adaptations to Wenlock Terrace (a property owned by the Council which was previously leased to an appointed service provider for operation of it as a children's home until termination of the lease and associated service contract on 30th September 2021).
19. Since then, £496,000 has been spent or allocated on adaptations to Wenlock Terrace (York) which will provide residential care for up to 6-young people when it re-opens in February 2024. In addition to this spending, £49,000 was transferred (with Executive approval) to the Adaptions to Foster Carer Homes Scheme in 2022/23.
20. The Council has a remaining uncommitted budget from the 2023/24 capital programme of £815,000 to support placement sufficiency. Within this there will be further costs associated with furnishing Wenlock Terrace and providing flats which are linked to the residential home for the purpose of developing independence and in line with the 2019 decision.
21. Of the remaining capital it is proposed through this report to use 275k to secure one property initially, which will provide a welcome centre to 4 unaccompanied asylum-seeking children (aged 16/17).
22. Of the 91,047 people who applied for asylum in the year ending March 2023, children (i.e., aged 17 and under) accounted for almost a fifth (18%) of the total number of people applying for asylum.
23. A recent judgment of Mr Justice Chamberlain required the home office to close several hotels in Kent which were housing Unaccompanied Asylum-Seeking Children resulting in placements from the NTS moving forward at greater pace. We have therefore reviewed our sufficiency strategy and have identified an evolving risk of insufficient placements both locally and nationally.
24. The Council currently has 19 UASC in placements, the average cost per placement per week is £930, with our highest cost placement being £2,200 per week.

25. The Home Office does subsidise these placements by contributing £143 per night, per child. This is an income revenue of £52,000 per year, plus an additional financial contribution of £6,000 if we can provide a placement for the child within 5-days of referral. However, due to higher cost placements sourced outside of the local authority, our forecasted expenditure is predicted to be up to £500k higher than the income we receive from the Home Office.
26. Children's Social Care continues to have significant budget and resource pressures to meet the needs of an already growing population within the city as well as the additional young people moving into area under the NTS, who should be welcomed and properly supported by the city.
27. As part of its care, support, and accommodation strategy the Council is committed to developing in-house provision, where we welcome Unaccompanied Asylum-Seeking Children (who are the most vulnerable young people), to the City of York.
28. We also aim to work proactively with Migration Yorkshire and the Home Office to match small cohorts of Children to live together. We want to ensure that this work is undertaken sensitively, where we can place young people who share the same language, culture, and faith needs in one placement.
29. The cost of purchase and furnishing a property for the purpose of a welcome centre is c. £275,000.
30. Therefore, it is recommended that agreement is approved to commit a total spend of £275,000 from the existing placement sufficiency capital budget for the development of supported accommodation (welcome centre) provision.
31. If this scheme proves successful, we will aim to develop a second welcome centre within 6 to 12 months exploring all prudently affordable options, including the use of existing council owned property to minimise further financial liability. However, to minimise delay this report seeks further approval to delegate decision making including possible purchase within, the limitations of the capital budget available above.

32. Based on a 4-person provision, the annual income revenue generated to subsidise this provision would be:

£52,000 x 4 UASC	£208,000
£6,000 x 4 UASC (placed within 5-days)	£24,000
Total	£232,000

33. This income would pay towards the ongoing additional support costs, providing direct, high-quality support, delivered locally. This would be delivered in line our 'Together We Can' residential provision. This approach would ensure the service provided is delivered within the budget available from the home office, therefore minimising any additional financial pressures on the local authority revenue budget.

Consultation Analysis

34. No direct consultation has taken place in respect of this paper. There is appropriate capital funding available, which was ring-fenced for the development of residential provision and placement sufficiency that had previously been agreed by the Exec in 2019 following extensive consultation.
35. This funding remains ring-fenced and concurrent, however due to the nature of the proposed spend (Supported Accommodation for Unaccompanied Asylum-Seeking Children), it was appropriate for this proposal to be reconsidered by the Exec and a revised delegation of authority granted for the Corporate Director of Children and Education to utilise some of these funds as described in the report.
36. Due to the nature of the service provision and the sensitivities of supporting Unaccompanied Asylum Seeking Children in local communities, once approval is granted, discussions and consultation with communities will take place in relation to delivery of this service.
37. It will be important to work together with local communities, leaders and members to ensure that any proposed purchase and service delivery is supported at a local level to ensure that placements and locations are appropriate.

Options Analysis and Evidential Basis

38. Option 1

We chose to continue to spot purchase private placements, as per our legal duties to provide placements under the National Transfer Scheme.

Due to the lack of local provision (both 'inhouse' and private), these placements are likely to be in other local authority areas. At times, we will be required to explore further afield in other areas across England due to a high demand on these placements.

The costs of such placements are set to rise in line with this demand. We will have no control over market costs.

Social workers and/or case managers will be required to regularly travel to these placements to deliver our social work and corporate parenting duties, placing a greater impact on climate through travel and costs through time.

39. Option (2)

We develop our own inhouse provision by purchasing a suitable property within the City of York.

We will be able to work proactively with the Home Office to carefully match young people in line with their language, culture and faith.

Funding received from the Home Office will meet the financial costs of ongoing support and accommodation and we will have better financial control and management.

Social workers and/or case managers will be able to have better oversight of care, support and accommodation needs as placements will be local.

Resources and associated costs (such as interpreting services) can be met more efficiently through supporting a small number of young people who share the same language and culture.

Other associated costs in relation to social work and/or case management time and travel will be limited and more effectively managed.

This approach will provide young people with a greater sense of belonging and identity and lessen the potential isolation from living in solo placements that are not culturally aligned. It will therefore improve the long-term transition and integration into the local community and city.

Organisational Impact and Implications

40.

Financial - The funding for this scheme is available within the approved capital programme. As outlined in the body of the report, this capital investment will prevent significant additional revenue expenditure.

Human Resources (HR) - At this stage of the project, staffing implications are limited, resourcing and project managing this project will be within existing resources. Further consideration of staffing implications will be in accordance with HR policies and practice.

Legal - The proposals in this report relate to the discharge by CYC of absolute, non-derogable duties under the Children Act 1989 and the Immigration Act 2016. The duties are to assess need, accommodate and safeguard children and to comply with directions given under the NTS.

It is clear in law that Unaccompanied Asylum-Seeking Children cannot be treated less favourably than other children. The recommendations in the report are clear and lawful and the decision, including appropriate delegations, properly within the remit of the Executive.

Procurement - There are no direct procurement implications with the purchase of a property in York and possible future properties in 2024.

Health and Wellbeing - Public Health fully support the capital expenditure outlined within this report to develop a welcome centre. Any programme to support unaccompanied asylum-

seeking children upon their arrival is welcomed, and this will contribute to a reduction in health inequalities within the city.

Environment and Climate action - There are no negative environmental implications within the context of this report. Providing placements locally will significantly reduce travel by professionals who support Looked After Children

Affordability - There are no direct affordability implications of this report on the young people who will reside in the accommodation.

Equalities and Human Rights - The Council recognises, and needs to take into account its Public Sector Equality Duty under Section 149 of the Equality Act 2010 (to have due regard to the need to eliminate discrimination, harassment, victimisation and any other prohibited conduct; advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it and foster good relations between persons who share a relevant protected characteristic and persons who do not share it in the exercise of a public authority's functions).

The Universal Declaration of Human Rights (Article 14), states that everyone has the right to seek and enjoy asylum from persecution in other countries. This model will allow CYC to support young people seeking that asylum in such a way that they may integrate fully into the life of the city.

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 DPIA. This is evidenced by completion of DPIA screening questions.

Communications – There are limited implications, but we will expect to develop proactive approach to communicating with residents.

Economy - This report has no direct economy implications.

Risks and Mitigations

41. There are significant financial risks associated with raising placement costs in meeting our obligations under our sufficiency duty and duties under the NTS.
42. This proposal provides mitigations to those risks by providing local supported placements that are of high quality and affordable.

Wards Impacted

43. All Wards

Contact details

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Date:	8 December 2023

Background papers

None

Annexes

None



Meeting:	Executive
Meeting date:	25 January 2024
Report of:	James Gilchrist, Director of Transport, Environment and Planning
Portfolio of:	Executive Member (joint) for the Environment and Climate Emergency; Cllr. J Kent / Cllr. K Ravilious

Decision Report: Service Developments - Waste

Subject of Report

1. Waste Services are responsible for the collection of all household waste across the city as well as offering and operating a commercial waste service for business customers. This report focusses on the collection of household waste and sets out a number of policy changes to consider as part of the budget process. These are proposed to be implemented over the coming months and years.
2. There are a number of proposals contained within the report which broadly cover four key areas; (i) options for introducing a subscription service for garden waste collections (ii) formalisation of a waste policy (iii) bags to bins changes and (iv) round optimisation.

Benefits and Challenges

3. Garden Waste Subscription: There are a number of benefits and challenges to consider regarding the introduction of a charge for garden waste collections. It should be noted that unlike household waste and recycling collections, the collection of garden waste is not a statutory service.

Benefits:

- In economically challenging times, charging for a garden waste subscription service would secure the continuation of a much-valued service to residents.
- The income generated from the subscriptions should cover the costs of operating the garden waste service.
- Introducing a charge will mean that the garden waste service can be extended to additional properties across the city making it more equitable. The existing garden waste service is not offered to all households across the city as the operational rounds are over capacity.
- Whilst it is recognised that a subscription based service means an increased cost to residents, it is also an optional cost. Members could decide to offer a 50% discount on the subscription rate for the garden waste service for residents who are not able to afford the service it is proposed that Council Tax Support is the mechanism by which this is applied. For residents that do not wish to subscribe then there are other alternatives which are available for free disposal of garden waste (e.g. home composting and/or disposal at a household waste recycling centre).
- Composting at home helps to reduce emissions and is the most environmentally friendly way of managing garden waste.
- Introducing a charge will align City of York Council with the surrounding North Yorkshire County where all former district councils have already introduced a charge for garden waste collections.

Challenges:

- There is an increased cost to residents if a subscription service is introduced, although this is optional.
 - There are costs to operating a subscription service (e.g. licence costs, ICT developments etc).
4. Waste Policy: There are numerous benefits in formally adopting a waste policy. The waste policy contains agreed policies and

procedures so there is transparency and clarity for residents, officers and Council Members over what the Waste Service entails. This is essential for setting expectations and resolving complaints. There are no perceived challenges in approving this document.

5. **Bags to Bins:** There are many benefits in extending the number of households that have their waste collected via wheeled bins as opposed to bags (i.e. bags to bins). The project has stalled in recent years but this move will improve waste containment for a number of households across the city, reduce the opportunity for and incidence of windblown litter. An increase in recycling should be expected due to the containment capacity of a wheeled bin for general waste. Lastly, it will lead to reduced manual handling and lifting for waste collections crews.
6. **Route Optimisation:** Undertaking a route optimisation exercise is critical to the ongoing running of the service. As the city continues to grow, a review of operational waste collection rounds is required to ensure they remain reliable and efficient. Undertaking a round optimisation exercise will allow the Council to better plan its collection rounds and provide greater resilience in service delivery. The change will enable a slight reduction in vehicle miles travelled with the benefit to the environment of reduced miles. Importantly, the essential miles travelled can be accounted for and justified. It will also allow other services (e.g. street cleansing, grass cutting etc) to be planned around waste collections. Notably, it will address the imbalance of existing rounds which should reduce the incidence of non collection.

Policy Basis for Decision

7. Proposals contained within this report will assist the Council in delivering a number of core commitments in the Council Plan:-
 - **Equalities and Human Rights - Equality of opportunity** – At this current time the garden waste service is not available to all households and the fact that some properties remain on a bagged waste service means we cannot provide garden waste collections to these properties.
 - **Affordability** – Whilst imposing a charge for garden waste collections may have some negative impacts for those on a low income there are environmentally friendly, cost effective

and free alternatives to subscribing to a garden waste collection service such as home composting and/or disposal at a household waste recycling centre. Members could decide to offer a 50% discount on the subscription rate for the garden waste service for residents who are not able to afford the service it is proposed to use Council Tax Support as the way of assessing this.

- Climate - Environment and the climate emergency – Reducing the mileage and making the service more efficient through optimising collection routes and rounds will have benefits for the environment and carbon and other emissions will be reduced. By focussing collections in an area of the city will enable a review of the way public realm management and service delivery is undertaken. Reducing the number of properties on a bagged collection is expected to increase levels of recycling in those areas.

Financial Strategy Implications

8. There are a number of financial implications contained within the report. The cost of delivering the garden waste service is approximately £1.87 million per year including disposal. If a subscription service was introduced for garden waste collections, then the income derived from a subscription service would go towards offsetting the cost of delivering the service. Introducing a well administered subscription scheme would enable residents to make an informed choice about whether they subscribe to the service or not.
9. Depending on the level of take up, the Council could generate an income between £780k and £1.7 m based on an annual charge and a take up of between 25% and 55%.
10. There are administration costs associated with delivering a subscription service for garden waste collections. These include ICT cost for web and system developments and online forms, additional contact centre costs, communication costs and the provision of licences or stickers for subscribing households. The one-off costs incurred in preparing for the service to go live are forecast to be in the region of £250k which can be funded from the waste reserve and ongoing costs of operating a subscription service are assessed at £150k.

11. Given the financial pressures facing the Council, the budget report elsewhere on the agenda, is recommending that the Council introduce a charge for the garden waste service to deliver a net saving of £900k over a full financial year. This equates to a 35% take up, excluding ongoing costs. Without this decision, an alternative saving would need to be identified.

Recommendation and Reasons

12. The Executive are recommended to:
 - i. Note the content of the report and agree to introduce a garden waste subscription service at a fee of £46.50 per bin, and instruct officers to begin work so that the Council can introduce an annual fee for kerbside garden waste collections in York.
 - ii. To decide whether the Council should offer a 50% discount on the subscription rate for the garden waste service for residents who may struggle to afford the service and use Council Tax Support as a way of applying this.

Reason: To determine how the garden waste collection service will be delivered in the future

- iii. To give delegated authority to the Director of Transport, Environment and Planning and in consultation with the Chief Finance Officer, to use the Waste Reserve and take all steps necessary to procure, award and enter into contracts to deliver and effectively implement the new service.

Reason: To enable resources, capital investment, and contracts to be put in place in a timely manner to ensure the garden waste subscription service can be effectively delivered.

- iv. To approve, as a one-off, a free collection of garden waste bins from those households not wishing to subscribe to the garden waste collection service (it is likely residents will need to register for this collection).

Reason: This will facilitate the collection of any unwanted garden waste bins (green wheelie bins) which will be hard for residents to dispose of. The Council will make appropriate

arrangements for these unwanted bins to be collected and recycled.

- v. To formally adopt the Waste Policy which is included as Annex A to the report with a view to implementing the Policy from April 2024.
- vi. To delegate authority to the Director of Environment Transport and Planning in consultation with the relevant Executive members to update the Waste Policy and prepare Terms and Conditions.

Reason: To ensure there is a formally adopted waste policy that is clear for waste teams, members and residents and it reflects any decisions e.g. a subscription scheme for garden waste collections.

- vii. To delegate authority to the Director of Environment, Transport and Planning to transfer properties from 'bags to bins', implementing the scheme in affected areas.

Reason: To enable residents to benefit from waste collections via wheeled bins as opposed to bags. This will help with waste containment, reduce windblown litter, increase recycling and have health and safety benefits for collection crews.

- viii. To note that the service does need to undertake a round optimisation exercise to ensure that collection rounds are efficient as the city continues to expand with additional households requiring waste collections. To delegate authority to the Director of Environment, Transport and Planning to implement an optimisation of collection rounds in consultation with the relevant Executive Members.

Reason: To ensure collection rounds are as efficient as possible and vehicle miles travelled are reduced (it should be noted that this will lead to a change of collection day for some residents at the point at which the new rounds are adopted).

- ix. To note that in parts of the city, waste and recycling collections are delivered by St Nick's under a contract for "Special Waste and Recycling Collection Arrangements for the City Centre". This contract is due to expire and tender prices are being sought.

Reason: To ensure properties in the city centre and that are hard to access, benefit from an option to have their waste and recycling collected effectively.

- x. To delegate authority to the Director of Environment, Transport and Planning, and in consultation with the Director of Governance and Chief Finance Officer, award the contract for “Special Waste and Recycling Collection Arrangements for the City Centre”.

Reason: To ensure collection rounds are as efficient as possible.

Background

13. This report has been brought to this meeting as the contents of the report will need to be considered as part of the budget setting process. There are a number of proposed service developments regarding the garden waste service, adoption of a Waste Policy and the bags to bins work that require formal decisions. In addition, this report builds on the bags to bins project which was agreed in November 2015.
14. Waste Services are responsible for the collection of domestic waste and commercial waste across the city. The ‘standard’ waste collection service offered to residents across the 91,500 households in the city is as follows:
- Household waste collected fortnightly (via a black wheeled bin or black sacks)
 - Recycling waste is collected fortnightly via recycling boxes (two boxes for glass, tins/cans and plastics and one box for paper/card)
 - Garden waste is collected fortnightly between March and early December each year via a green wheeled bin
 - Please note that at some flats and high rise buildings there may be a limit on space, therefore collections are often in larger communal style bins (e.g. 660 or 1,100 litre bins)
 - There are a small number of properties in the city centre that have their waste collections performed by St Nick’s under a contract called the “Special Waste and Recycling Collection Arrangements for the City Centre”.

Consultation Analysis

15. At September 2023 Executive it was outlined how the Council would explore the potential to introduce a green waste subscription scheme similar to the one that now covers the whole of North Yorkshire. This was in response to the Council's serious financial position.
16. The service has undertaken analysis of the national picture in developing the options including a subscription service for garden waste collections. Information is contained within the report. The options analysis and evidential basis part of the report is broken down into sections to enable each element of the report to be considered.
17. Garden Waste is a discretionary service, with alternative options for disposal such as home composting or taking to a household waste and recycling centre where it can be disposed of free of charge.

Options Analysis and Evidential Basis

Garden Waste

18. The garden waste collection service in York is currently provided, free of charge, to approximately 66,000 households across the city. Collections are undertaken on a fortnightly basis across the city and residents have a green wheelie bin for garden waste collections (the majority of green bins are 180 litre bins; however, there a number of 240 litre bins in circulation across the city).
19. In recent years, the Council has not offered garden waste collections at some new housing developments (e.g. Langley Gate development) and also does not offer the service in some terraced areas, as there is not any capacity on the current operational rounds to take on these additional collections.

Current Garden Waste Collection Service

20. On 7th March 2022, the length of the garden waste collection service was extended by two weeks meaning that the garden waste collection service is provided over 40 weeks per year. Starting the garden waste collection service two weeks earlier

means a more phased service introduction with garden waste tonnages gradually increasing over time.

21. Garden waste collected across York is taken to the waste disposal site at Harewood Whin (operated by Yorwaste). Garden waste is treated over a period of three months and is turned into a PAS 100 accredited compost. The compost is available to purchase at household waste recycling centres. The Council undertakes some free periodic compost giveaways (for community groups) and it is proposed that this will continue in future years.
22. The collection of garden waste contributes towards the Council's overall recycling performance figures and any reduction in garden waste volumes will affect these. However, it is important to recognise that garden waste is only a percentage of this overall figure and that dry recycling (e.g. paper, card, glass, tins and plastics etc) accounts for a larger proportion of the waste collected across the city [(for example in 2021/22, 19,051 tonnes of dry recycling was collected across the city compared to 16,610 tonnes of garden waste) (the Council is not able to specify a tonnage for home composting)].
23. The following materials are collected in the garden waste bin; grass cuttings and hedge clippings, leaves and bark, garden plants and flowers, twigs and small branches, windfall fruit, cut flowers and house plants, Christmas trees and natural wreaths (providing they are chopped up so they fit inside the bin).
24. The following materials are not collected in the garden waste bin; soil, turf, rubble, coal, barbeque charcoal, large whole branches (these should be taken to a household waste recycling centre and placed in the wood recycling container), invasive weeds such as Japanese knotweed and giant hogweed, food or other kitchen waste, pet or animal waste and any plastic, paper, cardboard and other packaging, such as compostable plastic and bags.
25. Garden waste can be heavy, so the service only accepts garden waste bins where the lids are closed and asks residents do not use any form of plastic bags, including compostable and biodegradable bags. Soil and other heavy items are excluded.
26. In garden waste collection areas, the service currently collects one garden waste wheelie bin for free from households (approx 66,000

households). The service also offers the opportunity for the collection of additional garden waste bins for those households who subscribe to our additional garden waste scheme. Currently there are over 1,600 households across the city who pay for an additional bin at £43 per bin per year.

27. Those households who are not currently served by a garden waste collection service from the kerbside or residents who have additional garden waste materials, can compost at home or take garden waste to a household waste recycling centre (HWRC) free of charge. There are two household waste recycling centres in York; Hazel Court HWRC on James Street, York, YO10 3DS and Towthorpe HWRC on Moor Lane, Strensall, York, YO32 9ST.

Future Garden Waste Considerations

28. The Council has a statutory duty to collect household waste and at least two forms of recyclable waste from the kerbside (e.g. paper/ card, glass, tins or plastics etc). There is not a statutory duty to collect garden waste from the kerbside. Therefore, it is appropriate to decide through the budget setting process, whether the garden waste service is delivered free of charge to all households or whether a subscription charge is introduced and residents will have the option to participate in the kerbside garden collection scheme if they so wish.
29. The collection of garden waste is not a statutory service and under the Controlled Waste Regulations 2012, the Council has the discretion to charge for this service. It is also important to point out that the Government consulted on its Waste and Resources Strategy in 2021 and a recent Government response in November 2023, outlined that 'local authorities will be required to provide a garden waste service where it is requested but as is currently the case, they can continue to choose to charge for the service'.
30. However, the cost of providing the garden waste service places a large burden of additional cost upon the authority. The £1.87m cost of the service includes 7 vehicle rounds and associated staffing. There will be a continued pressure on the service as the city expands and new properties are built. A subscription service will allow for the service to be flexed to meet this demand.

Position in Other Authorities

31. Across the country, about 70% of local authorities now charge for kerbside garden waste collections. Indeed, with the formation of the new North Yorkshire Council they now charge for garden waste collections across the County (Selby was the last of the former district councils to introduce a charge for garden waste collections in August 2023).
32. As funding of local government has reduced the proportion of authorities charging for garden waste has increased from 30% in 2012/13 to 70% today. The amounts charged for garden waste collections vary across the country with the highest charges generally in the South. In the North, there is a low of £25 and a high of £53 but charges are as high as £96 in the South East. The charge for garden waste collections in North Yorkshire Council was £43.50 in 2023 and this is increasing to £46.50 in 2024. In York, we currently charge a fee of £43 if residents want an additional bin, with the first garden waste bin collected for free.

Garden Waste Options

33. The first option is to continue to deliver the garden waste service to residents free of charge. This would be a continuation of the current service. It should be noted however that not all households receive the garden waste collection service as the Council has not had the resources to add garden waste collections at new build properties over the past 12 months. It will also be possible to further expand the garden waste subscription service in the future to properties that switch from bags to bins (as part of the bags to bins project).
34. The benefit of continuing the free service is that garden waste does not end up in the household waste bins and that the material is composted; maximising the use and re-use of the material.
35. The disadvantage to continuing the free service is that it places a large financial burden on the authority for a service, that is not a statutory function to deliver. Difficult decisions have been made in recent years to restrict the number of households currently covered by the garden waste collection service (circa 66,000) but this does not allow for any further expansion of the service as the city grows. It will also lead to a situation where council tax payers are receiving a differential level of service.

36. The second option is to start charging for the garden waste collection service. If a charge was to be introduced then the Council would need to ensure that this was affordable, to encourage participation in the scheme. The Council could also look at a discounted rate of 50% for residents where affordability may be an issue, using those eligible for Council Tax Support as a way of applying the discount. It is also important to ensure there is adequate provision for those residents who do not wish to subscribe for the garden waste service. This reflects the information contained within the Equality Impact Assessment (see Annex B).
37. Charging for the garden waste service would ensure there was equality of opportunity; the scheme can be offered to all households that are able to have a wheeled bin for garden waste and who wish to subscribe to the service.
38. The disadvantage to charging for the garden waste service is that it is an additional cost for householders. However, Executive may wish to mitigate this by offering a 50% discount on the subscription rate for the garden waste service for residents in receipt of Council Tax Support. However, it does ensure that those residents who want the service can choose to pay for it but other alternatives also need to be considered. It will also lead to a likely decrease in the amount of tonnes of waste that are recycled (in terms of the specific performance indicator used to measure this).

Additional Considerations

39. There is also an additional option to offer households who do not wish to subscribe to the kerbside garden waste collection service the chance to purchase discounted home composters. This is not only a benefit to the environment but it also allows households to undertake composting activities at home. The Council could enter into partnership with a compost bin provider to make compost bins available at a competitive price. The Council will provide information on how to use a compost bin and educate and encourage residents to maximise use of this option.
40. If a charge for the garden waste service is to be introduced then it is important to offer alternatives to those households who do not wish to pay for a garden waste collection service. Therefore, the Council would need to continue to allow all residents to dispose of

garden waste, free of charge, at the two household waste recycling centres (HWRC's) in York.

41. The garden waste wheelie bins across the city have been in situ for a number of years. If a garden waste subscription service was to be introduced, the bins would be replaced free of charge. This would only be for bins that have damage (e.g. damaged wheels, cracked bins etc). In addition, the garden waste subscription service would be delivered using a 180 litre bin (therefore, if an older 240 litre garden waste bin is in existence this can be used until the point it breaks but the subscription service would be delivered through a 180 litre bin upon replacement).
42. If residents do not wish to subscribe to the garden waste service, then it is recommended that there be the continuation of free disposal of garden waste at HWRC's and the option of purchasing a discounted home compost bin. In addition, as 'old' wheelie bins would be difficult for residents to dispose of it is proposed that (i) residents can be encouraged to keep garden waste bins at their properties and use them for water butts or even for storage purposes and/or (ii) a one-off collection of garden waste bins be undertaken for those households not subscribing to the garden waste service. This would require the resident to register for the removal and this collection would be undertaken free of charge (please note that this would likely be undertaken 12 -18 months after any subscription service be adopted). The Council will ensure that it liaises with an appropriate contractor to recycle the old garden waste bins.
43. The majority of local authorities across England charge for garden waste collections from the kerbside. There is no evidence to suggest that charging a subscription fee for garden waste leads to an increase in fly tipping. Most residents either choose to home compost or take their garden waste to a HWRC (which is free of charge). Fly tipping will continue to be monitored and if appropriate enforcement action would be taken against offenders.
44. Consideration has been given to the potential for any adverse climate change impacts. If residents choose not to subscribe to the garden waste service, experience from other authorities shows that people home compost and there is no corresponding rise in residual waste tonnages. In addition, experience shows that not all households will subscribe to the garden waste collection service and therefore, in future years there is likely to be capacity to offer

the service to households not currently served by the current garden waste service.

How A Garden Waste Scheme Could Operate

45. The garden waste subscription would operate on an annual basis (i.e. the householder would pay a set fee for kerbside garden waste collections in a particular season (the season would run for 40 weeks between March to early December so a resident would receive up to 20 garden waste collections per year).
46. The fee would be payable, in advance, for the upcoming garden waste season. The fee would be paid in full and it is proposed that this can be done through an online form as a preferred option or through the Council's contact centre.
47. Information for subscribing households could be held on the Council's existing waste management system (Webaspx). This would record which households have subscribed to the garden waste service. In addition to this information, it is proposed that subscribing households are issued with a tamper proof sticker to affix to the bin. The colour of the sticker would change annually to provide a visual reminder for collection crews regarding which households have a valid subscription. Only garden waste bins with a valid subscription would be collected.

Garden Waste Conclusion

48. Therefore, on balance it is recommended that the garden waste service becomes a subscription service but with a charge to be set at such a level to encourage participation in the scheme. The current charge for a second garden waste bin in York is £43 and the charge for the annual garden waste service across North Yorkshire (our nearest local authority) is currently £43.50 and is set to rise to £46.50 in 2024. It is recommended that the fee is set at £46.50 per bin. Members could apply a discount of 50% to make this more affordable for some households.

WASTE POLICY

49. The service is seeking to adopt a formal Waste Policy as it is important that there is a clear understanding of what is offered by the Waste and Recycling Service. The Waste Policy will ensure

there are agreed policies and procedures in place so there is transparency and clarity for residents, officers and Council Members over what the Waste and Recycling Service entails.

Background

50. The Waste Service operates a domestic and commercial waste service across the city. The service has a statutory duty to collect household waste and at least two forms of recyclable waste from the kerbside at approximately 91,500 households across the city. In addition to this, the service also provides a kerbside collection of garden waste to approximately 66,000 households across the city.
51. The Waste Service also offers and operates a chargeable commercial waste service to over 1,500 businesses across the city. This is slightly different to the household waste service in that it is delivered over six days (Monday to Saturday). Businesses pay for the collection of their waste and can choose from a single waste collection through to multiple recycling collections (depending on how much space they have at their premises).
52. The Commercial Waste service provides collections to some businesses on a daily basis whereas others will have a fortnightly collection. There is a separate set of documents for businesses as they have to (i) hold waste transfer notes (administered by our service) and (ii) have a contract so therefore, the Waste Policy focusses on household waste collections (although Commercial waste is briefly mentioned).

Household Waste

53. The policy sets out the key metrics of the household waste service and what residents can expect from the service. This ranges from the frequency and types of collection through to information on missed collections, assisted collections, bulky waste and the Council's household waste recycling centres (HWRC's).
54. There is a detailed section on the Council's website dedicated to showing residents what happens with the waste that is collected and highlights the waste journey in terms of recycling and waste disposal. This is a highly visual aid (with a video) so this information is not referenced within the Policy.
55. The Waste Policy builds on information that is contained within internal documents and on the Council's website regarding waste. However, it pulls this information into one document and focuses

more on the agreed policies and procedures so there is transparency and clarity for residents, officers and Council Members over what the Waste Service entails. The Policy is clearly indexed and contains links to the Council's website for ease of navigation.

56. Waste Services is a complex operation with many different variables and therefore having a clear and unambiguous policy is important for all service users. The Policy will be subject to periodic reviews and can be adapted if there are any national changes or local changes to waste collections, collections frequencies or types of collections offered. The Policy is included at Annex A.

Recommended changes to Existing Waste Policies/Practices

57. There are a couple of areas within the Waste Policy where the service would recommend some changes to current practices.

These are as follows:-

- Medical collections – the service would recommend that residents who require the medical collection service be collected on a weekly basis. If there are still issues, then a larger bin could be offered.
- Missed collections – the service is proposing that there will no longer be a return for single missed collections (the service will still return for (i) missed medical collections, (ii) missed assisted collections and (iii) any missed whole streets as the result of 'no access', breakdowns etc). This is to ensure that the service balances cost with environmental factors. Additional waste would be accepted at the next scheduled collection for single missed collections.
- Bulky waste collections – the service proposes that we will now start to collect items from behind alley gates (as and where appropriate)

Other Future Service Developments

Bags to Bins

58. The bags to bins project seeks to improve household waste collections for residents in some terraced areas of the city and reduce the potential for injury to our waste collection operatives.

The project also seeks to reduce the incidence of windblown litter from torn refuse sacks. In 2015, a project was initiated that identified properties that potentially would be suitable to transition from bags to the wheeled bin service. The project was agreed in principle at the Cabinet Decision Session in November 2015 and commenced in earnest in 2017.

59. The project was implemented in 2 wards (Holgate and Westfield), to the benefit of 1,016 properties which were successfully changed from bags to bins. Since then, the project has stalled because of competing priorities. The Environmental Services team are now in a position to progress this project, but before doing so are seeking approval and a mandate that on the basis of Health and Safety, unless there is a genuine physical reason why a property or street cannot accommodate a wheeled bin, the standard collection method for CYC will be a wheeled bin service.
60. The majority of properties in York already present their household waste using this method (circa 83,500 properties). However, there are about 8,000 properties, in 285 streets, currently have a bag collection for their household waste. It is anticipated that the Bags to Bins project will enhance street level service and the street environments by reducing the amount of litter created from split waste sacks generally caused by residents using kitchen bin liners to present waste rather than proper refuse bags and animals scavenging.
61. If a property is able to accommodate a wheeled bin for household waste, then it is likely to also be suitable for garden waste collections. Garden waste can only be provided to those properties deemed suitable for an individual domestic wheeled bin service. At present there is no scope to expand the garden waste service which is at capacity. However, through other projects such as route optimisation, the provision of a wheeled bin would mean these properties could be looked at for inclusion when reoptimizing the garden waste service.
62. The service would like to supply a wheeled bin service to approximately 5,500 properties across 7 wards.
63. The table below shows the wards identified by the project which are considered suitable for wheeled bins. Wards are not in priority order. If members would like officers to consider specific wards as

a priority these can be looked at, otherwise they will be implemented in the order they appear in the table.

Ward	No. of streets suitable for wheeled bins	No. of properties suitable for wheeled bins
Clifton	20	635
Fishergate	14	433
Guildhall	49	1313
Heworth	5	95
Holgate	2	184
Hull Road	1	49
Micklegate	79	2835
TOTAL	170	5544

64. Every street in scope of the project was re-assessed for bin suitability and vehicle access in 2021, after new Route Risk assessments were undertaken. Many properties previously deemed as unsuitable were reclassified as now suitable for a wheeled bin collection. This is also in part to the service procuring new narrow chassis refuse vehicles which make access easier. The table below shows the number of properties that have now moved from 'unsuitable' to 'suitable'.

Ward	No. of properties previously unsuitable	No. of these properties now suitable
Clifton	1223	635
Fishergate	638	433
Guildhall	2374	1313
Heworth	157	95
Holgate	413	184
Hull Road	49	49
Micklegate	3487	2835
TOTAL	8341	5544

65. Suitable properties are those which meet the following criteria:
- sufficient external storage space for the wheeled bin in between collections.
 - streets which are accessible to the vehicles which are able to collect wheeled bins.
 - properties in streets where accessibility is afforded and wheeled bins would not cause significant obstruction to the highway on collection day.
 - properties with a suitable place to present the bin for collection – this may be front edge of property or at a central collection point for a number of properties.

66. Properties which are unsuitable for wheeled bins are those which do not meet the criteria above. They may also have other operational reasons identified which make them unsuitable for wheeled bin collections.
67. If the decision is to approve the move from bags to bins then there is provision in the existing capital budgets for the purchase of wheeled bins.
68. The service is keen to provide wheeled bins where possible to residents and transition households from bagged collections to wheeled bin collections for household waste. The service is happy to undertake any individual Councillor ward 'walkabouts' prior to agreeing the streets moving from bags to bins in each ward. Adopting this approach also means we could order a large number of bins at once which would bring the price of containers down compared to smaller individual orders.
69. If properties do transition from bagged collections to wheeled bins, then one standard grey 180 litre wheeled bin for residual waste will be provided free of charge to each property. Following roll out, any subsequent replacement bins requested by the resident will be subject to the council's charging for bins policy.
70. If adopted, ward members will be informed in advance of rollout within their ward. They will be provided with a list of affected streets and property numbers, a timetable for the rollout, and any other information of relevance to the project and their ward.
71. The service will write to properties suitable for wheeled bins and provide affected residents with notice that wheeled bins are being introduced. This communication will also include:
 - dates for rollout
 - guidance on how to use a standard 180 litre wheeled bin.
 - where the bin should be stored in between collections.
 - the presentation points for collection.
 - where relevant, we may include maps showing the location of a central collection point.
 - our responsibilities during collections.
 - assisted collection information.
72. Households currently registered for an assisted collection will continue to receive this service using their wheeled bin. We will

write a separate letter to these addresses to ensure assisted collection residents are not unduly concerned and understand that the service will continue.

73. Larger households, which meet the qualifying criteria, may upgrade their wheeled bin to a 240 litre (households of 5), or a 360 litre bin for households of 6 or more.

Round Optimisation

74. The service has reached a point where a round re-balancing and re-routing exercise is required. This is the result of expansion of the city with more households to service and changes made to the waste. In addition, changes to the waste and recycling fleet offer opportunities to further improve the service. The current rounds are based on the old fleet and are therefore less efficient than they could be.
75. The new rounds should improve the service to customers whilst reducing cost and minimises the impact on the environment by reducing mileage (waste vehicles drive travel approximately 4 miles to the gallon). Re-optimisation of the collection rounds would be designed to ensure that recent housing growth and new developments in construction, can be added to collection rounds and also ensures that the 'task' is more balanced and equitable amongst the collection crews.
76. The round optimisation piece of work is complex and requires both internal and external resources (i.e. external and internal checking and verification of routes and updating of the round management system). The re-optimisation will see the creation of circa 250 collection rounds. As part of the modelling, the service would seek to ensure that residents have a 'matched' collection day (i.e. their household waste and recycling waste is collected on the same day but on different weeks). Collection days for the vast majority of residents would change as when all vehicles are 'grouped' and collecting in a similar area each day there will be a high proportion of collection days and in some cases the week of collection that may change from the current collection day/week.

City Centre Collections

77. Waste collections in parts of the city centre where access for waste collection vehicles is most difficult are undertaken under a contract with St Nicks. This contract is due to expire and cannot

be extended again.

78. The Council is seeking tenders to continue the service under contract. The proposal is that subject to tenders being affordable the award of contract is delegated to officers in consultation with the relevant Executive Members and statutory officers.

Next Steps

79. Should members decide to approve the principle of a garden waste subscription service then officers will update the Draft Waste Policy in Annex A to reflect a Subscription Service for Green Waste and prepare a set of Terms and Conditions.
80. Further work will be undertaken on the Draft Waste Policy to update the documents in terms of the previous decision to charge holiday lets and Air B7Bs as commercial waste.
81. In addition the council will develop of waste campaigns that support residents and businesses to reduce the amount of waste they produce, recycle more of it and move towards a circular economy (review performance measures in line with this change).

Organisational Impact and Implications

82. The implications are as follows:
- **Financial:** The recommendation is to introduce a subscription service for garden waste collections. This is anticipated to generate an income of circa. £900k which will offset the overall costs of providing the service. One-off costs of up to £250k can be charged to the waste Reserve which currently stands at £829k. The cost of purchasing new bins for the 5,500 Bags to Bins properties can be met through the Public Realm and Waste Equipment capital budget of £163k. The overall value of income will ultimately be dependent on take up for the service. If Members were to offer the 50% discount, it is likely to reduce overall income received indicatively forecast at £30-£50k.
 - **Human Resources (HR):** Any posts that are required to deliver the garden waste service will follow appropriate HR and cost control procedures.
 - **Legal: Green Waste:** A Council does not have to collect garden waste but it is a service it can choose to provide. It can

also recover the costs of providing discretionary services but it cannot make a profit. Household Waste: Councils are under a statutory duty to collect household waste and must arrange to do so consistently with concurrent duties to secure continuous improvement and set a balanced budget.

- **Procurement:** Any proposed works or services, or variations to existing contracts will need to be commissioned via a compliant procurement route under the Council's Contract Procedure Rules and where applicable the Public Contract Regulations 2015. All tenders will need to be conducted in an open, fair and transparent way to capture the key principles of procurement. Further advice regarding the procurement routes, strategies and markets must be sought from the Commercial Procurement Team.
- **Health and Wellbeing:** Garden waste removal has several positive health benefits for the individual, public health is broadly in support of the proposal presented to approach this aspect of waste removal in the city. We note the revised approach to medical waste removal and feel this is a positive step forward for residents.
- **Environment and Climate action:** The amount of garden waste composted as part of the Council's operation may reduce. However, the garden waste not collected from the kerbside would either be composted at home, taken to a household waste recycling centre (HWRC) and composted or in a worst-case scenario placed in a black household waste bin and recovered at Allerton Park (through the anaerobic digestion process). By undertaking a piece of routing and rounding optimisation the collection rounds will be more efficient; reducing emissions and help to improve carbon emissions and air quality. There is no evidence to suggest that increased fly tipping or paving of gardens take place where garden waste charges have been introduced.
- **Affordability:** Members may wish to offer a 50% discount on the annual subscription fee for resident who may not be able to afford the service e.g. those in receipt of Council Tax Support. If residents do not wish or cannot afford to subscribe then there are other alternatives which are available for the free disposal of garden waste (e.g. home composting and/or disposal at a household waste recycling centre).
- **Equalities and Human Rights:** There is a proposal for extending the number of households that have their waste collected via wheeled bins as opposed to bags. In addition, these properties could benefit from a chargeable garden

waste collection service if they wish to do so. In relation to the proposal to move to a subscription service for garden waste then there are alternatives available to households (e.g. free options such as home composting or taking materials to a household waste recycling centre or even spreading cost through sharing a subscription with a neighbour).

- **Data Protection and Privacy:** no specific comments on this report.
- **Communications:** Communications support will be required in the short term around the introduction of the new policy in terms of both managing any media and ensuring public awareness of the change. This will be undertaken, at least in part, within the planned activity which supports the Council's current budget process. In the longer term, a business case for marketing the new service will need to be developed to ensure that householders are aware of the new service, and either subscribe or make use of the alternatives available to them.
- **Economy:** no specific comments on this report.

Risks and Mitigations

83. The key risk is if residents do not sign up to a subscription service for garden waste collections, then the expected income projections may not be realised. However, the experience in other local authorities shows that their residents continue to subscribe to the garden waste collection service in their areas. Should subscription rates be lower than expected, then the Council would not be deploying resources to collect so there would be a saving to offset the cost. Should take up of the service be lower than anticipated it should be possible to reduce the overall costs as fewer rounds will be required. This should allow operational savings to be made in future years.

Wards Impacted

84. All wards are impacted by the decisions contained within the report.

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Background papers

Executive September 2023 - 2023/24 Finance & Performance Monitor 1
[\(Public Pack\)Agenda Document for Executive, 14/09/2023 17:30 \(york.gov.uk\)](#)

Annexes

Annex A - Draft Waste Policy
 Annex B - Equality Impact Assessment

Introduction

In 2023, waste was responsible for 2.7% of York's total greenhouse emissions and represents a depletion of finite resources which we need to reverse. Our Climate Strategy outlines 3 objectives; (i) to reduce the amount of waste (ii) to increase recycling rates where reduction is not possible and (iii) to move towards a circular economy. As individuals and as a city, we all need to play our parts in achieving these objectives.

To support this, the Refuse and Recycling Policy for the City of York Council aims to ensure that its waste and recycling services operate effectively and efficiently to maximise recycling and reduce the amount of residual waste.

This policy document is designed to lay out agreed policies and procedures that are clearly defined. Ensuring transparency and clarity for residents, Council members and Officers of the City Council.

Under the terms of the Environmental Protection Act 1990, The City of York Council is classed as a Waste Collection Authority. As such, under section 45(1) we have a statutory duty to collect household waste from all domestic properties within our administrative area.

Under Section 46(4) of the Environmental Protection Act 1990, the Council has specific powers to stipulate:

- The size and type of the collection receptacles
- Where the receptacles must be placed for the purpose of collection and emptying
- The materials or items which may or may not be placed within the receptacles

Any residents not complying with the Council's requirements, may be subject to a fixed penalty ticket or other legal action under the Section 46 notification, or a loss of the collection service. It is intended that the policy document will outline how the City of York Council will deliver the refuse and recycling collection service and with appropriate education and support, enforcement action should not be required.

Environmental Services Waste and Recycling Policies

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Policy 1: Frequency of Collection

The Council will collect domestic refuse and recycling on an alternate weekly basis in most areas of the city. Garden waste is also collected on a fortnightly basis during the collection season of early March to early December.

Where possible the alternate weekly collection day will be the same day of the week for refuse and for recycling. This is not guaranteed however and is subject to operational constraints. The time of the day for collection may vary due to outside forces such as road works, vehicle breakdowns or other situations outside of our control. Therefore, residents are asked to present their bin(s) by 7am on their designated collection day. Bins should be presented no earlier than 7pm in the evening prior to collection.

During Bank Holiday weeks, collections will usually be as per your regular collection day. However, there may be occasions when collection days are altered. This is normally over the Christmas and New Year period.

Information about alterations will be advertised through several methods such as local newspapers, social media and the Council's website www.york.gov.uk/waste

Occasionally collection days can change, and this is necessary to ensure that our collection rounds take account of new developments and are routed efficiently. In such cases the affected residents will be notified of the change by post in the first instance. However in the case of a wholesale city change to service a different means of communication may be deemed more appropriate. We no longer provide printed paper calendars to all residents on an annual basis. Details of collection arrangements will always be made available on our website at <https://myaccount.york.gov.uk/bin-collections> or residents can contact request a paper copy be sent to them via our contact centre by calling 01905 551551 or emailing ycc@york.gov.uk

Policy 2: Refuse Collections

All refuse bins are liable to inspection before collection. The refuse bin should only contain 'non-recyclable' household waste:

It must not contain:

- Batteries of any kind
- Soil
- Clinical waste, including sharps
- Tyres
- Hazardous waste
- Waste Electrical Equipment
- Large 'bulky' items
- Construction/DIY waste such as bricks, plasterboard; cement, aggregates, and timber
- Paint tins
- Commercial waste
- Waste from Holiday lets

Should the refuse bin contain waste of the type detailed above, the refuse operator will not collect the waste and will log the issue using their Incab device. The disposal of the waste will then become the responsibility of the resident, who will be required to dispose of the waste in an appropriate manner.

Residents can visit www.york.gov.uk/HazelCourtHWRC or www.recyclenow.com to find out the best way to dispose of item that cannot be placed in their bin.

If the resident removes the incorrect waste item(s). The bin can then be presented at the next refuse collection. We will not return to empty the bin before the next collection day, nor will we collect any additional waste arising from this non collection. The resident must make arrangements to get rid of any excess waste themselves ideally by visiting a [Household Waste Recycling Centre](#)

Policy 3: Presentation of Refuse

Standard collections

The standard collection point for bins is the front edge of the residents property. Receptacles must be presented at the front boundary of the property, at the point nearest the highway by 7am on the appointed day of collection. It is helpful if residents place their bins at the kerbside with the handles facing outwards to assist crews with swift collection of the containers. Crews will return emptied containers back to the point of collection.

The Council will not empty any wheeled bin not supplied by City of York Council. Where householders share a driveway, they will be required to present their waste receptacles for collection at the end of the shared drive, at a point nearest to the highway. Where an individual property is located down a 'long-driveway', the householder is required to present their waste receptacle for collection at the point nearest the highway.

Central collection Points

Central collection points are used where access may present an issue for waste collection.

Central collection points are used for bagged Household waste collections and wheeled bin collections only, they are not used the collection of kerbside boxes.

For example a resident may present bags at a central collection point for refuse but have their recycling collected from the front of their property. In these cases it will be made clear to the resident where the correct presentation points are located for each waste stream. Details can be found by visiting the CYC waste calendar [look up tool](#)

Where a street / area uses central collection points the following rules apply:

- Waste must not be presented before 7pm the night before collection
- Waste must be at the central collection point by 7am the morning of collection

- Waste must be in either a wheeled bin or securely tied black plastic refuse bags – waste should not be placed out for collection in kitchen bin liners, carrier bags or storage bins.
- Bulky or large household items should not be placed at the collection point. This waste will not be removed from the CCP and will be classed as fly tipping
- Waste should be placed with care in a neat and tidy manor with care taken not to block access to properties, streets, or driveways.
- Where security gates (Alley Gates) are in place in back lanes, all waste should be placed outside of the gates – waste operatives will not go behind the security gates.
- Where wheeled bins are presented for collection, they should be retrieved and brought back on to the homeowner's property by 7pm the night of collection.
- If a CCP becomes a problem, then the issue will be investigated by the neighbourhood enforcement team under section 46 of the environmental protection act

Where the 'long-driveway' serves several properties, CYC may introduce a central collection point for all bins/ boxes at a designated point nearest the kerbside. Any variation to this policy will be at the discretion of the City of York Council Environmental Services Officers. Their decision will be deemed to be final.

Residents are also asked to be mindful of others who may struggle to navigate around bins left on the highway/ pavement without care and to bear in mind that this may affect those with sight loss or mobility issues. Residents are asked to return their bins to their own properties by 7pm the day of collection.

Wheeled bins that are not returned will be (if regularly left out) classed as an 'abandoned bin' and removed. If a bin has been removed the resident would be subject to a charge to replace the bin.

Excess Waste

The presentation of 'additional' refuse does not support waste minimisation principles or encourage residents to maximise recycling. Therefore, excess refuse left beside the wheeled bin will not be collected unless it has been authorised. Residents should use the Household Waste Recycling Centres to dispose of this waste ([see policy 29](#))

The Council provides advice to residents on how to reduce their waste, upon request. Should a resident continue to present unauthorised 'additional waste', the Council will take appropriate enforcement action under Section 46(4) of the Environmental Protection Act 1990 ([see policy 10](#))

Policy 4: Recycling Collections

All recycling receptacles will be subject to inspection prior to collection, to establish that they contain only the correct recyclable materials, as detailed on the [CYC website](#).

Contamination can have a major impact on our recycling and composting schemes by reducing the quality of the material and the risk that it will be rejected by the re-processors. The rejection of loads increases disposal charges and loses income.

Recycling and garden waste receptacles considered 'contaminated' by operatives will not be collected. At the discretion of the Waste Operative, they may remove contaminating materials from receptacles and empty the bin or box. If contamination is not considered severe enough to warrant a bin rejection.

If the contamination is severe enough to reject the receptacle, this will be logged on the crews Incab device.

The Council will not make an unscheduled return visit to collect recycling receptacles rejected for collection, even if the contaminated material has been removed by the householder. In this circumstance, the disposal of the rejected waste will be the responsibility of the householder, who will be required to dispose of the materials using the most appropriate facilities ([HWRC](#) or [recycling bank](#))

Should a resident continue to present recycling receptacles containing contaminated waste material, The Council will provide a reasonable level of advice and assistance to householders regarding how to recycle their waste effectively, prior to taking [enforcement measures](#).

Policy 5: Presentation of Recycling

55L Kerbside boxes are used for recycling. Historically 3 boxes were issued as a standard set when residents were required to split their recycling into three different streams. Residents are now only required to split their recycling into two different streams.

- Paper and card
- Plastic, tins, glass, foil

Boxes are free of charge and residents are encouraged to only use CYC provided containers as they have been proven fit for purpose and are of a standard shape, size and weight for manual handling purposes. We reserve the right to not collect any container we deem unsafe for collection.

A standard amount to present for collection is 3 kerbside boxes. Small amounts of additional recycling, for example one equivalent box full, can be presented in addition to your recycling boxes of plastic, glass and foil. Additional recycling should be clearly identifiable (please do not present in black bags). Whilst we will make every effort to collect all additional recycling presented, we may not always have space in our vehicles.

Additional cardboard should be broken down to fit into the equivalent size of a recycling box and placed into a sturdy container to prevent it being blown around before collection. Residents are asked not to present cardboard in plastic bags as this would contaminate the load, and not to present cardboard tightly packed inside another box as this takes up more space in the wagon and will not be compressed the same way as loose cardboard.

Large amounts of brown outside packaging cardboard should be taken to your nearest Household Waste Recycling centre or recycling bank. The location of which can be found by visiting our [website](#) or www.recyclenow.com/recycling-locator We will not collect this material at the kerbside.

Policy 6: Garden Waste Collections

City of York Council provides a garden waste service to approximately 66,000 properties. Collections are made over the 'season' which is currently early March to early December.

Residents should only place garden and plant waste into their green bin. Some items which are suitable for home composting are not suitable for disposal within your garden waste collection and we may refuse to empty your bin if it contains items which we do not collect.

Acceptable waste

- Grass and hedge cuttings
- Leaves and bark
- Garden plants and flowers
- Non invasive garden weeds
- Twigs and small branches
- Windfall fruit
- Cut flowers, house plants, dried flowers
- Real Christmas trees and natural wreaths (chopped up so the fit inside the bin with the lid closed)
- Straw bedding from small vegetarian animals

Unacceptable waste

- Soil, turf, rubble, coal, BBQ charcoal
- Large whole branches/trees (these should be taken to the HWRC and placed in the wood container)
- Artificial plants and trees
- Invasive weeds such as Japanese knotweed
- Food or other kitchen waste
- Plastic, paper, cardboard and other packaging such as those labelled 'compostable'
- Pet and animal waste from cats and dogs
- nappies

All garden waste must fit inside the bin with the lid closed. We may refuse to empty your bin if it is too heavy from materials such as soil as this can be a dangerous hazard when moving and loading the bin on to the wagon.

There is currently no capacity to add any more properties to the garden waste service.

Policy 7: Garden waste subscription scheme

Any household that currently has an existing garden waste collection can subscribe to the additional garden waste scheme. Our collection vehicles use In-cab technology to identify properties that have subscribed to the scheme.

There is no collection charge for the collection of one garden waste bin, additional bins are then charged at a one off cost, per bin, per season.

Payment for the scheme is taken by direct debit only and residents should contact the CYC contact centre on 01904 551551 to subscribe.

All subscriptions are valid until the end of the current 'season' so residents are encouraged to subscribe at the start of the season to make full use of the service.

If a subscription scheme garden waste bin is missed, we will return to collect it (we do not usually return for missed garden waste bins). We will not refund any subscription charges if a bin is missed.

Subscribers to the scheme should identify all garden waste bins with their house number or name, particularly if they are presented for collection alongside neighbouring bins.

Households that do not currently receive a garden waste service cannot subscribe to the additional garden waste subscription scheme.

Subscribers can cancel their subscription at any time by contacting their bank. We do not offer refunds or money back once payment has taken and collections have begun. Once we have had it confirmed that payment has been cancelled, we will remove the additional bins from our Incab devices and crews will no longer collect them. The resident can keep the physical container

Policy 8: Missed Collections

Residents can check www.york.gov.uk/wastecollectionupdates where we update our 'known collection issues' and 'known missed streets' Monday to Friday by 5pm

If an issue occurs that affects our ability to collect a street or area, we will update this page with the affected properties/ streets advising when we will recollect this waste. Properties listed do not need to log their waste as individual missed bins.

For individual missed bins, we only return to collect refuse. If the bin to a property is marked as 'bin not out' by the crew then we will not return for this bin. We only return for missed collections of Garden waste or Recycling where a customer receives an assisted collection (i.e. we have failed to collect and return the bin as agreed)

Household Waste can be considered as 'missed' if:

- The waste was presented by 7am on collection day
- The waste was presented in the correct location
- The crew have not reported an issue with the waste on their Incab device (not presented/ improper materials/ excess waste for example)

Waste and recycling receptacles not presented for collection, at the time of collection, will be recorded as 'bin not out' on Incab devices. This information will be visible to contact centre and back-office staff immediately. In such cases the resident will then become responsible for the disposal of this waste, and we will not return to collect.

If a bin has genuinely been missed this can be logged by contacting the CYC contact centre after 4pm on the day of collection and we aim to recollect on the next working day. At busy times this may take up to 5 days.

Policy 9: Rejection of Receptacles for Collection

The Council will reject for collection, refuse and recycling receptacles for the following reasons:

- Bin lid not fully closed (Crocodile bins)

- Wrong receptacle presented, e.g. recycling boxes presented on refuse week
- Materials not suitable for recycling placed into the recycling box
- Refuse bin contains unacceptable waste as detailed in [Policy 2](#)
- Waste receptacle is too heavy to lift, due to it containing heavy waste such as construction/DIY/soil/garden waste.
- Waste container damaged (spilt side/ missing wheel)

Policy 10: Education and Enforcement procedures

We aim to educate residents in the first instance of an issue arising, whether this be improper presentation of containers, wrong materials or containers left on the highway. We will seek to resolve the matter directly with the resident.

In areas of high turnover (such as student areas) we will continue to run 'end of' and 'start of' term communications alongside other institutions advising the occupants of how to be a good neighbour and how to find their waste information easily to prevent issues arising in the first place.

Any enforcement is carried out in staged approach by the 'Community Safety and Neighbourhood Enforcement' team who will act on the following issues relating to waste.

- Domestic waste permits (fraudulent use of).
- Duty of care – Commercial/ trade/ domestic responsibilities regarding rubbish.
- Fly tipping – public or private land.
- Scrap metal dealers – illegal transportation and/ or disposal.
- Unsightly properties – overgrown/ waste on premises.
- Waste presentation – incorrect presentation of domestic waste – bins and bags.
- Waste carriers and waste transfer documentation.

Persistent incidents may result in a notice being served to the resident, under Section 46 of the Environmental Protection Act 1990 and will allow a Fixed Penalty Notice (FPN) to be issued on the next occasion.

Policy 11: Spillages

Where spillages occur, crews are equipped with a brush/ shovel to clean up as much of the spillage as possible and they should make every attempt to do this where we are at fault for the spillage.

This does not apply to days affected by windy weather where residents have not appropriately enclosed their recycling before collection (box lids are provided free of charge). Whilst operatives will make all attempts to collect recycling in a neat and tidy manner, they cannot litter pick items that have been blown about prior to collection.

Crews are instructed to report large scale spillages that they are unable to clean up to their supervisors. In these cases, the Public Realm/ street cleaning team will be tasked with this clean up.

Water may sometimes leak from wagons collecting garden waste, this is harmless condensation from green bins it is not a contaminant of any kind and is harmless if left on the road.

Mess that occurs in areas that have bags collected from a central collection point (from ripped bags / animals prior to collection) should be cleared by the public realm street cleaning teams after collection takes place

Policy 12: Provision of Wheeled Bins

Each household is provided with one grey coloured, 180L, wheeled bin for residual (non-recyclable) household waste. This bin is chargeable, current costs can be found by visiting www.york.gov.uk/OrderWasteContainers (where provision of container is available - see below)

Provision of more than one refuse bin is not permitted.

8,500 properties currently have residual waste collected in black sacks. Of this number approx. 5,500 properties could accommodate a wheeled bin but are currently not permitted to order one. No changes are permitted to how waste is collected from a property (i.e. Bags to a bin or vice versa) Only when City of York Council has carried out an assessment of all areas currently presenting bags can a whole street/ area have their collection method changed based on operational needs and improved health and

safety standards. Requests from individual properties based on preference will not be approved.

All households are required to present their Household waste or garden waste (where service is available) in wheeled bins issued by the council. Where wheeled bins are not in use for collection, residents must present their waste in black bags (not issued by the council) waste in bag areas should not be presented in storage bins or in kitchen bin liners that are not durable enough for collection and prone to breaking or leaking before collection.

In most locations, Presentation must be made at the front boundary of the property where it meets the kerbside. We refer to this point as the curtilage. The exception to this policy is where a [central collection point](#) is in place.

An example of this would be terraced properties without forecourts and no viable access for wheeled bins from the rear of the property to the curtilage. In these or similar circumstances, alternative waste collection arrangements are made and generally a central collection point is in use. Residents can find out where their presentation point is by using the collection calendar 'look it up' tool myaccount.york.gov.uk/bin-collections

In the interests of sustainability, waste minimisation, and therefore reducing costs to the council taxpayer, the Council issues black (refuse) wheeled bin capacity to households based upon occupancy.

Household occupancy is defined as number of permanent, full-time occupants. Please be aware that a charge also now applies for supplying all wheeled bins (if provision of wheeled bin is permitted).

A standard family wheeled bin (180L) is the default bin provided to most residents. Separate policies are applicable for flats and premises of multiple-occupancy, see [\(Policy No 24: communal bin stores\)](#) [\(Policy 19: House of Multiple Occupancy\)](#)

Larger Family wheeled bins

Only households that have 5 or more occupants or have a specific verified need (such as [medical waste](#)) can apply for additional refuse bin capacity. This request will only be approved subject to residents also fully using the

existing recycling facilities. Once provided, the standard size 180L wheeled bin may be taken away and replaced with a larger 240L or 360L capacity bin. Please be aware that a charge also applies for 'upgrading' wheeled bins.

Policy 13: Charges for Wheeled Bins

Charges for supplying wheeled bins were introduced by City of York Council in 2013. The Council is under increased pressure to save money and the charges for bin provision solely cover the cost of the bins and their delivery.

We encourage residents to take care of their bins by asking them to label their bin with their house number and to bring the bin back into their property as soon as possible after collection to prevent loss or theft.

Charges apply to both new properties and for replacement bins. Payment will be taken prior to any replacement being delivered. The exception is where bins are damaged by our crews. If this occurs crews will report this damage via their Incab technology, a postcard will be left for the resident and a replacement container charge will be waived. Please visit www.york.gov.uk/OrderWasteContainers for details of current charges.

Any requests to provide new wheeled bins (refuse or recycling) for a new build property or due to loss of an existing bin must be made to the Council; either by contacting the Customer Service Centre on 01904 551 551 or by emailing ycc@york.gov.uk

Replacement wheeled bins will be delivered as soon as practicable after the payment has been received, but in most cases within 10 working days.

If your bin has been damaged, please continue to place waste in the bin as normal and we will remove the damaged bin and its contents after we have delivered the replacement bin.

If your bin has gone into the wagon and you do not have a bin to use while you wait for a replacement. Please use securely tied black refuse bags to store your waste until collection day (this applies to refuse only) We cannot collect garden waste in plastic bags. In the temporary absence of a green bin, residents can use the Household Waste Recycling Centres to get rid of this waste until their new bin arrives.

Householders are responsible for the storage, safe keeping and cleaning of refuse and recycling receptacles.

Policy 14: Wheeled Bin Lost in Collection Vehicle

There may be some circumstances where a bin is lost or damaged in the back of the collection vehicle. Should this occur, our crews will place a postcard through the residents door advising of the incident. They will also report this through their Incab devices where an order will be generated for a like-for-like bin. In these cases, the Council will replace the wheeled bin free of charge. We aim to deliver replacement bins within 10 working days, at busy times this may take longer

Policy 15: Lost or Stolen Wheeled Bin

If we have lost or damaged a bin during the course of collection, we will put a postcard through the door to replace it free of charge. However, if the resident has not received a postcard they will need to pay for a replacement if their bin:

- Has signs of wear and tear
- Has been lost or stolen
- Was missing when you moved in
- Was not bought from us

Policy 16: Assisted waste collections

Residents, who are unable to transport their wheeled bins/bags to the required collection point because of ill health, infirmity, or disability are eligible for an 'assisted collection'. This is where a loader will collect and return the waste receptacle to the residents' address. An assisted collection is only offered to residents who do not have other occupants in the household that are able to assist them (16 years and over)

Residents are required to provide information so that a simple assessment may be completed. Applications are considered on a case-by-case basis. Home visits are carried out only where necessary.

Assisted collections are subject to the Council being satisfied that service provision is warranted. Residents on the assisted collection scheme will

have their wheeled bins/bags collected by a collection operative from an agreed location and emptied into the collection vehicle. Wheeled bins and boxes will be returned to the same location.

It is the resident's responsibility to ensure the unobstructed availability of the receptacles i.e. garden gates are unlocked by 7.00am on the date of collection. If the collection operative is unable to gain access to the wheeled bin/bags they will not be emptied/collected until the next scheduled collection.

In terraced areas where waste is normally presented at central collection points, the following rules apply:

- In there is an alley gate in the location, the resident will need to present their residual waste in black bags at their front door for collection. Waste operatives will collect the waste as usual from the central collection point and also visit the front door of those residents that are unable to get to the CCP. We will also collect recycling from the front door on the alternate week (as is usual)
- If there is no alley gate in the location, the crew will collect both residual waste and recycling waste from the rear of the property. Crews will collect waste from the rear yard of the property and will return any containers to the same location. Residents must make sure their rear access/ gate is clearly marked with their house number and ensure that the gate is unlocked for a successful collection to take place.

If the residents circumstances change, they must inform the Council. The assisted waste service is valid for 3 years from the date of request. The Council will constantly monitor the service and all residents will be written to after a period of three years to confirm they still require the service.

Policy 17: Medical waste Collections

Some residents have certain medical conditions, which mean they place personal care items such as nappies and incontinence pads, in their wheeled bin. This may take up more space in their bin and can be offensive in smell and appearance meaning they need collecting more frequently (this waste is *not* known to be infectious). This service is not for the disposal of clinical waste such as sharps or yellow/ orange bag waste that is likely to

contain infectious waste (see separate policy section for guidance on clinical waste [\(Policy 18\)](#))

Residents producing this type of waste are offered a weekly collection as standard. If the resident continues to struggle with their waste despite receiving a weekly collection, they will then be offered a larger bin to help them cope.

This arrangement will then be updated onto the crews Incab device and set for a period of three years. Any residents who's assisted collection is due to expire will be written to. Every effort will be made to contact the resident. However, if no response is received within 12 weeks then the service will be removed.

'Assisted collections' are also available to those receiving a medical waste service see [\(policy 16\)](#) if they qualify.

Policy 18: Clinical waste Collection service

Free clinical waste collections are provided for residents who need to self-medicate at home. Please note this is different to medical waste collections detailed above in Medical collection [Policy 17](#)

Before requesting a collection, residents should note that:

- It is your **nurse's or medical professional's** responsibility to dispose of your clinical waste if you are being treated at home
- we **don't** provide replacement yellow sharps (needles) boxes - you need to request these from your healthcare provider
- we **don't** collect medical waste from businesses, charities or doctors' surgeries
- we **won't** collect loose needles or needles presented in any container other than a sealed sharps box

Sharp boxes

To arrange a sharps (needles) collection, residents need to call us and tell us how many and what type of boxes they have for collection and arrange a time and date for collection to take place. If, the information supplied is incorrect we may not be able to collect the boxes as waste on the collection vehicle must tally with the disposal paperwork.

Single boxes of sharps are not normally collected. We ask residents to wait until they have at least 2 boxes to make collections more efficient. however, If a resident has one box from a one off course of treatment please let us know and we can arrange a collection.

Bagged clinical waste (infectious or potentially infectious waste)

We can also collect orange bagged clinical waste. We normally only collect this kind of waste following a referral from York District Hospital

Policy 19: Houses in Multiple-Occupancy

Landlords who manage Houses in Multiple Occupancy need to ensure that they manage their properties in accordance with current legislation. HMO licence changes which came into force on the 1st October 2018, mean that landlords now have to provide facilities for storing and disposing of household waste, recycling and garden waste. If they do not, they are committing an offence and it may affect their ability to operate as a HMO licence holder. www.york.gov.uk/hmowaste

The landlord of the property should engage with the Council at the earliest opportunity when considering waste management arrangements for their property.

Landlords are expected to:

- Plan for waste storage at their properties when applying for a HMO licence
- Make arrangements for the proper storage of bins and recycling boxes within the boundary of their property
- Ensure bins and recycling boxes are stored in a neat and tidy manner
- Provide waste collection information to tenants

Any loose waste stacked next to full bins or bags piled in forecourts, will be taken as evidence that landlords haven't provided sufficient waste storage at their properties.

For multiple occupancy households/properties, the Council may supply an appropriately sized larger wheeled bin(s) for refuse (Where provision of service is available) This container is chargeable.

The landlord of the property should engage with the Council at the earliest opportunity when considering waste management arrangements for their property. If the property is within a bagged collection area, it may be that the landlord needs to supply storage bins for the property so residents can keep their waste in a neat and tidy manner until collection day.

Landlords can apply for a permit to use the HWRC 3 times in a year (per property) to dispose of additional waste from their properties.

Managing a HMO is regarded as a business so any waste removed by landlords (excluding the use of [landlord permits](#) as above) is treated as commercial waste. Landlords must therefore register and pay to dispose of any waste brought to the HWRC and will need to provide evidence of an [upper tier waste carriers licence](#) to [apply for these permits](#).

When disposing of 'bulky waste' landlords must not leave furniture or other bulky items left by tenants outside the boundaries of their properties or in forecourts for extended periods of time. Landlords must take this waste to [Hazel Court HWRC](#)

Policy 20: New Build Properties

For newly built properties, either the developer or the builder (for smaller estates or individual properties) will be responsible for the purchase of wheeled bins for the properties they have constructed. No collections will be made until such time as:

- Wheeled bins, of an approved design and colour, have been purchased and delivered.
- All access roads are complete.
- The point of collection has been agreed.
- The day/frequency of collection has been agreed.

It is recommended that all developers contact the City of York Council's Environmental Services Department for advice at the planning stage and again before construction begins. Please contact us as soon as possible in the planning stages to discuss requirements.

Currently a Garden Waste service is not being supplied to new build properties due to round capacity. Garden waste is not a statutory service and the council is not obliged to provide this service as standard (correct as of July 2023) Developers are encouraged to install compost bins in all private gardens to encourage their use by residents

Policy 21: Bulky waste Collection service

City of York Council in partnership with Yorwaste offer a Bulky Waste collection service. For a one off fee we collect up to 10 bulky items.

Some special terms apply:

- Each small item counts as 1 item; for example, removing a bed which includes a base, a mattress and a headboard would count as 3 items
- Any items which are particularly **large or heavy**, such as cast iron baths and pianos, are assessed on an individual basis
- Collections of **more than 10** separate items also require an assessment
- If the resident wishes to add, amend, or cancel their collection, we must hear from them before 12:00pm the **day before the collection date**.

Residents need to contact our Waste, Highways and Environmental Services team on telephone: 01904 551551 to arrange an assessment or a collection.

If bulky items require an assessment, it will be booked to coincide with the ward based bulky collection schedule. The resident will be advised of when this is taking place. If the resident wishes to proceed with the quote they are provided with, they must telephone and book the collection for a suitable date.

The service operates three days per week and is based on a ward system

- **Tuesday:** Clifton, Haxby & Wigginton, Huntington & New Earswick, Rawcliffe & Clifton Without, Strensall
- **Wednesday:** Acomb, Bishopthorpe, Copmanthorpe, Dringhouses & Woodthorpe, Holgate, Rural West

- **Thursday:** Fishergate, Fulford & Heslington, Guildhall, Heworth, Heworth Without, Hull Road, Micklegate, Osbaldwick & Derwent, Wheldrake

Residents must not place any items for collection on highways, verges or in any public spaces. We do not enter properties to remove items under any circumstances.

Residents should make sure items are not exposed to bad weather and should only place items out for collection by 7am on the date of collection to prevent the items deteriorating. We reserve the right to not collect items if they are not in the condition we expect to find them or as described at the time of booking.

We do not collect

- Items from traders (commercial waste)
- Builders waste such as plasterboard or bathroom suites
- Chemicals such as oil or paint
- Bags of domestic refuse or garden waste
- Glass such as loose panes or broken windows
- Soiled mattresses sofas or soft furnishings
- Fluorescent tubes and gas bottles
- Tyres

This list is illustrative but not exhaustive – residents should clearly describe and discuss their requirements at the time of booking. We reserve the right not to collect items that are not in the condition we expect to find them or as described at the time of booking. Some of these items may be brought to a [Household Waste Recycling Centre](#) as an alternative.

Refunds

We can refund a bulky waste payment if the collection is in the future, or we have been unable to collect for operational reasons and the recollection date is not suitable for you.

We cannot offer a refund if we attended and attempted to collect but access was blocked, loose dogs were present, or the items listed did not match those presented (were soiled for example)

Policy 22: Commercial waste

Any waste produced from commercial activity is 'business' 'trade' or 'commercial waste' and you have a legal responsibility to make sure it is disposed of safely so that it does not cause harm to health, and it does not pollute the environment.

Business owners have a 'duty of care' when disposing of business waste and must only transfer the waste to someone who is legally allowed to accept it accompanied by a waste transfer note. Business waste can be brought to Hazel Court HWRC see ([policy 29](#)) or alternatively City of York Council offers a refuse and 'recycling dry waste' collection service to most business in York.

Businesses wishing to use CYC's commercial waste collection Service will need to complete the relevant paperwork. A member of the commercial waste team will provide this and may wish to visit the premises to assess suitability for containers and an appropriate location to cite the bins. Alternatively, if your business is based within the city centre and you do not have space for a physical container, we offer a commercial waste bag service.

If you use our pre-paid bags, we will aim to deliver these to you within 5 working days of ordering. The cost of the bag includes delivery, collection, disposal, and operational costs. The minimum order is 50 bags.

There is a one-off annual charge to issue your waste transfer note which will cover you for one calendar year, this is payable on delivery.

If you require a bin for collections, you will not be charged for this bin, the bin remains the property of City of York Council who will recover the bin if / when the contract is cancelled.

CYC Commercial Waste currently offers Monday to Saturday Collections as well as evening collections.

Responsibilities for business waste are set out in [Section 34 of the Environmental Protection act 1990](#)

Our commercial waste team can be contacted by emailing commwaste@york.gov.uk or calling 01904 553283

Policy 23: Severe weather

In the event of severe weather, when snow, ice, floods, heatwave or other conditions disrupt waste and recycling collection services, the following general principles will apply:

The Council will try to maintain services if they can be performed safely but may adjust the service as required. Key factors that apply are road conditions, access past parked cars, risks to public or crews.

The condition of the roads in terms of the city will be assessed by the Operational Services Manager.

If we are unable to collect your waste due to severe weather, we will:

- Publish updates on the situation on our webpages www.york.gov.uk/wastecollectionupdates
- Collect your waste on your next scheduled waste or recycling day
- Make allowances for extra waste at your next collection

Policy 24: Communal bin stores

It is the Council's preference to supply individual wheeled bins wherever possible, but for flats the Council may supply an appropriately sized larger wheeled bin(s) for refuse and recyclables.

The developer/builder/management agent should engage with the Council at the earliest opportunity when considering waste management arrangements for their complexes.

Larger bins will only be serviced by prior arrangement and a fee must be paid to the Council for their provision. Only city of York Council approved bins will be emptied.

Where residents of multiple occupancy properties do not segregate their waste for recycling in an effective manner, the Council will endeavour to work with residents to encourage recycling. If appropriate the Council will use its enforcement powers to achieve improvement in recycling performance from multiple-occupancy properties.

Where the reasonable efforts of the Council fail to improve the quality of recyclables presented for collection, the Council may remove the recycling receptacle. The refuse receptacle will still be collected fortnightly on refuse collection week.

The combined capacity of the refuse receptacles (in litres) should not exceed 180 multiplied by the number of occupied properties. The Council will assess the servicing of flats/ mixed properties on an individual basis and cases will be considered on their merits. Property visits and discussions with the relevant management agencies will be carried out where appropriate.

Where there is contamination within the waste on a regular basis the Council will require the management agency/ housing association/ landlord to, at their own expense, ensure that all non-recyclable material is removed in readiness for the next collection. It is the property management company and/ or residents' responsibility to present the bins in the agreed manner that allows for a collection to take place. Where access is not possible due to locked gates etc the waste will not be collected. Only where damage is caused as a direct result of the collection process will the Council pay for the repair or replacement of the receptacles.

Where bin stores have excess waste blocking access (bags, loose waste, furniture etc), the collection crew will not clear the area. If it is not possible for the collection crew to collect the wheeled bins/bags, they will be left, and it will be the responsibility of the management company and / or residents to dispose of the waste.

Policy 25: Container delivery service

We aim to deliver new and replacement waste containers within 10 working days of being ordered.

Where a container has been damaged, we will remove the damaged container, with its contents when we deliver new. We will not remove containers that have not been supplied by CYC (i.e. own recycling boxes being replaced by CYC standard boxes. Residents will need to visit a [HWRC](#) to dispose of these items themselves

Policy 26: Provision of recycling banks

Recycling banks are sited across York providing additional opportunities for residents to recycle outside of their kerbside service without having to travel to a Household Waste Recycling Centre.

We provide banks for:

- Glass
- Paper and card
- Packaging cardboard
- Cartons
- Plastics
- Textiles

Residents can locate their nearest recycle banks by visiting www.recyclenow.com/recycling-locator

If a recycling bank is full, please do not leave materials in front of the banks, doing so can prevent successful collection of the bank.

Leaving waste in front of an already full bank is classed as fly tipping and can be investigated as such

Policy 27: 'St Nicks' Recycling service

York is a historic city and as such, areas within the city walls can be difficult to service because of their narrow/ cobbled streets or restricted access due to the city walls and bars.

On behalf of the City of York Council, St Nicks provide an eco-friendly recycling service to approx. 2,600 properties over 149 different streets

within the city centre. This is a weekly service and is collected by small electric powered 'tuc tuc' style vehicles and bicycles with trailers.

This is a different/ more bespoke service and collections take place Monday to Friday between 8am and 4pm

St Nicks provide recycling boxes to these properties and residents usually present one box per week of mixed materials which are sorted at the kerbside.

Materials collected:

- Food and drink cans
- Glass
- Paper/ cardboard
- Plastics (PET, HDPE 2 & Polypropylene 5)
- Garden waste (residents must leave in a bag next to their box)
- Cables, chargers, and wires (from small household appliances)
- Toothpaste tubes and plastic toothbrushes
- Plastic writing implements (pens/ markers highlighters)

Materials not collected:

- Plastics other than those stated above
- Broken glass
- Electronic appliances (only the cabling accepted)
- Food or windfall fruit (in garden waste)
- Soil/ tree stumps branches

This is an 'opt in' service and residents must contact St Nicks to register for the service. Any service issues should be reported directly to St Nicks

- 01904 411821
- recycling@stnicks.org.uk

The list of streets serviced by St Nicks are available online at www.stnicks.org.uk/waste-and-sustainability/recycling/residential-recycling

An assisted collection service can also be provided

Policy 28: Household waste recycling centres

Residents can dispose of additional waste and materials which cannot be recycled at the kerbside at one of our Household Waste Recycling Centres.

Hazel Court HWRC – Hazel Court, James Street, YO10 3DS

Hazel Court accepts trade/ commercial waste (at a charge) and is open 7 days a week. This site is located close to the city centre.

Opening times Between March and October

- Monday to Saturdays 8.30am – 5.00pm
- Sundays 08.30am – 4.00pm

Opening times between April and September:

- Monday to Saturdays 08.30am to 7.00pm
- Sundays 08:30am – 4.00pm

Key points:

- Open on bank holidays except Christmas day, boxing day and New Year
- Last entry to site is 15 minutes before closing
- There is pedestrian/ cycle access at this site
- Businesses using a hire vehicle must [register as a trader](#) with the site prior to using the site and will be charged for [commercial waste disposal](#)
- Residents planning to use a larger vehicle to bring domestic waste to site need to apply for a free book of permits and allow 10 working days for them to arrive prior to using the site
- Residents can bring a hire vehicle (van) to site without needing the usual permit that a larger vehicle would require by using your hire paperwork and proof of residency (utility bill for example)

- Business must apply for permits to use the site and allow 10 working days for the [permits](#) to arrive prior to using the site
- Registered vehicles must display the sticker provided to them in their vehicle window and stop at the weighbridge on their way into site so their waste can be weighed and a waste transfer note can be provided
- Landlords can apply for Landlord [permits](#) to dispose of tenants waste at this site up to three times a year per property.
- Maximum trailer size allowed on site is 3m x 1.8m
- Commercial waste cannot be brought to site at weekends

Towthorpe HWRC – Towthorpe Moor Lane, YO32 9ST

Towthorpe does not accept trade/ commercial waste and is open 6 days a week. This site is Rural and has opening times based on seasons and daylight savings. This site is closed on Wednesdays

Opening times for March

- 08.30am – 5pm

Opening times April to September:

- 08.30am to 7pm

Opening times for October

- 08.30am – 5pm

Opening times November to February:

- 08.30am to 4pm

Key points:

- Closed on Wednesday's year round
- Open on bank holidays except Christmas day, boxing day and New Year
- Last entry to site is 15 minutes before closing
- There is **no** pedestrian/ cycle access at this site
- The height barrier for this site is 1.9 meters
- [Chargeable waste](#) is not accepted at this site (rubble, gas bottles, plasterboard or asbestos)

- This site is rural and located on a fast road. In peak times traffic can queue to turn right to get into the site
- Residents can bring a hire vehicle (van) to site by using their hire paperwork and proof of residency (utility bill for example) Please keep in mind the height barrier restriction of this site if using a hired vehicle. Please check this measurement before attending site

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City of York Council
Equalities Impact Assessment

Who is submitting the proposal?

Directorate:	Place		
Service Area:	Environmental Services – Waste Services		
Name of the proposal :	Subscription scheme for garden waste		
Lead officer:	Ben Grabham; Head of Environmental Services		
Date assessment completed:	28 th December 2023		
Names of those who contributed to the assessment :			
Name	Job title	Organisation	Area of expertise
Ian Hoult	Head of Fleet and Operations	City of York Council	Fleet/Operations
Rebecca Copley	Business Manager; Environmental Services	City of York Council	Business Management, Communications
Suzanne Middleton	Strategy and Development Manager	City of York Council	Strategy and Development, Business Processes

Step 1 – Aims and intended outcomes

1.1	<p>What is the purpose of the proposal? Please explain your proposal in Plain English avoiding acronyms and jargon.</p>
	<p>The Council is considering adopting a subscription scheme for garden waste collections in York. This could see an annual charge introduced for kerbside garden waste collection in York.</p>
1.2	<p>Are there any external considerations? (Legislation/government directive/codes of practice etc.)</p>
	<p>The collection of garden waste is not a statutory service and under the Controlled Waste Regulations 2012, the Council has the discretion to charge for this service. It is also important to point out that the Government consulted on its Waste and Resources Strategy in 2021 and a recent Government response in November 2023, outlined that “local authorities will be required to provide a garden waste service where it is requested but as is currently the case, they can continue to choose to charge for the service”.</p>
1.3	<p>Who are the stakeholders and what are their interests?</p>
	<p>All residents of York are considered to be stakeholders. If a subscription service for garden waste collections is adopted then residents will have options to decide how they dispose of their garden waste; this could be subscribing to the kerbside garden waste service (for an annual charge), home composting and/or disposing of garden waste at a household waste recycling centre (for free). In addition, residents can also share a garden waste subscription with a neighbour.</p>
1.4	<p>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 (2019- 2023) and other corporate strategies and plans.</p>

	<p>As part of the Council’s four core commitments and in line with the Council Plan:-</p> <ul style="list-style-type: none"> • Equalities and Human Rights - Equality of opportunity – At this current time the garden waste service is not available to all households and the fact that some properties remain on a bagged waste service means we cannot provide garden waste collections to these properties. • Affordability – Whilst imposing a charge for garden waste collections may have some negative impacts for those on a low income there are environmentally friendly, cost effective and free alternatives to subscribing to a garden waste collection service such as home composting and/or disposal at a household waste recycling centre. There is an option for members to approve a 50% discount on the subscription rate for the garden waste service where affordability may be an issue e.g. for residents in receipt of Council Tax Support. • Climate - Environment and the climate emergency – Reducing the mileage and making the service more efficient through optimising collection routes and rounds will have benefits for the environment and carbon and other emissions will be reduced. By focussing collections in an area of the city will enable a review of the way public realm management and service delivery is undertaken. Reducing the number of properties on a bagged collection is expected to increase levels of recycling in those areas
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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
	Comparison to other local authorities	Over 70% of local authorities in England charge for garden waste collections at the kerbside. More local authorities, like York are considering introducing a charge for garden waste collections as it is not a statutory service. In terms of a local context, all other authorities in North Yorkshire charge for garden waste collections.

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	
<ul style="list-style-type: none"> The Council knows which households currently receive garden waste collections from the kerbside (circa 66,000 households). The Council does not know which households compost garden waste at home as this is individual choice. 		<p>The Council can monitor how much garden waste is collected at the kerbside and can also monitor garden waste collected at household waste recycling centres.</p> <p>The Council can also monitor how many home composters are purchased (through the Council).</p> <p>It will be important for this monitoring to continue so that the impact of any scheme can be effectively assessed.</p>	

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	Any residents who receive an assisted collection for their bins will continue to receive this if they subscribe to the service.	(0)	

ANNEX B

Disability	Any residents who receive an assisted collection for their bins will continue to receive this if they subscribe to the service	(0)	
Gender	n/a	(0)	
Gender Reassignment	n/a	(0)	
Marriage and civil partnership	n/a	(0)	
Pregnancy and maternity	Any residents who receive an assisted collection for their bins will continue to receive this if they subscribe to the service	(0)	
Race	n/a	(0)	
Religion and belief	n/a	(0)	
Sexual orientation	n/a	(0)	
Other Socio-economic groups including :	Could other socio-economic groups be affected e.g. carers, ex-offenders, low incomes?		
Carer		(0)	
Low income groups	<p style="color: red;">There could be a 50% discount available on the subscription rate for the garden waste service for residents . Residents could also share a garden waste subscription with their neighbours if they so wish as a means to reduce cost.</p> <p>If residents do not wish or cannot afford to subscribe to the garden waste subscription service, then there are other alternatives which are available for the free disposal of garden waste (e.g. home composting and/or disposal at a household waste recycling centre).</p>	(-)	(L)

Veterans, Armed Forces Community		(0)	
Other	Residents who do not have a vehicle and cannot access the household waste recycling centre can either compost garden waste at home or share a garden waste subscription with a neighbour.	(-)	(L)
Impact on human rights:			
List any human rights impacted.	n/a		

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.

<p>High impact (The proposal or process is very equality relevant)</p>	<p>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.</p>
<p>Medium impact (The proposal or process is somewhat equality relevant)</p>	<p>There is some evidence to suggest potential for or evidence of adverse impact The proposal is institution wide or across services, 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</p>
<p>Low impact (The proposal or process might be equality relevant)</p>	<p>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</p>

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?
<p>The options for alternatives to subscribing to the garden waste subscription service have been identified throughout the document. By moving to a subscription service, the Council will be able to extend the offer of a garden waste service to more properties across the city (as the current service is at capacity). In addition, moving to a subscription service will allow the Council to generate an income to cover the cost of providing the garden waste service (which is much valued by householders) and help to protect other services delivered by the Council.</p>	

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:
<p>- 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.</p>	

- **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
<p>No major change to the proposal – the EIA demonstrates the proposal is robust.</p>	<p>Introducing a subscription charge for the garden waste service is a relatively low charge, as it is an annual charge for service. Residents have a choice as to whether they subscribe to the garden waste subscription scheme or not.</p> <p>There could be a 50% discount available on the subscription rate for the garden waste service for residents where affordability may be an issue e.g. for those in receipt of Council Tax Support. If residents do not wish or cannot afford to subscribe to the garden waste subscription service, then there are other alternatives which are available for the free disposal of garden waste (e.g. home composting and/or disposal at a household waste recycling centre). Residents could share a garden waste subscription with their neighbours if they so wish as a means to reduce cost.</p>

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
n/a			

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?
	<ul style="list-style-type: none"> • The Council will review the number of households that subscribe to the garden waste subscription service and any discounts if approved by Executive. • The Council will also continue to monitor the amount of garden waste that is collected at the kerbside alongside the amount of garden waste that is taken to the household waste recycling centres in the city. • The Council will keep a record of home composters that are purchased through the Council. • The Council will monitor if there is an increase of incidence of fly tipping of garden materials.

Step 8 - Monitor, review and improve



Meeting:	Executive
Meeting date:	25 January 2024
Report of:	Ian Floyd, Chief Operating Officer Debbie Mitchell, Chief Finance Officer
Portfolio of:	Councillor Katie Lomas, Executive Member for Finance, Performance, Major Projects, Human Rights, Equality & Inclusion

2023/24 Finance and Performance Monitor 3

Subject of Report

1. This report sets out the projected 2023/24 financial position and the performance position for the period covering 1 April 2023 to 31 December 2023. This is the third report of the financial year and assesses performance against budgets, including progress in delivering the Council's savings programme.
2. The previous monitor report outlined the Council's serious financial position with a forecast overspend for 2023/24 of c£11m gross, mitigated down to £941k. There has been a small improvement for Monitor 3, with a forecast overspend, after mitigation, of £842k. However, the underlying gross overspend remains at c£11m.
3. This is still a significant overspend that is of serious concern and it remains very clear 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 spending at this level would quickly see the Council exhaust its reserves.
4. Given the scale of the forecast overspend, a series of actions was agreed previously to bring spending down to an affordable level, both within the current financial year and over the next 4 years, to safeguard the Council's financial resilience and stability.

Benefits and Challenges

5. 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.

Policy Basis for Decision

6. 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.

Financial Strategy Implications

7. 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 next 4 years to safeguard the Council's financial resilience and stability.
8. The Financial Strategy report elsewhere on this agenda considers how this forecast overspend will be incorporated into the Medium Term Financial Strategy.

Recommendation and Reasons

9. Executive is asked to:
 - Note the finance and performance information.

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

Background

Financial Summary and Mitigation Strategy

10. The latest forecast is that there will be an overspend of £11m. This is despite action being taken by managers across the Council to try and reduce expenditure. 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 take immediate action to reduce expenditure. If we do not start to see an improvement in the forecast, there will need to be further measures implemented to ensure that the required impact is seen by the end of the financial year.

11. As outlined in reports to Executive throughout the previous financial year, 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 2023 also included an assessment of risks associated with the budget, which included the need to secure further savings and effectively manage cost pressures.
12. 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 take immediate action to reduce our expenditure down to a sustainable level both within the current financial year and over the medium term. Taking decisive action now will safeguard the Council's financial resilience and stability and prevent York being in a position where it is unable to balance its budget in future years. This means that, in addition to the actions proposed in this report, there will be a need to continue to identify further mitigations and savings for future years.
13. 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.
14. Corporate control measures are being implemented but they will not deliver the scale of reduction needed within the year. Other savings proposals, including service reductions, are also needed.

A full list of these was included in the monitor 1 report considered by Executive in September.

15. Alongside these actions, 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.
16. It must be a clear priority for all officers to focus on the delivery of savings plans during the year. Corporate Directors and Directors will keep Executive Members informed of progress on a regular basis.

Financial Analysis

17. The Council's net budget is £141m. Following on from previous years, the challenge of delivering savings continues with c£6m to be achieved to reach a balanced budget. An overview of the latest forecast, on a directorate by directorate basis, is outlined in Table 1 below.

Service area	Net budget	2023/24 Net Q2 Forecast Variation	2023/24 Net Q3 Forecast Variation
	£'000	£'000	£'000
Children & Education	25,083	3,727	3,690
Adult Social Care & Integration	45,329	3,407	4,712
Place	22,605	-1,363	-1,040
Customers & Communities, Public Health & Corporate Services	26,437	1,000	830

Central budgets	22,670	-1,000	-2,600
Sub Total		5,771	5,592
Contingency	-500	-500	-500
Use of earmarked reserves		-4,250	-4,250
Target for further mitigation		-1,021	842
Net total including contingency	141,624	nil	nil

Table 1: Finance overview

Reserves and Contingency

18. The February 2023 budget report to Full Council stated that the minimum level for the General Fund reserve should be £6.8m (equating to 5% of the net budget). At the beginning of 2023/24 the reserve stood at £6.9m.
19. 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 2023/24, growth will need to be included in the 2024/25 budget to ensure that reserves can be maintained at an appropriate level.
20. In addition to the general reserve of £6.9m 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. There is currently a balance of £31.2m available in earmarked reserves. Following a review, it is considered appropriate that c£4m can be released from a range of areas. We will also look at amounts held by fully

owned Council companies to ensure that reserves are not being held at a level that is unnecessarily high.

21. 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

22. 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 9.25% is currently being charged. All repayments are up to date.

Directorate Analysis

Children and Education

23. The forecast directorate outturn position is an overspend totalling £4,880k and the table below summarises the latest forecasts by service area.

	2023/24 Budget	Forecast Outturn Variance £'000	Forecast Outturn Variance %
Children's Safeguarding	20,698	+3,113	+15
Education & Skills	15,512	+1,641	+10.6
School Funding & Assets	-7,642	+119	+1.6
Director of C&E & Central Budgets	-2,720	+7	+0.3
Total Children & Education	24,850	+4,880	+19.6

Mitigations to reduce forecast overspend	
Direct Payments Review	-200
Removal of budget contingency held within service	-100
Use of unallocated budget growth	-150
Grant income received in excess of amounts accrued	-150
Use of Supporting Families Reserve	-100
Redirection of Unspent Grant Monies	-390
Further cost control measures	-100
Revised position	3,690

24. There has been significant progress made in reviewing and reducing the expenditure across Children & Education, with a substantial reduction in the use of agency staff and the cost of placements. This is extremely positive and is against the national trend of ever increasing overspends in Children's Services. However, costs are increasing due to inflation, an increase in safeguarding activity reflecting greater complexity of needs and the challenges of a dysfunctional children's social care market.
25. 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 267, at the end of October it was 247. Placement budgets are predicted to be overspent by a total of £2,858k, which is a significant improvement from the 2023/23 outturn which was £5,651k overspent. However, the pressure on this budget continues and 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 worsen the position.

26. In addition, there is a predicted overspend in the Corporate Parenting Staffing Teams of £167k as the staffing budgets make no provision for the extra costs of agency staff. Nearly all the agency staff have now left.
27. An overspend in Disabled Children's Services of £730k is mainly overspends on direct payments and home support for a specific young person. A specific project for reviewing historic direct payments is being investigated, which will clawback some of previous payments made and reduce ongoing costs.
28. Home to School Transport shows a forecast overspend of £618k. This continuing overspend is due to an increase in numbers for post 16/19 plus the provision of more specialist education provision locally. This is a much more cost-effective alternative to expensive out-of-city provision but has a consequent effect on this budget as we have had to provide more transport to establishments such as York College, Askham Bryan, Choose 2 and Blueberry Academy. The change in legislation to allow EHCPs up to the age of 25, resulting in significantly more students accessing this option, has also significantly increased our transport spend.
29. Staff resourcing issues and turnover in the SEND Statutory Services Team, and the need to resource this work to progress the Safety Valve targets has resulted in a small number of agency staff being appointed into this team over the period under consideration, resulting in a projected overspend of £130k (a significant improvement on the £405k overspend in 2022/23). The Educational Psychologists Service is predicted to underspend by £62k mainly due to vacancies in the team.
30. The Effectiveness and Achievement Service is predicted to overspend by £217k, mainly due to one-off unexpected expenditure, and also a delay in the implementation of a saving.
31. An overall underspend of £104k is predicted to be achieved within the Virtual School and Inclusion service, due to one-off savings in non-staffing expenditure.
32. There is a requirement to write-off the deficit balance, currently estimated at £150k, following the sponsored (DfE directed) conversion of Naburn Primary School to academy status.

33. The Dedicated Schools Grant (DSG) is currently projected to be on track to meet the targets set out in the Safety Valve recovery plan agreed with the DfE.
34. The main pressure continues to be experienced within the High Needs Block and is due to the continuing increase in High Needs numbers, and increasing complexity, requiring expensive provision, especially in Post 16 and Post 19 provision and the education element of Out of Authority placements.
35. The brought forward balance on the DSG at 1 April 2023 was a deficit of £2,723k, following the first payment of additional funding under the Safety Valve agreement in March 2022. The net position in 2022/23 would have been an overspend of £1,380k, however a further £4,500k of additional DSG was paid during the year as the LA successfully met the targets set out in year one of the agreed management plan. The result is a revised cumulative deficit of £2,723k to carry forward to 2023/24.
36. 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.

Adults

37. The projected outturn position for Adult Social Care is an overspend of £8,243k and the table below summarises the latest forecasts by service area.

	2023/24 Budget £'000	Forecast Outturn Variance £'000	Forecast Outturn Variance %
Direct Payments	4,955	578	11.7
Home and Day Support	1,234	2,576	208.8
Supported Living	15,376	1,328	8.6
Residential care	14,139	2,031	14.4
Nursing care	4,905	1,092	22.3
Short term placements	1,228	-228	-18.6
Staffing (mostly social work staff)	7,212	310	4.3
Contracts and Commissioning	2,391	5	0.2
In House Services	4,802	17	-0.4
Be Independent & Equipment	944	323	34.2
Other	-11,810	161	1.4
Recharges	-47	50	106.4
Total Adult Social Care	45,329	8,243	18.2

Mitigations to reduce forecast overspend	
Use of Market Sustainability and Improvement Fund for price pressures	-930
New practice model across Home Care	-240
Impact of introducing residential and nursing framework for providers	-250
Review of high-cost packages and customers becoming the responsibility of other LAs	-401
Review of CHC claims	-600
Recovery of overpayments to providers where block contracts have underspent	-180
Slippage on Better Care Fund Schemes	-282
Cease any remaining use of Agency staff	-126
Other Mitigations	-522
Revised position	4,712

38. A number of factors contribute to an extremely challenging operating environment for adult social care.
39. CYC commission the majority of its care from the independent sector where the cost of providing care has been increasing through uplifts to the National Living Wage and other inflationary pressures e.g. utilities costs. Partners, particularly the NHS, are also under pressure resulting in increased reliance and expectation on social care to support hospital discharge and to support people with increasingly high needs at home. Austerity, the pandemic and cost of living crisis have meant that more people than ever feel the need to come to the local authority seeking support. Our population is ageing and has the increased additional needs this brings. We have additional responsibilities around the delivery of high quality, personalised, accessible and affordable support emanating from the 'People at the Heart of Care' national strategy and regulatory requirements of the Care Quality Commission (CQC), without the additional resource to fund this activity.

40. We will need to see significant reductions in the price we pay, the numbers of people we provide commissioned services to, the amount of the services which people receive and the type of commissioned service we provide to manage within our budget.
41. We are introducing robust and fair provider frameworks to limit the cost we pay while maintaining the quality of residential homes, nursing homes, supported living and home care. Brokerage services will link this provision to the assessment of individual need ensuring we maximise these arrangements and maximise our value for money.
42. We have in place assurance processes to check, challenge and where necessary decline assessments and requests for service. We will refresh our practice model in the coming months to assure good assessments and decision making that requires all personal and community assets and assistive technology is used before services are put in place.
43. There has been a slight decline in the number of people entering residential and nursing care in recent months due to the introduction of measures above, partly due to comparatively younger cohorts entering care homes in 2020-21 and 2021-22. The average placement length is, however, increasing so the overall number in residential and nursing care remains higher than budgeted. We have also placed people in services in the past at higher rates and will need to see those numbers reduce over time to deliver budget reductions; the completion of the refurbishment of the independent living scheme at Glen Lodge is key to achieving this.
44. This decrease in the use of residential and nursing care puts additional pressure on use of home care. This number of people receiving home care will reduce as we:
 - Tender the reablement services
 - Remodelling of the front door
 - Improving the practice model
 - Increasing our brokerage capacity to cover all service areas
 - Bringing our communities services closer to adult social care
 - Improving take up and use of assistive technology.

45. The following paragraphs outline the main variations.

External Care

46. The Council purchases care from external providers who support customers to meet their assessed needs. There are a variety of purchasing arrangements such as block contracts (purchasing a set number of beds/hours at a set rate), spot arrangements where prices are negotiated on an individual customer basis and frameworks where providers specify a rate, and the Council will approach those providers but are not contractually bound to use.
47. The Council can also be a lead commissioner for a package of care where Health contributes an element towards the health needs of a customer and current practice is for the Council to pay the provider and recover from Health.
48. Direct Payments are slightly different in that payments are made to individuals who then control how the money is spent to meet their assessed needs, usually with the assistance of a support agency who help with the administration of the funds such as payroll, paying invoices etc.
49. ASC generally organise themselves alongside the four main customer groups and allocate the budgets accordingly. These are:
- Customers with a Learning Difficulty (LD)
 - Customers with a Physical &/or Sensory Impairment (P&SI)
 - Customers experiencing poor Mental Health (MH)
 - Older customers experiencing mobility issues, memory and cognition issues, frailty (OP)
50. The following sections describe the variations to budgeted costs, customer number and income. The variations are generally due to not fully meeting previous years' savings targets plus significant price pressures in the market.

Direct Payments

51. The main overspend is on the Learning Disability (LD) direct payments budget, which is expected to overspend by £620k. This is mainly due to the average cost of a direct payment being £116 per week more than in the budget (£775k), and the average cost of a transport direct payment being £50 per week more (292k). This is offset by an increase in direct payment reclaims since Q2.

Home and Day Support

52. P&SI Community Support is projected to overspend by £595k. The average weekly hours of homecare provided by framework providers is 132 more than in the budget (£166k) and the average cost of homecare is around £5 an hour more (£252k). In addition to this there has been a reduction of 8 in the number of customers receiving health contributions towards their care (£268k). This is partially offset by an increase in the number of customers making contributions to the cost of their care (£84k).
53. The OP Community Support Budget is projected to overspend by £731k. The average weekly hours of homecare provided by framework providers is 1,087 more than in the budget (£782k), and there are 16 more customers on homecare exception contracts than budgeted for (£251k). This is partially offset by the average cost per customer of an exception contract being £150/week less than in the budget (£440k) as commissioners have negotiated with such providers to accept our framework rate.
54. LD Community Support budgets are expected to overspend by £1,050k. There are 6 more homecare customers than assumed in the budget (£220k), and the average cost per customer is £214 per week more (£134k). On the day support side there are 21 more customers than in the budget (£251k) due to not delivering the budget saving aimed at maximising in house resources and the average cost per day support customer is £42 per week more (£329k). There are also 3 fewer customers receiving health income than allowed for in the budget.
55. Mental Health community support is projected to overspend by £200k. This is mainly due to having 10 more homecare and 7 more day support customers in placement than was assumed when the budget was set.

Supported Living

56. Supported Living are settings where more than one customer live, with their own tenancy agreements, where their needs are met by a combination of shared support and one to one support.
57. The LD Supported Living budget is projected to overspend by £370k. The average cost of a placement is £68 per week more than in the budget (£705k) and expenditure on voids is expected to be around £258k this year. This is offset by having 5 fewer customers in placement (£409k), together with an increase in

income largely due to the average S117 contributions from health being £60 per week per customer higher than was assumed when the budget was set.

58. The P&SI Supported Living schemes budget is expected to overspend by £946k. This is mainly due to the average cost of a placement being around £352 per week higher than in the budget.

Residential care

59. OP permanent residential care is projected to overspend by £1,253k. There are currently 16 more customers in placement than in the budget (£658k) and in addition the average cost per placement is £175/week higher (£1,806k). This is offset by an increase of £56/week in the average customer contributions being received (£714k) and a recurrent injection to the budget of £500k
60. This £500k was resource originally set aside for increasing staffing in Independent Living Communities as the model to support more people in that environment matured. However, this is unlikely to fully develop whilst Glen Lodge is closed for refurbishment. Budget can be transferred back from residential care once this refurbishment is complete and a structured plan to maximise the capacity is implemented.
61. LD residential care budgets are expected to overspend by £793k. This mainly due to the average cost of a working age placement being £172 per week more than in the budget (£1,601k), offset by having 7 fewer customers in placement (£654k). There is also projected to be an overachievement of health income due to the rates of contribution per customer being more than in the budget (£129k).

Nursing Care

62. OP Permanent Nursing Care is projected to overspend by £430k. This is due to the average cost of a placement being £220 a week more than in the budget (£1,550k), offset by having 21 fewer customers in placement (£912k), together with an increase in the average customers contributions received.
63. There is expected to be an overspend of £442k on Mental Health nursing care budgets due to there being 3 more customers in the over 65 budget (£196k) and 3 more customers in the working age budget (£246k) than was assumed when the budget was set.

Short Term Placements

64. These are a combination of emergency and planned placements that can be used to step people out of hospital, provide respite for carers, respond to an emergency etc but are time limited with exit strategies.
65. The OP short term placements budget is expected to underspend by £227k. The underspend on step up step down beds (£257k) is due to additional health funding having been secured for these beds. There is also a projected underspend on the nursing emergency placement budget as the number of placements to date has been less than assumed in the budget (£200k). This is partially offset by an increase in the residential emergency placements made to date which suggests that there will be an overspend on this budget by the year end.

In House Services and Staffing

66. 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 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

67. There is expected to be an overspend on staffing due to the use of agency staff in the Hospital team (£134k), being over establishment on AMHP and social care worker posts in the Mental Health Team (£209k) and being 1 FTE over establishment in the DOLS team (£44k). This is partially offset by vacancies elsewhere in the service and there is ambition to reduce use of agency staff between now and year end, the impact of which is in the recovery plan actions.

Be Independent & Equipment

68. 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.

69. Be Independent is currently projected to overspend by £323k. There is still a budget gap of £130k and a £50k overspend on recharges arising from when the service was originally outsourced which has yet to be fully addressed. Staffing is expected to overspend by £132k 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 is expected to be an underachievement of income based on current customer numbers (£75k) and the decision to end equipment sales (£49k), which is offset by additional income arising from Mediquip moving into the site at James Street (£100k).

Place

70. The forecast directorate outturn position is an underspend totalling £1,223k and the table below summarises the latest forecasts by service area.

	2023/24 Budget £'000	Forecast Outturn Variance £'000	Forecast Outturn Variance %
Transport	6,846	-382	-5
Fleet	-237	10	4
Highways	4,457	880	19.7
Parking Services	-6,779	-1,311	-19
Waste	15,149	-1,266	-8
Public Realm	3,298	84	2.5
Emergency Planning	115	0	0
Planning Services	-133	341	356
Forward Planning	421	0	0
Public Protection	766	-35	-4.6
Community Safety	688	4	0.6
Asset and Property Management	624	-95	-15

Facilities Management	1,293	564	43.6
Commercial Property	-4,336	0	0
Regen & Economic Development	406	0	0
Housing Services	-476	36	7.6
Management and Support	446	0	0
Place total	22,548	-1,040	-4.6

Mitigations to reduce forecast overspend	
Increase parking charges by 10p	-70
Reduce use of agency to cover sickness absence in public realm	-60
Do not undertake any winter bedding activity	-10
Revised forecast	-1,363

71. The primary reason for the underspend is continued strong performance from income particularly relating to parking. There are also underspends across waste from recycle sales and lower than forecast waste tonnages. Offsetting these costs there are continued higher than budgeted utility costs across street lighting and council offices.
72. Car park income to 30th November has remained strong across the city at being £455k (10%) ahead of income to the corresponding date in 2022/23 and £1,200k ahead of budget. Following a price rise in early November the income projection for the year has been increased to £1.6m. There is also further income above budget of £100k from Penalty Charge notices less a shortfall of £50k from Respark. There has been an increase in bank processing costs of card and phone payments but overall Parking Services is forecasting an underspend of £1.3m.
73. There is a forecast underspend of (£1,266k) across waste disposal and collection. This is from a combination of additional recycling income due to higher than budgeted commodity prices. Income

levels are forecast at £350k above budget which is lower than 2022/23 but higher than budget.

74. Across Waste Collection operational costs are estimated at £390k below budget as vehicle repairs and hire are below budget as the fleet is relatively new. Residual waste tonnages across York and North Yorkshire are also lower than forecast which allows capacity within Allerton Park (£448k) to be filled with commercial waste from Yorwaste which provides additional income.
75. Latest monitoring indicates a forecast shortfall in planning fees of £450k. There has been a slowdown in income levels related to the downturn in the housing market. This will continue to be monitored closely and the profile of planning income will be reviewed in light of the impact of the Local Plan and announced fee increases which came into force in December. There have been staff savings that have offset the shortfall in income.
76. The budget for facilities management assumes full occupation of external partners at West Offices. There remains a void on floor two whilst let is still subject to final completion. This has led to a forecast shortfall of £417k in this service area.
77. The energy budgets across Place were increased in 2023/24 to reflect the large increases in gas and electricity prices that occurred in 2022/23. There have however been a further 30% increase in electricity prices in 2023/24 which have led to forecast overspends in Highways (£500k) and Facilities management £175k.
78. There have also been additional insurance costs faced by the Directorate as premiums increase reflecting the cost to the insurance industry of claims.
79. The overall directorate forecast assumes that a number of income budgets including commercial property and licensing will outturn on budget. These will require monitoring throughout the year as there are potential pressures across services.

Housing Revenue Account

80. The Housing Revenue Account budget for 2022/23 was set as a net deficit of £1,558k. There were carry forwards of £1,611k agreed as part of the outturn report meaning the revised budget

stands at £3,169k deficit (including £1,900k debt repayment). At at 30th November it is still envisioned that the outturn will be in line with budget excluding slippage of revenue contributions to fund capital expenditure.

81. The HRA allocated significant increases for inflation to cover repairs and energy costs and at this stage of the year it is forecasted that the actuals will be contained within the budget.
82. Across energy costs assumed gas price increases were below those budgeted and therefore it is expected that costs will be circa £150k below budget but that will be dependent on the severity of winter.
83. There are continued forecast shortfall in dwelling rental income of £560k due to the level of voids. Glen Lodge currently has around 30 empty properties pending the refurbishment works, this also has an impact on the service charges income. These pressures will be offset by the teams carrying vacant posts and the bad debt provision budget remains at a prudent level.
84. The depreciation charge for the HRA is anticipated to be £500k higher than budget. This can be mitigated from higher than budgeted interest on credit balances as interest rates are significantly higher than budget.
85. Included in the budget is £2.9m revenue contributions to capital expenditure. The most updated capital budget estimates that only £2.1m contribution will be required. This does reduce the spend in year to being a deficit of £2,369m.
86. The HRA working balance position at 31st March 2023 was £29.4m. The HRA projected outturn position means the working balance will reduce to £27.1m at 31st March 2024. This compares to the balance forecast within the latest business plan of £25.7m.
87. 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 is due in 2023/24 and can be met from current resources.

Corporate, Customers & Communities

88. The forecast outturn position for the remaining areas of the Council is a net overspend of £830k and the table below summarises the latest forecasts by service area.

	Budget £'000	Variance £'000	Variance %
Chief Finance Officer	2,923	147	5
HR and Corporate Management	2,545	-189	-7.4
Customers & Communities	15,899	931	5.9
Governance	5,063	191	3.8
Public Health	14	0	0
Total Corporate, Customers & Communities	26,444	1,080	4.1
Other central budgets and treasury management	22,382	-2,600	-11.6

Mitigations to reduce forecast overspend	
Vacancy management and cost control measure across all areas	-250
Revised position	830

89. Within Customers and Communities, the most significant pressure (£600k) arises from the continued pressure across Housing Benefit Overpayments as the move to Universal Credit reduces opportunities to achieve income from recovering overpayments.

90. There is also continued pressure from the loss of external payroll contracts within the Payroll Team (£242k).
91. Historical income shortfalls at the Mansion House combined with existing saving targets and pressures from premises costs are proving challenging.
92. Energy and maintenance contract inflation is causing pressure with the Bereavement Services, but it is hoped that this will be mitigated by increased income from the Crematorium by the end of the year.
93. Within Customers and Communities, the forecasted overspend has reduced by £221k, predominantly through holding vacancies wherever possible.
94. Within the Governance department there are coroner related pressures of £115k.
95. Since the last report notification of CYT's 22/23 dividend has been received (£300k) which is higher than anticipated and accounts for most of the improvement within HR and Corporate Management Area.
96. The pressure within the Chief Finance Officer area is due to an increased External Audit fee of £175k, reported in the last monitor, noted, and included in the MTFP.
97. Across all these service areas Managers continue to be tasked with identifying mitigations that will reduce these pressures. These will include holding vacancies, cash limiting budget areas and striving to maximise income generation.

Performance – Service Delivery

98. 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. This report only includes indicators where new data has become available, with a small number of indicators that support the Council plan being developed. Wider or historic

strategic and operational performance information is published quarterly on the Council's open data platform;
www.yorkopendata.org.uk

99. 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.
100. A summary of the city outcome and council delivery indicators by council plan theme, based on new data released since the last report, are shown below and the latest data for all of the core indicator set can be seen in Annex 1. Progress against priority actions contained within the Council Plan will be presented to Executive separately to this report at year end.
101. As per Q3 in previous financial years, due to report publication timescales the majority of Q3 data will be unavailable and therefore figures up to and including November are shown in the documents where available.
102. A summary of the city outcome and council delivery indicators that have an **improving** direction of travel based on the latest, new, available data are as follows:
 - Number of children in temporary accommodation (paragraph 104);
 - Overall satisfaction of people who use services with their care and support (paragraph 111);
 - % of working age population qualified (paragraph 115);
 - Earnings gap between the 25 percentile and the median (paragraph 123);
 - Business start-ups (paragraph 125);
 - Net Additional Homes Provided (paragraph 134);
 - Number of Void Properties – Major Works Voids (paragraph 143);
 - Carbon emissions across the city (paragraph 145).

103. Indicators that have a worsening direction of travel based on the latest, new, available data are:

- %pt gap between disadvantaged pupils and their peers achieving 9-4 in English and Maths at KS4 (paragraph 105)
- Universal Credit Claimants (paragraph 120)

Performance - Health and Wellbeing: A health generating city

104. **Number of children in temporary accommodation** – at the end of Q1 2023-24, there were 41 children in temporary accommodation in York, which is a large decrease from 63 at the end of 2022-23. 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.

105. **%pt gap between disadvantaged pupils and their peers achieving 9-4 in English and Maths at KS4** – In 2020 and 2021, all GCSE, AS and A Level exams were cancelled and replaced by a combination of teacher assessment, mock exam results, course work and a standardised calculation. Summer 2022 saw a return to the familiar testing methods.

106. Provisional data shows the gap at age 16 widened in York and Nationally to 43% in summer 2023. A legacy of Covid-19 is that school attendance of disadvantaged groups has been slower to recover, and has been worse than for the same group nationally. The work currently being undertaken through the Attendance Graduated Response is seeing improvements in attendance.

107. Reducing the attainment gap between disadvantaged pupils and their peers is a key priority in all phases of education across 0-19 years. Our long-term strategy re closing the gap is linked to the early identification of speech, language and communication needs in the early years through Early Talk For York (ETFY). Early communication and language development is particularly important in helping to tackle inequalities between disadvantaged children and their peers. Data shows that the 'gap' between non disadvantaged children nationally and disadvantaged children in the ETFY area reduced by 32%, from 34.5% (2018) to 2.5%, during the pilot. The scale up of the programme is designed to reduce the long-standing attainment gap and will focus on

supporting the transition of children from the early years in to school.

108. **% of reception year children recorded as being overweight (incl. obese)** – The participation rates for the National Child Measurement Programmes (NCMP) in York for 2022-23 were 97.2% for reception aged children and 95.1% for Year 6 pupils.
- The 2022-23 NCMP found that 19.9% of reception aged children in York were overweight (including obese), compared with 21.3% in England and 22.5% in the Yorkshire and Humber region. York has the second lowest rate of overweight (including obese) for reception aged children in the Yorkshire and Humber region.
 - Of Year 6 children in York, 32.5% were overweight (including obese) in 2022-23 compared with 36.6% in England and 38.1% in the Yorkshire and Humber region. York has the lowest rate of overweight (including obese) for Year 6 children in the Yorkshire and Humber region.
109. **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%).
110. **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%).
111. **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).

112. **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.

- 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 2020-21 to 2022-23 was 24.7% (the gap between 43.4% in Westfield and 18.8% in Heworth Without). The trend in this gap indicator shows a widening in the difference between the values in the highest and lowest ward over time (12.6% in 2011-12 to 2013-14 to 24.7% 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 2019-20 to 2022-23 was 13.7% (the difference between 96.55% in Bishopthorpe and 82.9% in Fulford & Heslington). At present there is only one previous value for this indicator (13.1% for the period 2018-19 to 2021-22) so it is not yet possible to identify a trend.
- 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 2019-20 to 2022-23 was 40% (the gap between 79.8% in Heworth Without and 40.8% in Westfield). There is not a long trend history for this indicator but there has been slight widening of the gap from the 4 year period 2017-18 to 2020-21 (36.5%) to the most recent 4 year period (39%).

113. **Children and young people in care per 10k, excluding short breaks** – At the end of November 2023, 241 children and young people were in York’s care. As a rate per 10k population, this is just below the national average 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 November, 18 of York's children in care were UASC, compared to only 8 in March 2022. 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 36 young people meaning this sub-group of children in care has the scope to more than double.

114. **Children subject to a Child Protection Plan** – 125 children were the subject of a Child Protection Plan at the end of November 2023. This is within York's expected range (111-141 child protection plans) and has been stable for the past four months. As a rate per 10k population, York is below the most recently released comparator averages.

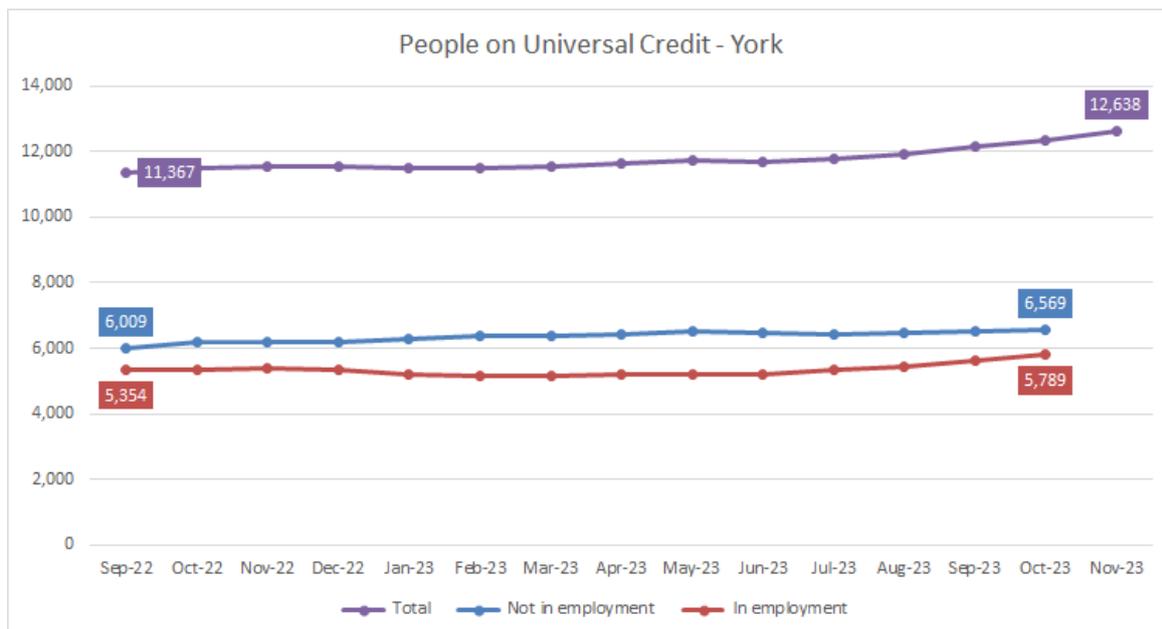
Performance - Education and Skills: High quality skills and learning for all

115. **% of working age population qualified** – In 2022-23, 94.2% 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 (85.8% and 84.5% respectively). This result ranks the city of York first regionally. The 2022-23 figure has increased from 2021-22 (87.9%), although it should be noted that there has been a slight change in methodology for 2022-23.
116. In 2022-23, 60.3% 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 (45.7% and 38.9% respectively). This result ranks the city of York third regionally. The 2022-23 figure is a small increase from 2021-22 (59.3%).
117. **% of pupils achieving 9-4 or above in English and Maths at KS4** – Provisional data shows that 70.2% of York's Year 11s achieved grades 9-4 in English and Maths (considered a standard pass), compared to 65.3% Nationally. Results were broadly level with 2018-19 which is considered the last comparable year of marking due to different processes during the pandemic (e.g. teacher assessment). Finalised results are expected early in 2024.

118. **% of children who have achieved a Good Level of Development at Foundation Stage** – 69.7% of our 5-year-olds achieved a Good Level of Development compared to 67.2% Nationally, and 66.2% in Yorkshire and Humber.
119. Performance in York and nationally has not yet returned to 2019 levels. Studies which are analysing the impact of the pandemic on Early Years Development broadly suggest that we could see similar performance for several cohorts whilst the children “catch up” following the disruption of the pandemic.

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

120. **Universal Credit Claimants** – At the end of November 2023 there were 12,638 people, in York, on Universal Credit. Following a high of 13,236 in February 2021, the figures dropped to a low of 11,054 in May 2022 but they have steadily increased since then. This represents 9.6% of the working population in York, compared to 16.8% regionally and 15.3% nationally.
121. 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 health-related legacy benefits (e.g. Employment and Support Allowance) 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 (30.7% in York, 26.5% regionally and 23.8% nationally).



122. The general economic context is that inflation is falling, but prices are still 21% higher than in December 2020, and are rising by 4.6% year on year. In particular, the overall price of food and non-alcoholic beverages rose around 27% between November 2021 and November 2023. Growth in earnings is outstripping inflation again, but for most wage earners spending power is still lower than it was three years ago. Private rental prices continued to grow at a record high rate in the UK, rising by 6.2% (provisional estimate) in the year to November 2023. This is the largest annual percentage change since this UK data series began in January 2016.
123. **Earnings gap between the 25 percentile and the median (£) –**
 The earnings gap is the difference between full time workers in the bottom quartile and those earning the median. In York, the latest figures show that this gap has reduced by 7.3%, in 2023, to £152.20. This is the lowest gap since 2018-19. Nationally, there has been an increase of 1.4% to £163.20 and regionally an increase of 4.7% to £139.50. It is worth noting that the difference between workers in low-paying and other occupations and industries are not limited to pay. Part-time work, zero-hours contracts and temporary contracts are more common for those working in low-paying occupations, while small firms are more likely to be in low-paying industries. However nationally, in 2023, 8.9% of all employee jobs were low paid (paid less than two-thirds of median hourly pay), when considered in terms of hourly earnings. This was the lowest proportion of low-paid employee jobs by hourly pay since the data series began in 1997, which coincides with recent increases in the National Minimum Wage (NMW) and National Living Wage (NLW) rates. This also coincides

with the additional increase in the NMW for those aged 23 and 24 years, who joined those aged 25 years and over in receiving the NLW in 2021.

124. **% of vacant city centre shops** – Whilst acknowledging that a number of city centre streets and prime commercial locations seem to be experiencing higher vacancy levels than York's average, overall at the end of November 2023, there were 57 vacant shops in the city centre (eleven more than the number at the end of November 2022), which equates to 9.1% of all city centre shops, and is still much lower than the national benchmark in 2022-23 of 13.8%.
125. **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 November 2023 of 574 new start ups is in line with previous years.
126. **% of working age population in employment (16-64)** – In Q1 2023-24, 82.8% of the working age population were in employment, which is higher than the national and regional figures (75.6% and 74.2% respectively) and the York performance gives the city a ranking of first regionally. The figure for Q1 2023-24 in York remains high compared to previous years.
127. **Survival of Newly Born Businesses post 1 year** – Businesses have had a turbulent time over recent years, coping with Covid, the soaring cost of energy, high inflation and high interest rates. The latest business demography statistics suggest that resilience may be even better than expected. In York, 175 businesses were created in Q3 2023-24, up 6% on a year ago. There were 160 business closures in the same quarter, down 8% on the year before. The survival rate post 1 year has been consistently above 94% in York for the last 4 years, with the latest figure of 94.4%. The York figures have been consistently higher than the National and Regional rates.

Performance - Transport: Sustainable accessible transport for all

128. The majority of the indicators in this Transport section are annual indicators, therefore data will only be available once a year. As

soon as new data becomes available, narrative will be included in future versions of this report.

129. **The number of CYC electric vehicle recharging points** - There were 103 CYC electric recharging points in Q2 2023-24, which is seven fewer than in the previous quarter.

Performance - Housing: Increasing the supply of affordable housing

130. **Number of new affordable homes delivered in York** – During the first six months of 2023-24, affordable housing completions have been significantly below the identified level of need. 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, as set out to the November Executive meeting. Completions forecasts by partner Registered Providers have indicated a likely increase in affordable housing delivery in the second half of 2023-24.
131. 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 400 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.
132. **% 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, and 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. In 2022, the median energy efficiency rating for a dwelling in England and Wales was Band D and a rating of A-C is generally considered to be good energy performance.

133. At the end of October 2023, 43.7% of properties on the register for York had an EPC rating of A-C which is a slight increase from 42.1% at the start of the year. The median grade for York for the same period was band D which follows the latest national benchmark. Data is based on the last recorded certificate for 58,553 properties on the register for York, some of which will have been last assessed more than ten years ago.
134. **Net Additional Homes** – Between 1st April 2023 and 30th September 2023 there were a total of 152 net housing completions. This represents fewer housing completions compared to the same monitoring period last year. However, several significant housing sites are anticipated for completion over the next six months including the remaining 244 homes at The Cocoa Works, Haxby Road (Phase 1), 62 homes at Eboracum Way, along with the ongoing developments at Germany Beck and Former Civil Service Club, Boroughbridge Road together with several other pipeline sites that should see an improved annual total of completions compared to more recent years.
135. Some of the main features of the housing completions have been;
- 141 homes were completed on housing sites;
 - A total of 106 new build homes were completed whilst 3 homes were demolished;
 - Individual sites that saw the construction of five or less dwellings contributed an additional 21 homes;
 - The most significant individual sites that provided housing completions have been 35 flats at the Cocoa Works, Haxby Road (Phase 1, Block C), Germany Beck (27), Former Civil Service Club, Boroughbridge Road (25) and the Former Lowfield School site (24).
136. **Net Housing Consents** – Planning applications determined between 1st April 2023 and 30th September 2023 resulted in the approval of 324 net additional homes and represents a drop of

more than one hundred compared to last year's update covering the same equivalent monitoring period.

137. The main features of the consents approved were:

- 247 of all net homes consented (76.2%) were granted on traditional (Use Class C3) housing sites;
- Sites granted approval for traditional (Use Class C3) housing included Os Field South of & Adjacent to 1 Tadcaster Road, Copmanthorpe (158), Land East of Middlewood Close, Rufforth (21) and Clifton Without County Junior School, Rawcliffe Drive (15). A further 38 homes were approved on sites of 5 or less homes;
- Three sites were granted 'prior approval' for a net total of 33 new homes, the most significant of which was at Gateway 2, Holgate Park Drive (31);
- 44 net new retirement homes were allowed on appeal at 11 The Village, Wigginton;
- A further 23 homes were approved through a resolution to grant consent by councillors in the previous six months at Morrell House, 388 Burton Stone Lane (13) and 12 Sturdee Grove (10).

138. **Number of homeless households with dependent children in temporary accommodation** – Although the overall number of households in temporary accommodation continues to increase, and reached 73 at the end of Q1 2023-24, the number with dependent children has decreased. The latest available data shows that there were 28 households with dependent children in temporary accommodation at the end of Q1 2023-24, which is a decrease from 35 at the end of 2022-23. Generally, the households with children rise and fall in line with the total households and make up around half of the total, however this has reduced in Q1 where 38% were households with children.

139. Of the 28 households at quarter end, 27 were recorded as accommodated in hostels and 1 within Local Authority housing stock. York continues to report no households with children housed in Bed and Breakfast accommodation. The number of children across the households was 41, down from 63 the previous quarter.

140. The increase in overall numbers can also be seen nationally, and when looking at the total number of households in temporary

accommodation per households in area (000s), York continues to perform positively compared to benchmarks (0.83 in York compared to 4.41 Nationally, 1.09 Regionally and 16.69 in London). It should be noted that these figures are snapshot figures and therefore may fluctuate between the snapshot dates.

141. **Number of people sleeping rough** – There were 25 people sleeping rough in York in November 2023, which is an increase from 16 in October and the highest seen during 2023-24. 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.
142. **% of repairs completed on first visit** – The percentage of repairs completed on the first visit was 81% in November 2023, which is back in line with the previous few years after some lower figures during the summer.
143. **Number of void properties** – Numbers of standard void properties have been reducing throughout 2023-24 from 73 at the start of the year to 56 in November. This is also much lower than the 96 standard voids in November 2022. There were 4 major works voids at the end of November 2023 which is a large decrease on the 21 major works voids in April 2023.

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

144. **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 44.9% within Q1 2023-24, which is an increase from 41.3% during Q1 2022-23. Whilst there has been an increase in total household waste collected to 247kg per household from 236kg last year, there has been a similar increase in residual (approx. non-recycling) household waste – now above 136kg per household.
145. **Level of CO2 emissions across the city and from council buildings and operations** – Carbon emissions across the city have been reducing over recent years, from 936 kilotonnes of carbon dioxide equivalent in 2018, to 816 in 2020. Emissions from councils buildings and operations have also been reducing, from

3,658 tonnes of carbon dioxide equivalent in 2020-21 to 3,462 in 2022-23.

Performance - How the council will operate

146. **FOI and EIR – % of requests responded to in-time – 92.4%** of requests were responded to in-time during 2023-24 up until the end of September which is the highest figure seen since the end of 2018-19.
147. **% of 4Cs complaints responded to in-time –** In Q2 2023-24, there has been a decrease in the number of corporate complaints received compared to the same reporting period in 2022-23 (364 in Q2 2023-24 compared to 652 in Q2 2022-23). There has been a small reduction in performance for the percentage of corporate complaints responded to in time (93.3% in Q2 2023-24 compared to 95.3% in Q2 2022-23).
148. **Average sickness days per full time equivalent (FTE) employee –** At the end of October 2023, the average number of sickness days per FTE (rolling 12 months) had decreased to 11 days from 13 in October 2022. Recently released benchmarks show that the CIPD public sector benchmark is 10.6 days per FTE, putting us in line with national trends.
149. **York Customer Centre average speed of answer –** Phones were answered, on average, in 13 seconds in November 2023 by the York Customer Centre which remains low and is much lower than the average of 1 minute and 42 seconds during 2022-23.

Consultation Analysis

150. Not applicable

Options Analysis and Evidential Basis

151. Not applicable

Organisational Impact and Implications

152. 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)**, there are no direct implications arising from this report.
- **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. Further work is required to develop and implement proposals that will allow the Council to bring its net expenditure in line with its income. There may be legal implications arising out of these proposals that will be considered as part of the development and implementation of those proposals. If the Council is unable to set a balanced budget, it is for the Chief Financial Officer to issue a report under s114 of the Local Government Finance Act 1988 ('a section 114 notice').
- **Procurement**, there are no direct implications arising from this report.
- **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.
- **Affordability**, are contained throughout 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 referred to below.
- **Equalities and Human Rights**, whilst there are no specific implications within this report, services undertaken by the Council make due consideration of these implications as a matter of course.
- **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. With

ongoing interest in the current state of Local Government funding, we anticipate this report will attract media attention. A comms plan has been prepared to help make the information about the forecast overspend and the controls proposed clear and understandable, with opportunities to facilitate staff discussion arranged.

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

Risks and Mitigations

153. 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.
154. 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

155. All.

Contact details

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Annexes

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

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)	£5,771 (Q2 2023/24)	£5,592 (Q3 2023/24)	↑ Bad	Quarterly	Not available	Q4 2023/24 data available in April 2024
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 (2020/21)	0.1 (2021/22)	→	5 yearly	National Rank 2021/22: 253	2022/23 data available in 2024
Number of children in temporary accommodation - (Snapshot)	63 (Q4 2022/23)	41 (Q1 2023/24)	→	Quarterly	Not available	Q2 2023/24 data available in March 2024
%pt gap between disadvantaged pupils (eligible for FSM in the last 6 years, looked after and adopted in care) and their peers achieving 9-4 in English & Maths at KS4	32.00% (2021/22)	43.60% (2022/23)	→	Annual	National Data 2022/23 43.30%	2023/24 data available in December 2024
% of reception year children recorded as being overweight (incl. obese) (single year)	22.70% (2021/22)	19.90% (2022/23)	→	Annual	National Data 2022/23 21.31%	2023/24 data available in November 2024
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)	66.5% (2021/22)	70.4% (2022/23)	↑ Good	Annual	National Data 2022/23 63.1%	2023/24 data available in April 2024
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 December 2024
Percentage of people who use services who have control over their daily life - Older People (ASC User Survey)	71% (2021/22)	77% (2022/23)	→	Annual	Not available	2023/24 data available in December 2024
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 December 2024
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	2021/22 data available in May 2024
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	2021/22 data available in May 2024
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	2021/22 data available in May 2024
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	2021/22 data available in May 2024
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	2021/22 data available in May 2024
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)	13.10% (2021/22)	13.65% (2022/23)	→	Annual	Not available	2023/24 data available in October 2024
Absolute gap in % of Year 6 recorded overweight (incl. obesity) between highest and lowest York ward (3 year aggregated)	24.40% (2021/22)	24.68% (2022/23)	→	Annual	Not available	2023/24 data available in December 2024
Absolute gap in % of children totally or partially breastfeeding at 6-8 weeks between highest and lowest York ward (4 year aggregated ward data)	36.70% (2021/22)	38.98% (2022/23)	→	Annual	Not available	2023/24 data available in October 2024
Number of children in care, excluding Short Breaks - (Snapshot)	254 (Q2 2023/24)	241 (November 2023)	→	Quarterly	National Data 2021/22 70	Q3 2023/24 data available in January 2024
Number of children subject to a Child Protection Plan - (Snapshot)	125 (Q2 2023/24)	125 (November 2023)	→	Quarterly	National Data 2021/22 42.1	Q3 2023/24 data available in January 2024
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 (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)	87.9% (2021/22)	94.2% (2022/23)	↑ Good	Annual	National Data 2022/23: 85.8%	2023/24 data available in November 2024
% of working age population qualified - to at least L4 and above (New methodology from 2022/23)	59.3% (2021/22)	60.3% (2022/23)	→	Annual	National Data 2022/23: 45.7%	2023/24 data available in November 2024
% of pupils achieving 9-4 or above in English & Maths at KS4 (C or above before 2016/17)	75.30% (2021/22)	70.20% (2022/23)	→	Annual	National Data 2022/23 65.30%	2023/24 data available in December 2024
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)	70.90% (2021/22)	69.70% (2022/23)	→	Annual	National Data 2022/23 67.20%	2023/24 data available in December 2024
Number of children who are eligible for a free school meal in the primary sector (excluding Danesgate) - (Jan Census snapshot)	2,118 (2021/22)	2,197 (2022/23)	→	Annual	Not available	2023/24 data available in March 2024
% of children who are eligible for a free school meal in the primary sector (excluding Danesgate)	15.47% (2021/22)	15.88% (2022/23)	→	Annual	National Data 2022/23 23.99%	2023/24 data available in March 2024
Number of children who are eligible and taking a free school meal in the primary sector (excluding Danesgate) - (Jan Census snapshot)	1,720 (2021/22)	1,760 (2022/23)	→	Annual	Not available	2023/24 data available in March 2024
% of children taking a free school meal in the primary sector (excluding Danesgate) - (Jan Census snapshot)	12.30% (2021/22)	12.72% (2022/23)	→	Annual	Not available	2023/24 data available in March 2024
Number of children who are eligible for a free school meal in the secondary sector (excluding Danesgate) - (Jan Census snapshot)	1,411 (2021/22)	1,621 (2022/23)	→	Annual	Not available	2023/24 data available in March 2024
% of children who are eligible for a free school meal in the secondary sector (excluding Danesgate)	12.60% (2021/22)	14.26% (2022/23)	→	Annual	National Data 2022/23 25.39%	2023/24 data available in March 2024
Number of children who are eligible and taking a free school meal in the secondary sector (excluding Danesgate) - (Jan Census snapshot)	977 (2021/22)	1,159 (2022/23)	→	Annual	Not available	2023/24 data available in March 2024
% of children taking a free school meal in the secondary sector (excluding Danesgate) - (Jan Census snapshot)	8.70% (2021/22)	10.20% (2022/23)	→	Annual	Not available	2023/24 data available in March 2024
Total number of children who are eligible for a free school meal - (York LA Local Measure) - (Jan Census snapshot)	3,690 (2021/22)	3,985 (2022/23)	→	Annual	Not available	2023/24 data available in March 2024
Total number of children who are eligible and taking a free school meal - (York LA Local Measure) - (Jan Census snapshot)	2,764 (2021/22)	2,987 (2022/23)	→	Annual	Not available	2023/24 data available in March 2024
Total number of active EHCPs overseen by SEND Services (Snapshot)	1,355 (Q2 2023/24)	1,366 (October 2023)	→	Monthly	Not available	Q3 2023/24 data available in January 2024
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	12,156 (Q2 2023/24)	12,638 (November 2023)	↑ Bad	Quarterly	Not available	Q3 2023/24 data available in January 2024
Earnings gap between the 25 percentile and the median (£) (York)	£164.20 (2022/23)	£152.20 (2023/24)	↓ Good	Annual	Not available	2024/25 data available in December 2024
Housing affordability (median house prices to earnings ratio)	8.5 (2020/21)	8.85 (2021/22)	→	Annual	National Data 2021/22 8.92	2022/23 data available in March 2024
% of vacant city centre shops	9.22% (Q2 2023/24)	9.05% (November 2023)	→	Monthly	National Data 2022/23 13.80%	Q3 2023/24 data available in January 2024
Business Startups - (YTD)	454 (Q2 2023/24)	574 (November 2023)	↑ Good	Quarterly	Not available	Q3 2023/24 data available in February 2024
GVA per head (£)	27,572 (2020/21)	30,684 (2021/22)	→	Annual	Regional Rank 2021/22: 2	2022/23 data available in May 2024
% of working age population in employment (16-64)	83.60% (2022/23)	82.80% (Q1 2023/24)	→	Quarterly	National Data Q1 2023/24 75.60%	Q2 2023/24 data available in February 2024
% of Total Employees working for an Accredited Good Business Charter employer	12.10% (2021/22)	13.40% (2022/23)	→	Annual	Not available	2023/24 data available in September 2024
% of Total Employees working for an Accredited Living Wage employer	14% (2021/22)	16% (2022/23)	→	Annual	Not available	2023/24 data available in September 2024
Survival of Newly Born Businesses post 1 year	94.00% (2021/22)	94.40% (2022/23)	→	Annual	Not available	2023/24 data available in November 2024
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 (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	Q4 2022/23 data 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	Q4 2022/23 data available TBC
Area Wide Traffic Levels (07:00 -19:00) (Excluding A64) from 2009/10 baseline (2.07m)	1.77m (2019/20)	1.34m (2020/21)	→	Annual	Not available	2021/22 data available TBC
Index of cycling activity (12 hour) from 2009 Baseline (31,587)	114.00% (2020)	101.00% (2021)	↓ Bad	Annual	Not available	2022 data available TBC
Index of pedestrians walking to and from the City Centre (12 hour in and out combined) from 2009/10 Baseline (37,278)	104.00% (2021/22)	123.00% (2022/23)	→	Annual	Not available	2023/24 data available in July 2024
% of customers arriving at York Station by sustainable modes of transport (cycling, walking, taxi or bus - excluding cars, Lift, Motorcycle, Train)	71.90% (2019)	79.40% (2021)	→	Annual	Not available	2022 data available TBC
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	110 (Q1 2023/24)	103 (Q2 2023/24)	→	Quarterly	Not available	Q3 2023/24 data available in January 2024
% of road and pathway network that are grade 4 (poor) or grade 5 (very poor) - roadways	22% (2020/21)	22% (2021/22)	→	Annual	Not available	2022/23 data available TBC
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	38 (YTD Q2 2022/23)	11 (YTD Q2 2023/24)	↓ Bad	Quarterly	Not available	Q3 2023/24 data available in February 2024
% of dwellings with energy rating in A-C band in the EPC Register - Snapshot	43.60% (Q2 2023/24)	43.70% (October 2023)	→	Monthly	Not available	Q3 2023/24 data available in February 2024
Net Additional Homes Provided - (YTD)	459 (2022/23)	152 (as at Q2 2023/24)	↑ Good	Bi-annual	Not available	2023/24 full year data available in June 2024
Net Housing Consents - (YTD)	1,559 (2022/23)	324 (as at Q2 2023/24)	→	Bi-annual	Not available	2023/24 full year data available in June 2024
Number of homeless households with dependent children in temporary accommodation - (Snapshot)	35 (Q4 2022/23)	28 (Q1 2023/24)	→	Quarterly	Not available	Q2 2023/24 data available in March 2024
Number of people sleeping rough - local data - (Snapshot)	22 (Q2 2023/24)	25 (November 2023)	→	Monthly	Not available	Q3 2023/24 data available in January 2024
HMO's as % of properties in York	NA	NA	→	Annual	Not available	TBC
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	4.88% (2021/22)	1.60% (2022/23)	↓ Good	Annual	Not available	2023/24 data available in August 2024
% of Repairs completed on first visit	73.76% (Q2 2023/24)	80.8% (November 2023)	→	Quarterly	Housemark Median 2022/23 86.02%	Q3 2023/24 data available in January 2024
Number of Void Properties - Standard Voids - (Snapshot)	47 (Q2 2023/24)	56 (November 2023)	→	Monthly	Not available	Q3 2023/24 data available in January 2024
Number of Void Properties - Major Works Voids - (Snapshot)	6 (Q2 2023/24)	4 (November 2023)	↓ Good	Monthly	Not available	Q3 2023/24 data available in January 2024
Number of Void Properties - Capital Projects Voids - (Snapshot)	23 (Q2 2023/24)	31 (November 2023)	→	Monthly	Not available	Q3 2023/24 data available in January 2024
Number of Void Properties - Total Voids (Excludes Not Offerable) - (Snapshot)	76 (Q2 2023/24)	91 (November 2023)	→	Monthly	Not available	Q3 2023/24 data available in January 2024
Number of Void Properties - Not Offerables - (Snapshot)	75 (Q2 2023/24)	79 (November 2023)	→	Monthly	Not available	Q3 2023/24 data available in January 2024
% of tenants satisfied that their landlord provides a home that is well maintained	NA	NA	→	Annual	Not available	TBC
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	43.8 (2021/22)	44.1 (2022/23)	➡	Annual	Not available	2023/24 data available in September 2024
Percentage of household waste sent for reuse, recycling or composting	41.26% (Prov) (2022/23)	44.95% (Prov) (Q1 2023/24)	➡	Quarterly	National Data 2021/22 42.50%	Q2 2023/24 data available in January 2024
Carbon emissions across the city (tonnes of carbon dioxide equivalent) - (Calendar Year)	912 (2019)	816 (2020)	⬇ Good	Annual	Not available	2021 data available in October 2024
% of Talkabout panel satisfied with their local area as a place to live	82.18% (2022/23)	81.44% (Q1 2023/24)	➡	Bi-annual	Community Life Survey 2021/22 76%	Q3 2023/24 data available in February 2024
% of Talkabout panel who give unpaid help to any group, club or organisation	60.64% (2022/23)	61.83% (Q1 2023/24)	➡	Bi-annual	Community Life Survey 2021/22 55%	Q3 2023/24 data available in February 2024
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)	3,633.3 (2021/22)	3,462.4 (2022/23)	➡	Annual	Not available	2023/24 data available in October 2024
Number of trees planted (CYC)	73 (2021/22)	1,099 (2022/23)	⬆ Good	Annual	Not available	2023/24 data available in April 2024
% of Talkabout panel who think that the council are doing well at improving green spaces	38.30% (2022/23)	38.33% (Q1 2023/24)	➡	Bi-annual	Not available	Q3 2023/24 data available in February 2024
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)	89.30% (Q1 2023/24)	92.40% (Q2 2023/24)	⬆ Good	Quarterly	Not available	Q3 2023/24 data available in January 2024
% of 4Cs Complaints responded to 'In Time'	96.12% (Q1 2023/24)	93.26% (Q2 2023/24)	➡	Monthly	Not available	Q3 2023/24 data available in January 2024
The % of York residents reporting 'good' or 'excellent' experience with Council (Baseline Q3 Talkabout)	NA	NA	NA	Quarterly	Not available	Q3 2023/24 data available in February 2024
The % of York residents reporting 'poor' or 'satisfactory' experience with Council (Baseline Q3 Talkabout)	NA	NA	NA	Quarterly	Not available	Q3 2023/24 data available in February 2024
Average Sickness Days per FTE - CYC (Excluding Schools) - (Rolling 12 Month)	13.02 (October 2022)	11.3 (October 2023)	➡	Monthly	CIPD (Public Sector) 2022/23 10.6	Q3 2023/24 data available in February 2024
YCC Average Speed of answer - Operators	00:00:10 (Phone) (Q2 2023/24)	00:00:13 (Phone) (November 2023)	➡	Monthly	Not available	Q3 2023/24 data available in January 2024
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:	25 January 2024
Report of:	Chief Finance Officer – 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 2023/24

Subject of Report

1. The purpose of this report is to set out the projected outturn position for 2023/24 including any under/overspends and adjustments, along with requests to re-profile budgets to/from current and future years.
2. A decrease of £16.013m is detailed in this monitor resulting in a revised capital programme for 2023/24 of £119.723m. There is an increase of £2.228m due to additional funding being awarded / approved and a re-profiling of budgets to future years totalling £18.241m. This is mainly due to a thorough review of the phasing of the capital programme across Children's and Housing Services to reflect latest programmes.
3. Table 1 outlines the variances reported against each portfolio area and a summary of the key exceptions and implications on the capital programme are highlighted in the paragraphs that follow.

Department	Current Approved Budget £m	Projected Outturn £m	Adjustment £m	Reprofile £m	Total Variance £m	Paragraph Ref
Children's services	16.900	11.625	0.012	(5.287)	(5.275)	12 – 28
Adult Social Care	1.236	1.236	-	-	-	-
Housing Services	42.519	35.854	1.817	(8.482)	(6.665)	29 – 44
Transport, Highways & Environment	59.365	59.539	0.360	(3.186)	(2.826)	45 – 78
Regen, Economy & Property Services	4.995	3.656	-	(1.339)	(1.339)	79 - 90
Community Stadium	0.271	0.271	-	-	-	-
Customer & Corporate Services	2.063	2.063	-	-	-	91 – 92
ICT	3.722	4.033	-	0.311	0.311	93 - 94
Communities & Culture	4.338	4.146	-	(0.192)	(0.192)	95 – 99
Climate Change	0.327	0.300	0.039	(0.066)	(0.027)	100-101
Total	135.736	119.723	2.228	(18.241)	(16.013)	

Table 1 Capital Programme Forecast Outturn 2023/24

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

Gross Capital Programme	2023/24	2024/25	2025/26	2026/27	2027/28	Total
	£m	£m	£m	£m	£m	£m
Children's services	11.625	12.374	5.275	1.045	-	30.319
Adult Social Care	1.236	0.682	0.705	0.728	0.752	4.103
Housing Services	35.854	37.098	23.318	15.301	14.638	126.209
Transport, Highways & Environment	56.539	75.665	43.697	27.564	17.698	221.163
Regen, Economy & Property Services	3.656	45.148	0.275	0.275	0.275	49.629
Community Stadium	0.271	-	-	-	-	0.271
ICT	4.033	2.509	3.170	2.820	2.820	15.352
Customer & Corporate Services	2.063	0.427	0.200	0.200	0.200	3.090
Communities & Culture	4.146	2.218	-	-	-	6.364
Climate Change	0.300	1.450	0.250	-	-	2.000
Revised Programme	119.723	177.571	76.890	47.933	36.383	458.500

Table 2 Revised 5 Year Capital Programme

Funding the 2023/24 – 2027/28 Capital Programme

5. The revised 2023/24 capital programme of £458.5m is funded from £189.959m of external funding and £268.541m of internal funding. Table 3 shows the projected call on resources going forward.

	2023/24	2024/25	2025/26	2026/27	2027/28	Total
	£m	£m	£m	£m	£m	£m
Gross Capital Programme	119.723	177.571	76.890	47.933	36.383	458.500
Funded by:						
External Funding	56.431	66.995	41.170	18.868	6.495	189.959
Council Controlled Resources	63.292	110.576	35.720	29.065	29.888	268.541
Total Funding	119.723	177.571	76.890	47.933	36.383	458.500

Table 3 – 2023/24 to 2027/28 Capital Programme Financing

6. 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.
7. In financing the overall capital programme, the Chief Finance Officer 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.

Financial Strategy Implications

8. As outlined in the Monitor 2 report, the Finance and Performance Monitor 3 report elsewhere on this agenda again outlines the council's serious financial position. The identification of slippage particularly in relation to Council funding will reduce council borrowing costs and support the annual revenue expenditure.

Recommendation and Reasons

9. Executive is asked to:
- Recommend to Full Council the adjustments resulting in a decrease in the 2023/24 budget of £16.013m as detailed in the report.
 - Note the 2023/24 revised budget of £119.723m as set out in paragraph 4 and Table 3.
 - Note the restated capital programme for 2023/24 – 2027/28 as set out in Annex A.

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

Background

10. The 2023/24 capital programme was approved by Council on 23 February 2023 and updated for amendments reported to Executive in the 2022/23 outturn report, which resulted in an approved capital budget of £284.648m.

Consultation Analysis

11. The capital programme was developed under the capital budget process and agreed by Council on 23 February 2023. 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

12. The total approved budget within the Children's Services and Education Capital Programme for 2023/24 is £16.9m.

13. There is one adjustment to the overall programme at this monitor, plus an update on the maintenance schemes being carried out in maintained schools in 2023/24.
14. The programme requires updating to reflect the schemes in the report titled Capital Projects 2024/25 – Children, Young People and Education, approved by the Executive on 12th October 2023. The report approved four major schemes to be carried out in 2024/25 at a cost of £4.2m, all funded from Basic Need. These projects are now included as separate schemes in the programme for monitoring purposes.
15. Phase 1 of the scheme approved at the Executive on 16/03/2023 for major improvement works at Clifton Green Primary has been completed. Phase 2 is scheduled to be carried out in summer 2024 so the budget remaining for this (£650k) requires reprofiling into the 2024/25 financial year.
16. The expansion scheme at Manor School is now complete. An underspend is expected. At this stage an amount of £47k can be released back to unallocated Basic Need, leaving £30k for any final expenditure required.
17. The major expansion scheme at Fulford School is substantially complete, however some of the remaining expenditure is likely to be in 2024/25 so an amount of £200k is required to be re-profiled into 2024/25.
18. An amount of £2m is now required to be reprofiled into 2024/25 on the unallocated Basic Need scheme as no new schemes are expected to begin in 2023/24. When combined with the amendments detailed elsewhere in this report, this leaves a budget of £137k in 2023/24.
19. The maintenance schemes for 2023/24 have now been successfully completed and planning is underway for the 2024/25 programme of urgent maintenance. An underspend is predicted to the overall programme with the final position available at outturn. At this point it is proposed to re-profile a total of £1,142k into 2024/25 across all the maintenance schemes, including school accessibility.

20. An adjustment has been included to the 2024/25 maintenance budget to increase the expected amount of DfE Maintenance funding to a prudent estimate based on the last two years funding, and also to include some section 106 funding in the budget that is available to support relevant schemes in the proposed programme.
21. The remaining unallocated SEND budget is unlikely to be needed in 2023/24 so it is proposed to re-profile £200k into 2024/25, leaving £136k in 2023/24.
22. The scheme at St Paul's Nursery to create an Early Years Hub for children with SEND, approved at Executive on 22nd November 2022 at a budgeted cost of £1.2m has been in development over the summer. The budget was included in the 2023/24 capital programme but is now unlikely to begin until 2024/25. Almost all the existing budget in the programme needs re-profiling into next year.
23. The remaining approved budget for the scheme in the programme is £1.195m. However, due to significant increases in construction costs and following an updated Quantity Surveyor report, the estimated build budget has risen to £1.435m. To deliver the total scheme now requires a total budget of £1.835m, an increase of £635k on the original estimate. This will allow for the demolition of the existing annex, which is at the end of its useful life and the construction of a brand new annex which will create a purpose built environment for early years children with autism, communication and interaction and social, emotional and mental health needs.
24. The additional funding can be allocated from the unallocated Basic Need heading in the programme and will be transferred into the scheme in the 2024/25 financial year in the capital programme. It is requested that the allocation of additional funding as detailed is approved as part of this report.
25. The budget for the Family Drug and Alcohol facility which was added to the capital programme in 2015/16 has not been utilised and the scheme originally envisioned no longer being progressed. It is proposed to delete the scheme from the programme. Should the service require capital funding to develop its provision that will be considered as a new business case.

26. A new scheme is requested to be approved and added to the programme as part of this monitor. To support the launch of the SEND ordinarily available provision guidance and to promote inclusion in mainstream settings it is proposed that £300k from Basic Need is ringfenced for three academic years as a SEND Inclusion Capital Fund. This would enable reasonable adjustments to be made to mainstream schools to support children with specific special educational needs. Applications to the fund will be invited from mainstream schools and would be administered by the SEND Inclusion Resource Panel as part of the Learning Support Hub. This would support sustainable improvements as part of the SEND Sufficiency Strategy. The scheme will be fully funded from existing Basic Need funding currently unallocated in the programme.
27. A second new scheme is also requested to be added. This scheme will be fully funded by a DfE grant of £167k provided for capital investment in the Family Hubs project.
28. It is proposed to use this funding on the Children's centre site at Tang Hall Primary Academy. There are two schemes running at the same time on this site. The school will be rebuilt under the DfE School Rebuilding Programme. As a result, there is a need to reconfigure the children's centre building. This building is out of scope of the School Rebuilding Programme but is impacted. Options have been developed and these will be funded by the Family Hubs Capital Grant and a contribution from the MAT. Due to the parallel schemes running on the site we are exploring delivering this through a variation to the DfE school rebuilding contract rather than independently tendering for the work.

Housing Services

Major Repairs

29. The current roofing programme was close to completion at Christmas and it is proposed to move additional funds to this workstream to allow progress to continue as there has been a higher demand for works in this area than originally budgeted. The Windows programme is now picking up pace and will complete in full in terms of budget but we are finding that many properties require additional works such as lintels so the outturn of properties will not be as high as identified in the programme. Funds will be moved from budgets underspending elsewhere to support this

programme. The external door programme is also progressing well this year and the budget may be able to support the windows should an underspend be realised. Our Fire remedial works have recently commenced and plan to be completed by February for the year following the recent fire risk assessments. The Dringhouses area will see significant works with the Home Improvement Programme accelerating in the new calendar year. The new year will also bring the commencement of the stock condition surveys which commence in January and complete in September 2024 with all properties and garages to be visited to capture data on the condition of the components within our properties.

30. An underspend is predicted on void properties, one contractor has performed very well in turning around properties, but another has had issues in mobilisation. At the time of writing the report there are 26 properties in possession at this point and 33 completed to date. Works on home improvement properties and tenanted damp properties is in progress an underspend is expected in this area due to the programme being delivered over 6 months. Funds have been transferred to other areas and the balance will be carried forward to 2024/25. Early kitchen and bathroom renewals are expected to be spent in full.

Housing Delivery

31. Progress at Duncombe Barracks is ongoing with timber frame construction largely complete across all 3 terraces. Work continues to be delayed as a result of challenges faced by the contractor in achieving high quality standard demanded by the project and sourcing adequate labour. These delays are largely contractor risks. The delivery budget has been increased to reflect final forecast account which has increased by £426k, reflecting delays with design and instructed change related to party wall works. It is currently assumed that this can be contained within the overall scheme budget.
32. At the Burnholme site all substructures to the plots have been complete and the erection of the timber frame is ongoing on terraces 8 & 11 and progressing steadily. As with Duncombe, the contractor has experienced some delays related to the timber frame, Passivhaus construction and labour shortages however the quality on site is good. The project is within budget.

33. There are currently two grant funded Second Hand Shared Ownership (SHSO) schemes being actively delivered by the Housing Delivery team; 25 SHSO with retrofit funded by Devolution funding and an additional 15 SHSO funded by Homes England. 14 of these properties have had all retrofit works complete and are being sold on to customers with 4 completions to date and a further 6 due imminently. It is anticipated that all 25 homes will be purchased by year end.
34. As part of the 15 Homes England funded homes, to date 12 homes have been identified and it is anticipated that all these homes will complete within this financial year.
35. When the decision was made in February 2019 to invest £153.9m in new council housing on council owned sites, the HRA capital budget was increased to reflect the scale of the programme. This was significantly funded from the assumption that 60% of the stock would be sold at Market sale. Executive have now made commitments in the Council Plan and decisions in the report in November 2023 “Delivering More Affordable Housing in York – update on the Housing Delivery Programme Update” to commit to deliver a greater percentage of affordable housing on these sites without market sales. It is proposed therefore to reduce the capital programme by £68.6m of assumed market sales and remove the associated assumed income that was funding the expenditure. The Housing Delivery Programme continues to progress, and Executive will be provided with business cases for delivery of affordable housing at sites coming forward. The cost and funding of the schemes will need further full council approval.

Healthy and Sustainable Homes

36. The Disabled Facilities grant budget £2,074k 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 (£1,596k) and CYC borrowing (£478k).
37. Monies for adaptations are provided through minor works grants, disabled adaptation grants (DAGs), and disabled facility grants (DFGs), to provide a range of adaptations to properties, including 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.

38. For 2023/2024 budget year it is predicted that the full budget will be spent once again in its entirety. An additional £128k, as a capital top up, has been awarded by DLUCH this financial year to increase funding and support for people to adapt or maintain their homes. It is anticipated that this additional funding will be spent too.
39. To support the Council's 2030 net zero carbon ambition, we are providing funding to undertake energy improvements and retrofit works within the private housing sector in York and some privately owned housing in adjoining local authorities areas.
40. Monies have been provided through bid submissions to the Department for Energy Security & Net Zero (formerly known as Department for Business, Energy & Industrial Strategy) via the Local Authority Delivery Phase 2 scheme, and the Sustainable Warmth Competition (SWC), involving the Home Upgrade Grant (HUG 1) for properties off the gas grid and the Local Authority Delivery Phase 3 (LAD 3) scheme for properties with a gas supply.
41. Proposed measures within the SWC programme include works to 255 homes, including 335 measures such as solar voltaic panels, air source heat pumps, hybrid air source heat pumps, loft insulation, external wall insulation, and underfloor insulation.
42. The Home Upgrade Grant (HUG1) and Local Authority Delivery Phase 3 (LAD3) has now been completed with the costs of works undertaken being less than previously anticipated and so providing better value for money. Several difficulties were encountered finding sufficient suitable properties to carry out works which met the requirements and conditions associated with the grant funding and other partner LAs, who were part of the partnership scheme, were only able to join the scheme later on resulting in fewer premises being involved than anticipated. The underspend of this scheme totalling £963k has been returned to the funding body.
43. The Home Upgrade Grant 2 scheme is due to commence in 2024 and span until March 2025 The council has been awarded £1,242k to carry out this scheme. The aim of this scheme is to complete

retrofit energy efficiency works to properties that are off the gas network.

44. Grant funding of £343k has also been provided for the Social Housing Decarbonisation fund (SHDF Wave 1) this has been awarded alongside HRA funding of £370k. The purpose of this scheme is to provide registered providers of social housing to improve the energy efficiency of their social housing stock. Works have been underway on this scheme and the first wave is due to be completed by January 2024.

Transport, Highways & Environment

45. There has been a thorough review of the phasing of the capital programme across Transport, Highways and Environment to reflect latest timescales.

Major Projects

46. For the York Outer Ring Road the current focus of the project team continues to be to get the planning application for the scheme proposals through the determination period and then to a planning committee. There have been some challenges and clarifications involving statutory consultees and this has led to a series of delays. The expectation that the application will be considered at an autumn planning committee has now slipped to February 2024. If this is achieved the project team will then be seeking to get approval to make a compulsory purchase order (CPO) in order to lodge an application with the Secretary of State for Transport. Preparation of the CPO documents is well under way.
47. In parallel, work is ongoing to acquire land, develop the business case and complete the detailed design for the scheme. The construction stage is expected to start in Spring 2025. A small adjustment in current year spend has brought the expenditure projection for the current year to £1.3m and 2024/25 projected to £22.6m.
48. For the Station Gateway Scheme the latest programme still indicates expenditure of £9.2m in 2023/24. The utility diversion and highways works have started on site, with completion currently programmed for autumn 2025.

49. 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 in August and September 2023 at a total cost of £2.54m (excluding 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 2024.
50. The Castle Gateway Transport Improvements scheme aims to improve transport infrastructure in the area of the Castle Gateway development, and the timescales for any proposed schemes are dependent on the wider development proposals. This work is not expected to be delivered in 2023/24 therefore the majority of the funding (£3.423m) will be carried forward to 2024/25.
51. Tadcaster Road Phase 1 project has a projected overspend due to the extent of shallow services, tree roots and the limitations on working times that have taken place to reduce impact on local residents. A formal approach to WYCA as one of the existing funding bodies to see if additional funding can be secured has been made. The Director of Environment, Transport and Planning has agreed to a number of items of the scheme, as part of value engineering, being descoped meaning that they will not be delivered in this scheme and will need to be considered for future phases. The works that have been taken out of the scheme included bus lay-by works, stepped cycleway works, some footway/ cycleway widening and some discrete resurfacing works. The cost of the scheme even with these value engineering reductions is expected to be in the order of £0.6m over budget which will need to be met from existing highways and transport budgets if additional external funding cannot be identified. This will be managed within the outturn position.

Transport

52. Work to install the Hostile Vehicle Mitigation measures at key locations around the city centre began in April 2023. Currently the installation works have been completed at 9 out of the 11 sites as follows: High Petergate, Lendal, Spurriergate, Goodramgate, The Shambles, Minster Gates, St Andrewgate, and Colliergate, with further work planned for Pavement/ Parliament Street and Blake Street in early 2024.

53. The scheme completion has been delayed by approximately four months. This is due to a range of issues, the primary one being a change in method of working directed by CYC to ensure public access around the site areas during the construction phase. The other main cause of delay has been due to ground conditions. Despite a preparatory phase of ground investigation, complications with utility services have hampered progress along with the unearthing of at least 40kg of archaeological human remains. The latter requires an archaeological watching brief to oversee the work which determines the pace of progress when sensitive layers are being exposed.
54. The prolongation of the scheme and additional items such as redesign and larger areas of reinstatement means that costs have risen. The current working assumption is that the cost of the project will be in the region of £700k (20%) above budget. The additional costs will be managed from within Highways and Transport Capital Budgets as well as there being a contribution of c £100k from city centre capital budgets from UK Shared Prosperity Fund.
55. Work has continued on the Electric Vehicle Fleet Infrastructure, Union Terrace Hyper Hub, and Electric Vehicle Charging Infrastructure schemes. The installation of charging infrastructure for electric vehicles at the council's Hazel Court depot is ongoing. A planning application has been submitted for the proposed Hyper Hub at Union Terrace car park, and work is also progressing on the installation of new electric vehicle charging points across the city, with the final works at Bishopthorpe Road and Monk Bar car parks to be completed in 2023/24.
56. Preparatory work for the St Mary's Ramp Cycle Scheme was carried out earlier in the autumn, and the work to construct the ramp started in November. Due to additional utility diversion work required for the construction of the new ramp, the cost of the scheme has increased, and the allocation for the scheme has been increased to £320k.
57. The council was awarded grant funding from the government's Zero Emission Bus Regional Area (ZEBRA) fund to support the purchase of electric buses, and £9.5m grant funding has been awarded to First York for the purchase of 53 electric buses, with 40 of these already delivered to First York.

58. A revised Active Travel Programme the work has continued on progressing the schemes in the programme through feasibility and design to implementation. Work to improve cycle facilities at the build-outs along Skeldergate was completed in the summer, and a new pedestrian crossing at Tower Street near St George's Field car park was constructed in November.
59. Feasibility and design work on other schemes in the programme is being progressed to develop schemes for implementation, including the proposed improvements to the Riverside Path between Jubilee Terrace and Scarborough Bridge, improvements to the area around Badger Hill school to improve safety for pedestrians and cyclists, and installation of new cycle parking in the city centre including spaces for non-standard bicycles such as cargo bikes. However, a further review of the Active Travel Programme will be carried out to confirm which of the remaining schemes can be progressed to delivery with the available funding.
60. The Castle Gateway Transport Improvements scheme aims to improve transport infrastructure in the area of the Castle Gateway development, and the timescales for any proposed schemes are dependent on the wider development proposals. This work is not expected to be delivered in 2023/24 and a further slippage of £540k has been carried forward to 2024/25 giving a budgeted spend of £4,448k in 2024/25.
61. Haxby Station - a further £2.1m has been approved at the end of November 2023 from Restoring Your Railway (DfT) to the project (direct funding to Network Rail) for the next stage of development. DfT have also confirmed that full delivery funding will be available for complete delivery of the station subject to a satisfactory business case. This DfT funding is going directly to Network Rail with the council contributing £4m. A planning application for the new station is anticipated to be submitted in January 2024.

Highway Schemes (including footways)

62. The Capital Highway Programme has now been completed with 22 schemes being delivered. There have been additional costs at several of the resurfacing schemes, predominately down to the

scope of the works increasing to improve the condition of the carriageway and supporting infrastructure, typically where further deterioration has occurred since the initial design. There has also been a requirement to undertake works outside of normal working hours as directed by Street Works and not anticipated prior to tender.

63. There have been two schemes (at Bishopthorpe Road and Danesgate) that will slip to 2024/25. It is anticipated that the budget will also slip into that year however that will be dependent on the final accounts of the other schemes.
64. The Department for Transport announced an additional £360k for Highway Maintenance in each year of 2023/24 and 2024/25 (£720k total). These allocations have been added to the programme although given the late notice of the award it is likely that the schemes that will be delivered with the funding will be considered as part of the 2024/25 Highway Maintenance Programme.
65. The Large Patching programme is ongoing and making good progress with all schemes currently forecast to be completed this financial year. The additional £250k patching is also forecast to be completed this financial year. In addition, all the Surface Dressing schemes are now complete.
66. The Footway schemes at Manor Park Road, Forestgate, Coda Avenue and Heslington Lane have been successfully delivered within budget, Myrtle Avenue will soon be complete, and the remaining schemes are now programmed in for delivery within the financial year.
67. The remaining programme is currently progressing well. However, the planned works at Coppergate will be deferred to 2024/25 due to the amount of works planned and ongoing within the City Centre.

Drainage

68. The scheme at Kent Street is now complete. Delays were experienced in the delivery of the works due to significant archaeological finds in the excavated areas.

69. A signification number of drainage repairs have been carried out on Hull Road between Tang Hall Lane and the A64 and the scheme is now complete.
70. Pre-surfacing repairs have been undertaken at Elvington Lane and Lawrence Street in conjunction with the Carriageway resurfacing works.
71. Minor drainage schemes have been completed in twelve locations: addressing specific isolated flooding related issues. These Proactive Maintenance and Repair Schemes are ongoing, and the works will continue throughout the financial year.
72. Investigation work has been carried at Murton Way to understand the drainage system in the area.
73. Due to weather conditions, we've encountered a high number of sink holes which have required urgent repair. These include works at Hamilton Drive, Rawcliffe Lane Wilton Rise, Bootham Terrace, Avenue Road, Greenshaw Drive, Low Poppleton Road. Horner Street. Balfour Steet and Lowther Street.
74. As a result of the sink hole repair works at Bishopthorpe Road there is a forecast overspend on Drainage Basic Maintenance. A transfer of £300k from Highway Maintenance to Drainage has been proposed to cover the costs.

City Walls

75. The substantive works on Red Tower are now complete.
76. The decision on the planning application for Bootham Bar will likely be delayed beyond the end of the financial year; therefore, its likely this scheme will be delivered 24/25 and subsequent slippage of £100k has been made.

Street Lighting

77. The Capital Replacement scheme of 560 concrete street lighting columns in Haxby and Wigginton was planned for completion in December. There are further works to complete from the previous year's programme which are programmed for delivery in February.

Waste Fleet & Public Realm

78. Vehicle Replacement Programme – much of the anticipated delay in delivery of vehicles and plant that was reported at Monitor 2 has not occurred and therefore £2.4m has been brought forward from 2024/25 to 2023/24.

Regeneration, Economy & Property Services

79. There has been a review of all the budgets across Property Services to determine the need for continued budgetary support and likely value of spend in the year. With a small slippage of £30k to next year for the Removal of Asbestos project.
80. The delivery of the Castle Gateway Regeneration project has been impacted by a number of factors – specifically construction cost inflation and delays to the announcement of potential Levelling up Funding by government. In November 2023 Executive agreed the way forward and work will now commence to revise designs for the Castle / Eye of York and the delivery of Affordable Housing. The strategic importance of St George's Field as a parking location is acknowledged and proposals for improving parking provision here with coach drop off facilities are being progressed.
81. The York Central scheme has seen good progress on the delivery of the access infrastructure, with significant works evident on site and with Homes England / Network Rail managing the construction contract which includes; the new bridge across the East Coast Main Line; the spine road with access into the site from Water End; dedicated / segregated pedestrian and cycle routes along the full length of the route, and associated landscaping. The Funding Agreement for allocating £35m of Enterprise Zone (EZ) backed borrowing to the delivery of the York Central Infrastructure is still pending, however, although spend is not anticipated until Q2 24/25 and later years.
82. In April 2022 a report to Executive provided an update on York Central, and at that meeting CYC funding of £2.7m for Highway Supervision works and £0.5m towards the riverside path was agreed, as well as noting the residual £1m of unallocated budget. It is proposed to slip £3.5m at this monitor because the scheme continues into future years.

83. With regards the Enterprise Zone funding, the April 2022 report set out the latest business rate assumptions for the site and borrowing costs in respect of the £35m investment. There was also a recommendation to delegate to the Chief Finance Officer (in consultation with the Director of Governance or her delegated officers) the authority to enter into an Enterprise Zone Funding Agreement with Homes England to reimburse infrastructure costs where these facilitate the delivery of York Central.
84. Since that meeting there have been changes to both interest rate assumptions (which have worsened) and some changes to business rate retention (which have improved) and the timeframe for development has seen further delay. There has also been the announcement, as part of the devolution deal, that the government will forego York Central business rates for a further 10 year period following the creation of the York and North Yorkshire Mayoral Combined Authority is created. This allows the council to retain business rates from 2042/43 to 2051/52.
85. In response to this, further modelling work was commissioned, to confirm that the assumptions on retained business rates remain in line with those previously reported. The table below provides a summary.

Scenario	RV assumption	Delay	Office quantum reduction	Net NNDR generated (2041) £'m	After Borrowing Costs £'m	Early yr. Interest £'m
1	Baseline	0	0	103.2	48.6	-1.7
2	Low	3 year	0	74.5	19.2	-5.5
5	Baseline	0	20%	86.9	32.2	-1.7
6	Low	3 year	20%	62.7	7.4	-5.5
Nov 2023	As per HE/NR proposals			82.1	15.9	-5.5

86. The table indicates that the level of business rates generated, when development is built out at York Central, are consistent with previous assumptions. However, as borrowing costs are assumed to be higher based on current interest rates, there remains a short term cash flow issue in line with that previously reported. The additional 10 year extension to the EZ models that an additional £10m of business rates income will be generated, per annum, when York Central is built out. This allows greater comfort to the council that the short term costs will be covered by the longer term receipts. When the timing and value of receipt of business rates are be more certain Members will be able to revisit investment levels on the site.
87. Homes England and Network Rail have selected McLaren Property and Arlington Real Estate as the preferred developer for their major brownfield scheme, York Central. This is a really significant milestone for the project and the City with York Central entering a new delivery phase with a private sector partner on board.
88. Progress has also been reported earlier in the year with respect to: the development of the NRM Central Hall; a new public square, and early design proposals for Government Hub adjacent to the Railway Museum. In combination these elements should all give confidence that York Central will soon emerge as a new piece of city generating employment opportunities, and where the developer partner will deliver new homes for city living.
89. UK Shared Prosperity Fund (UKSPF) Phase 1 of Acomb Front Street (Improvements to City Centres & High Streets project) began last year and continued until Summer 2023 with a projected spend of £161k this financial year.
90. Following an Executive decision in October 2023, £300k earmarked for UKSPF Enterprise Infrastructure spend in 2024/25, has been moved to UKSPF Improvements to City Centre & High Streets project 2024/25.

Customer & Corporate Services

Crematorium Waiting Room

91. The scheme at the crematorium is currently being reviewed to ensure that works at the crematorium can be contained within the budget. The outcome of any such review will be reported to future monitoring reports.

Register Office Phase Two

92. It is anticipated that the refurbishment to the toilets will complete later this year.

Customer & Corporate Services - IT

93. The ICT capital programme has a budget of £3,722k for 2023/24. At monitor 3, it is requested that £311k is drawn down from 2024/25 to meet this year's programme requirements.
94. Key achievements in the year to date include:
- Additional Citrix nodes to increase capacity and performance purchased and installed.
 - EDRMS Upgrade currently being implemented.
 - Nutanix storage upgrade was installed October 2023.
 - Significant progress is being made with the Network upgrade and associated telephony.
 - Ongoing provision and refresh of standardised ICT equipment aligned to new worker styles including the specification, sourcing, configuring, delivery and support of the equipment necessary to allow the delivery of secure hybrid working ensuring staff have the right equipment at the right time to meet the demands of their role.
 - Engagement in floor plate design and the planning for, sourcing and installation of essential ICT equipment to allow for welcoming of new partners into West Offices. This included ensuring that the required levels of secure access and effective working were enabled and maintained for the new and evolving occupancy mix of the building.

- Ongoing commitment to the testing and roll out of the M365 applications, in particular this year including further investment in Teams and Micollab to incorporate incoming and external telephony services as we work toward the decommissioning of Skype.
- Identification and deployment of applications previously only available in Citrix over to laptops and desktops.
- Ongoing improvement works relating to ICT service provision for staff at Hazel Court.
- Implementation and commissioning of the new Citizen Access platform replacing the ageing SX3 Revenues and Benefits System.
- The roll out of Secure Mail to replace DoqEx is underway.
- In Adults Social Care, supporting the adaptation and take up of the Yorkshire/Humberside Shared Care Records platform.
- Supported the access to ultrafast and future proof Broadband Services within the hard to reach parts of the City in terms of securing private sector interest and investment.

Communities & Culture

Future Libraries Investment Programme

95. The three library projects have been combined and are reported within a single FLIP (Future Libraries Investment Programme), under the corporate project management structure. The capital budget this year is £5,378k which includes an education allocation of £255k for Clifton Library.
96. Works at Clifton are 8 months into a 13 month on-site build and are progressing very well. Old buildings have been demolished, improved local school footpath links completed, all underground works and the foundations for the new two storey building are complete. Work is currently focused on the block work construction of the main new two storey building. The ground foundations are now up to mid-first floor brick work level. At Monitor 1 £1.3m was slipped to 2024/25 aligning with building continuing until next summer and an anticipated opening date during Autumn 2024.

97. The new library at Haxby is open. Public consultation has taken place on Acomb Library and the scheme will be reviewed in Spring/Summer 2024.

Westfield Multi Use Games Area Provision

98. Following preliminary investigation works at the York Acorn Sports and Social Club, an additional community sports club has been approached for a potential site for the Westfield MUGA within the ward. Build is not expected to take place this year, it is proposed that the £192k budget is slipped to 24/25.

Changing Places Toilets

99. £244k has been awarded to provide two facilities, one at Oaken Grove, Haxby and the refurbishment of Silver Street in the city centre. Design sign-off has been approved by MDUK for Oaken Grove and the planning determination is also approved. Contract is awarded and build starts in January 2024. Silver Street now has budget approval. Final design is approved by MDUK and contract awarded, fit out starts second week of January 2024. Delivery of both is still programmed to complete by end of March 2024.

Climate Change

100. The Climate Change programme has a budget of £1,461k for 2023/24, at Monitor 2 £400k of the Northern Forest Land Purchase budget was slipped to 2024/25. At Monitor 2, a further £734k was slipped to future years in line with match funding requirement of the Public Sector Decarbonisation Schemes (PSDS). At monitor 3, it is requested that a further £66k is slipped to next year, this the net effect of a reverse slippage of £100k from M2 for the PSDS, the slippage of £127k to 2024/25 for potential match funding of the Harewood Whin scheme from the Mayoral Combined Authority's Net Zero Fund and a new a Defra grant £39k to be used in 2024/25.
101. Key achievements since M2 include:
- Becoming a signatory to the Yorkshire & Humber Climate Commission's Climate Action Pledge
 - Retaining York's status as an A-listed climate action leading city with CDP

- Secured £39k of funding from Coronation Living Heritage Fund to deliver two micro-woodlands to mark the coronation of King Charles.
- Three schools have received free solar panel installations in partnership with Solar for Schools
- Confirmation of funding from the MCA Net Zero Fund for LED, housing and renewable feasibility projects
- Completed annual city-wide and corporate emissions reporting requirements.

Organisational Impact and Implications

102. 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 legal implications, the schemes within the capital programme themselves will be in receipt of legal advice where necessary
- **Procurement** – Whilst this report itself does not have any procurement implications, schemes within the capital programme are all procured in accordance with the procurement legislation.
- **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 this report is mainly for information to update on the progress of delivery of schemes within the programme, there are no direct data protection and privacy implications as a result of this report.
- **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

103. 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

104. 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:	15 January 2024

Background papers

- Capital Budget Report – Full Council 23 February 2023
- Capital Programme Outturn 2022/23 and Revisions to the 2023/24-2027/28 Programme – Executive 15 June 2023
- Capital Programme Monitor 1 2023/24 – Executive 14 September 2023
- Capital Programme Monitor 2 2023/24 – Executive 16 November 2023

Annexes

- Annex A – Capital Programme 2023/24 to 2027/28

	2023/24	2024/25	2025/26	2026/27	2027/28	Total Capital Programme 2023/24- 2027/28 £000
	£000	£000	£000	£000	£000	£000
CHILDRENS SERVICES						
DfE Maintenance	1,571	1,600	700	700	0	4,571
Basic Need	137	365	3,075	125	0	3,702
SEND - Applefields Extension (Phase 3)	490	1,120	470	0	0	2,080
SEND - St Paul's Nursery ERP Expansion	100	1,730	0	0	0	1,830
SEND - Huntington School ERP	820	480	510	0	0	1,810
Schools Essential Mechanical & Electrical Work	1,152	500	0	0	0	1,652
Clifton Green Primary - Re-organisation and Security	850	650	0	0	0	1,500
SEND - Specialist SEMH Expansion	1,430	0	0	0	0	1,430
St Oswalds Classrooms	0	1,400	0	0	0	1,400
Schools Essential Building Work	930	400	0	0	0	1,330
Fulford School Expansion 2020 Phase 1 and 2	991	200	0	0	0	1,191
Hob Moor Oaks Classrooms	0	1,100	0	0	0	1,100
Huntington Science Labs	0	1,100	0	0	0	1,100
Children in Care Residential Commissioning Plan	930	0	0	0	0	930
NDS Devolved Capital	221	220	220	220	0	881
SEND - Haxby Road ERP Expansion (Lakeside site)	865	0	0	0	0	865
Mainstream Schools SEND fund	175	300	300	0	0	775
Danesgate Outdoor Learning Area	0	600	0	0	0	600
Improving School Accessibility	200	242	0	0	0	442
Expansion and Improvement of Facilities for Pupils with SEND	136	200	0	0	0	336
Danesgate Extension 2022	229	0	0	0	0	229
Millthorpe School	182	0	0	0	0	182
Family Hubs Capital Investment	0	167	0	0	0	167
Healthy Pupils Capital Fund	93	0	0	0	0	93
Southbank Expansion	56	0	0	0	0	56
Applefields Extension Work 2021 and 2022	37	0	0	0	0	37
Manor School	30	0	0	0	0	30
Family Drug & Alcohol Assess/Recovery Facility	0	0	0	0	0	0
ADULT SOCIAL CARE						
Telecare Equipment and Infrastructure	271	275	283	291	300	1,420
Disabled Support Grant	251	260	270	280	290	1,351
Major Items of Disability Equipment	151	147	152	157	162	769
OPA-Haxby Hall	170	0	0	0	0	170
Proof of Concept for robotics & AI within social care	169	0	0	0	0	169
OPA-Ashfield Estate Sports Pitches	162	0	0	0	0	162
OPA - the Centre@Burnholme including enabling works	62	0	0	0	0	62
HOUSING & COMMUNITY SAFETY (HRA & GF)						
Major Repairs & Modernisation of Local Authority Homes	9,500	11,919	10,847	11,027	11,243	54,536
LA Homes - Burnholme	5,795	9,600	6,966	0	0	22,361
Disabled Facilities Grant (Gfund)	2,074	2,375	2,375	2,565	2,565	11,954
Duncombe Barracks	3,789	4,539	0	0	0	8,328
Shared Ownership Scheme	4,636	0	0	0	0	4,636
Local Authority Homes - Phase 2	430	2,785	900	0	0	4,115
Local Authority Homes - Project Team	830	1,000	1,370	889	0	4,089
Assistance to Older & Disabled People	920	630	640	650	660	3,500
Resettlement Housing	2,780	0	0	0	0	2,780
LA Homes - Hospital Fields/Ordnance Lane	714	1,790	0	0	0	2,504
LA Homes Energy Efficiency Programme	1,600	478	0	0	0	2,078
Home Upgrade Grant (G/fund)	1,919	0	0	0	0	1,919
Willow House Housing Development	0	1,000	0	0	0	1,000
Housing Environmental Improvement Programme	215	170	170	170	170	895
Lowfield Housing	521	321	0	0	0	842
Water Mains Upgrade	0	360	50	0	0	410
Extension to Marjorie Waite Court	0	90	0	0	0	90
Chaloner Road Site Enabling Works	27	31	0	0	0	58
Tang Hall Library Site Enabling Works (G/fund)	45	10	0	0	0	55
Lincoln Court Independent Living Scheme	47	0	0	0	0	47
James House	12	0	0	0	0	12
Local Authority Homes - New Build Project	0	0	0	0	0	0

	2023/24	2024/25	2025/26	2026/27	2027/28	Total Capital Programme 2023/24- 2027/28 £000
	£000	£000	£000	£000	£000	£000
<u>TRANSPORT, HIGHWAYS & ENVIRONMENT</u>						
York Outer Ring Road - Dualling	1,300	22,644	23,952	11,282	0	59,178
Highway Schemes	10,524	8,265	7,905	7,905	7,905	42,504
Replacement Vehicles & Plant	3,728	7,726	169	3,392	7,323	22,338
WYTF - Station Frontage	9,250	6,945	4,283	0	0	20,478
Local Transport Plan (LTP) *	3,621	3,317	1,570	1,570	1,570	11,648
Bus Service Improvement Plan	1,200	9,222	0	0	0	10,422
ZEBRA	10,259	0	0	0	0	10,259
Innovative Flood Resilience	809	1,290	1,490	1,937	0	5,526
WYTF - Castle Gateway Development	25	4,448	50	0	0	4,523
Highways - Tadcaster Road	4,483	0	0	0	0	4,483
Drainage Investigation & Renewal	1,077	700	900	900	900	4,477
Haxby Station	157	1,500	2,500	0	0	4,157
Flood Alleviation Schemes including Germany Beck	20	3,250	0	0	0	3,270
Replacement of Unsound Lighting Columns	743	578	578	578	0	2,477
Built Environment Fund - Hostile Vehicle Mitigation	2,413	0	0	0	0	2,413
Essential Bridge Maintenance (Lendal Bridge)	150	1,950	0	0	0	2,100
Flood Scheme Contributions	0	1,500	0	0	0	1,500
York City Walls Restoration Programme	702	400	300	0	0	1,402
Highways & Transport - Ward Committees	1,326	0	0	0	0	1,326
TCF - Tadcaster Road Improvements	922	0	0	0	0	922
Special Bridge Maintenance (Struct maint)	880	0	0	0	0	880
Castle Mills Lock	200	600	0	0	0	800
Smarter Travel Evolution Programme	300	461	0	0	0	761
Waste Vehicle Replacement	550	175	0	0	0	725
Highways Drainage Works	500	200	0	0	0	700
National Cycle Network 65 Targeted Repairs	286	70	0	0	0	356
EV Charging Asset Replacement	318	0	0	0	0	318
Fordlands Road Flood Defences	221	0	0	0	0	221
Flood Sign Renewal and Rainfall monitoring	60	135	0	0	0	195
Fleet & Workshop Compliance	100	91	0	0	0	191
Public Realm & Waste Equipment	163	0	0	0	0	163
River Bank repairs	0	148	0	0	0	148
Access Barrier Review	98	0	0	0	0	98
Better Play Areas	85	0	0	0	0	85
Knavesmire Culverts	31	50	0	0	0	81
Electric charging Infrastructure	38	0	0	0	0	38
<u>REGEN, ECONOMY & PROPERTY SERVICES</u>						
York Central Infrastructure	704	38,941	0	0	0	39,645
Castle Gateway (Picadilly Regeneration)	432	3,991	0	0	0	4,423
Asset Maintenance + Critical H&S Repairs	300	406	275	275	275	1,531
West Offices - LED Lighting	925	0	0	0	0	925
Improvements to City Centre & High Streets (UKSPF)	161	675	0	0	0	836
Guildhall	408	0	0	0	0	408
Rural Prosperity Fund	100	300	0	0	0	400
Hazel Court - LED Lighting	304	0	0	0	0	304
LCR Revolving Investment Fund	0	300	0	0	0	300
Removal of Asbestos	40	197	0	0	0	237
Commercial Property Acquisition incl Swinegate	110	80	0	0	0	190
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	0	77	0	0	0	77
Air Quality Monitoring (Gfund)	57	5	0	0	0	62
Built Environment Fund - Shopping Area Improvements	15	0	0	0	0	15
Enterprise Infrastructure (UKSPF)	0	0	0	0	0	0
<u>STADIUM & MAJOR PROJECTS</u>						
Community Stadium	271	0	0	0	0	271
<u>ICT</u>						
IT Development plan	3,913	2,509	3,170	2,820	2,820	15,232
IT Superconnected Cities	120	0	0	0	0	120

	2023/24	2024/25	2025/26	2026/27	2027/28	Total Capital Programme 2023/24- 2027/28 £000
	£000	£000	£000	£000	£000	£000
<u>CUSTOMER & CORPORATE SERVICES</u>						
Project Support Fund	841	200	200	200	200	1,641
Capital Contingency	1,176	0	0	0	0	1,176
Crematorium Waiting Room	0	227	0	0	0	227
Registry office Phase 2 Refurbishment	46	0	0	0	0	46
<u>COMMUNITIES & CULTURE</u>						
Future Libraries Investment Programme	4,078	2,026	0	0	0	6,104
Westfield Multi Use Games Area	0	192	0	0	0	192
Energise Roof	58	0	0	0	0	58
Explore self issue machines	10	0	0	0	0	10
<u>CLIMATE CHANGE</u>						
Climate Change schemes including Northern Forest	300	1,450	250	0	0	2,000
<u>GROSS EXPENDITURE BY DEPARTMENT</u>						
<u>PEOPLE DIRECTORATE</u>						
CHILDRENS SERVICES	11,625	12,374	5,275	1,045	0	30,319
ADULT SOCIAL CARE	1,236	682	705	728	752	4,103
<u>PLACE DIRECTORATE</u>						
HOUSING & COMMUNITY SAFETY (HRA & GF)	35,854	37,098	23,318	15,301	14,638	126,209
TRANSPORT, HIGHWAYS & ENVIRONMENT	56,539	75,665	43,697	27,564	17,698	221,163
PROPERTY SERVICES	3,656	45,148	275	275	275	49,629
<u>CHIEF OPERATING OFFICER</u>						
STADIUM & MAJOR PROJECTS	271	0	0	0	0	271
ICT	4,033	2,509	3,170	2,820	2,820	15,352
CUSTOMER & CORPORATE SERVICES	2,063	427	200	200	200	3,090
COMMUNITIES & CULTURE	4,146	2,218	0	0	0	6,364
CLIMATE CHANGE	300	1,450	250	0	0	2,000
TOTAL BY DEPARTMENT	119,723	177,571	76,890	47,933	36,383	458,500
TOTAL GROSS EXPENDITURE	119,723	177,571	76,890	47,933	36,383	458,500
TOTAL EXTERNAL FUNDING	56,431	66,995	41,170	18,868	6,495	189,959
TOTAL INTERNAL FUNDING	63,292	110,576	35,720	29,065	29,888	268,541

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Meeting:	Executive
Meeting date:	25 January 2024
Report of:	Debbie Mitchell, Chief Finance Officer
Portfolio of:	Councillor Katie Lomas Executive Member for Finance, Performance, Major Projects, Human Rights, Equality & Inclusion

Decision Report: Treasury Management Monitor 3

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 2023/24 financial year 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 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 quarterly report, detailing activities undertaken so far, performance, and monitoring of the Prudential Indicators. It provides an update on activity for the period 1st April 2023 to 30th November 2023. 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. Members are asked to:
 - Note the Treasury Management activities up to the third quarter date ending 30th November 2023.
 - Note the Prudential Indicators set out at Annex A 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 policies set.

7. It is a statutory duty for the Council to determine and keep under review the affordable borrowing limits. During the first three quarters of the year to 30th November 2023, the Council has operated within the treasury and prudential indicators set out in the Council's Treasury Management Strategy Statement for 2023/24.
8. There are no policy changes to the Treasury Management Strategy Statement 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 for the first three quarters of the 2023/24 financial year;
 - A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
 - An update to the prudential indicators (set out at Annex A);
 - 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.

Economic Update

10. The first half of 2023/24 saw:
- Interest rates rise by a further 100bps, taking Bank Rate from 4.25% to 5.25%.
 - Short, medium and long-dated gilts remain elevated as inflation continually surprised to the upside.
 - CPI inflation falling from 8.7% in April to 6.7% in August, its lowest rate since February 2022, but still the highest in the G7.
 - Core CPI inflation declining to 6.1% in September from 7.1% in April and May, a then 31 years high.
 - A cooling in labour market conditions, but no evidence yet that it has led to an easing in wage growth.
11. In its latest monetary policy meeting on 14th December 2023, the Bank of England left interest rates unchanged at 5.25% for the third meeting in a row. The vote to keep rates on hold was a split vote, 6 - 3 (no change – raise 0.25) indicating some members of the MPC are still concerned about the stickiness of inflation. It is expected that the MPC will keep interest rates at the probable peak of 5.25% until the second half of 2024 and there is likely to be a growing drag from higher interest rates over the next six months meaning there could be a mild recession in the economy.
12. The Bank of England has maintained the hawkish guidance that rates will stay “sufficiently restrictive for sufficiently long” to indicate to markets rates may stay higher for a more prolonged period, rather than a peak in rate being followed by rate cuts, showing it is serious in ensuring inflation is brought under control. The sentiment gives the

Bank of England the flexibility to respond to new developments, as for example, a rebound in services inflation, another surge in wage growth and/or a further increase in oil prices could conceivably lead to a further raising of rates in the future.

Interest Rate Forecast

13. Table 1 is Link Groups Interest Rate forecast for both the bank base rate and long-term Public Works Loans Board (PWLB) Certainty borrowing rates:

	Bank rate %	PWLB borrowing rates % (including certainty rate adjustment)			
		5 year	10 year	25 year	50 year
Dec 2023	5.25	5.00	5.10	5.50	5.30
Mar 2024	5.25	4.90	5.00	5.30	5.10
Jun 2024	5.25	4.80	4.80	5.10	4.90
Sep 2024	5.00	4.70	4.70	4.90	4.70
Dec 2024	4.50	4.40	4.40	4.70	4.50
Mar 2025	4.00	4.20	4.20	4.50	4.30
Jun 2025	3.50	4.00	4.00	4.30	4.10
Sep 2025	3.25	3.80	3.80	4.20	4.00
Dec 2025	3.00	3.70	3.70	4.10	3.90
Mar 2026	3.00	3.60	3.70	4.10	3.90
Jun 2026	3.00	3.50	3.60	4.00	3.80
Sep 2026	3.00	3.50	3.60	4.00	3.80
Dec 2026	3.00	3.50	3.50	4.00	3.80

Table 1: Link Asset Services Interest Rate Forecast 7th November 2023

14. Link expect the MPC will keep Bank Rate at 5.25% for the first half of 2024 to combat on-going inflationary and wage pressures. Link do not think that the MPC will increase Bank Rate above 5.25%, but it is possible. The overall longer-run trend is for gilt yields and PWLB rates to fall back over the timeline of our forecasts, as inflation starts to fall.

Annual Investment Strategy Update

15. Full Council approved the Treasury Management Strategy Statement for 2023/24 on 23rd February 2023 which can be viewed here <https://democracy.york.gov.uk/ieListDocuments.aspx?CId=331&MId=13284> and this included the Annual Investment Strategy.

16. The Council's Annual Investment Strategy, which is incorporated in the Strategy, outlines the Council's investment priorities as follows:
 - Security of capital
 - Liquidity
 - Yield
 - Ethical, Social & Governance (using the FTSE4GOOD index, or any suitable alternative responsible investment index or information)
17. The Council continues to aim to achieve the optimum return (yield) on investments commensurate with the proper levels of security and liquidity and the Council's risk appetite.
18. There are no investment policy changes and the details in this report do not amend the Statement.

Investment Portfolio

19. Investment returns have improved in the first 9 months of 2023/24 compared to those seen in 2022/23. This is due to increases in the Bank of England Base Rate (BBR) reflected in market rates. The last BBR increase came on 3rd August 2023 and the last 3 meetings held rates at 5.25%. Market expectation is that the BBR will not rise further but stay at this level until the second half of 2024. If this is the case investment returns may have reached their peak.
20. 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.
21. The average level of cash balances available for investment purposes in the first 8 months of 2023/24 was £29.325m (£57.858m for the same 8-month period in 2022/23).
22. 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 developer contributions, borrowing for capital purposes, payments to its suppliers of goods and services and spend progress on the capital programme. These funds are therefore only available on a temporary basis depending on cash flow movement and during the first 9 months of 2023/24 all cash has been kept in more liquid short-term investments which has meant investments returns are not as high as market averages.

23. The level of average cash balances has decreased compared to a year ago due to cash being used to support the Council's capital programme spending and no additional borrowing for capital being taken in 2022/23. The level of average balance available for investment has decreased during the first 9 months due to the continuing policy of avoiding new borrowing by running down spare cash balances to fund the capital programme.
24. The policy of using cash to delay long-term borrowing has served well over the last few years and is being kept under review into the last quarter of 2023/24 as cash balances for investment are projected to fall more sharply due to the timing of receipts and payments increasing the Councils underlying borrowing need. The Council is currently maintaining an under-borrowed position in relation to the Capital Financing Requirement.
25. Investment return (calculated as the amount of interest earned on invested cash for the period) during the first eight months of 2023/24 is shown in table 2:

	2022/23 (full year)	2023/24 (to 30th Nov 23)
Average CYC Rate of Return	2.02%	4.79%
<u>Benchmarks</u>		
Average Overnight SONIA	2.24%	4.85%
Average 7 day Backward Looking SONIA	2.23%	4.83%

Table 2: CYCs investment rate of return performance vs. SONIA benchmark

26. The average rate of return achieved for invested cash to date in 2023/24 has been steadily increasing compared to the average seen in 2022/23, due to the Bank of England raising the base to 5.25%. The Council has been keeping cash in highly liquid Money Market Funds which provide instant access to cash and therefore has used the average overnight SONIA rate to compare it's return to. There is a slight time lag between the interest earned from investing in these Money Market Funds compared to the base rate and overnight SONIA as Money Market Funds adjust their portfolios in a rising interest rate environment.
27. Opportunities for longer term investments at higher yields are now more prevalent, however as stated above the Council is using its cash balances to delay taking on long-term borrowing. Opportunities that arise for notice and fixed investments are considered in terms of the

Councils short to medium term cash flow requirement and under borrowed position.

28. Figure 1 shows the average SONIA rates for a number of investment durations compared with the Bank of England base rate and the rate of return that the Council has achieved on invested cash for the first six months of 2023/24. It shows that the Councils average rate of return on its instant access cash has been steadily increasing for the first six months of the year on the same trend as the Bank of England base rate and the average overnight SONIA and average 7 day backward looking SONIA rates whilst ensuring the required liquidity and security of funds for the Council.

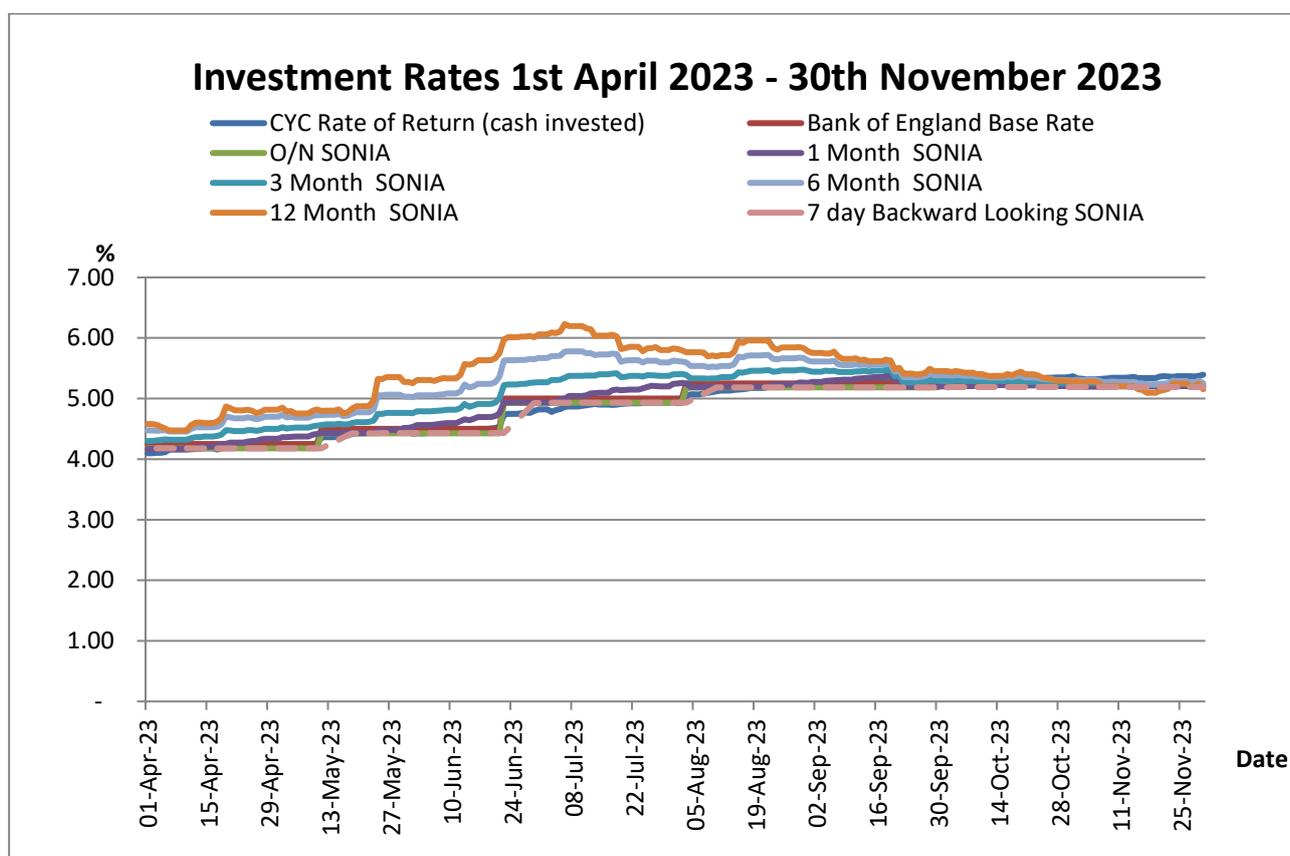


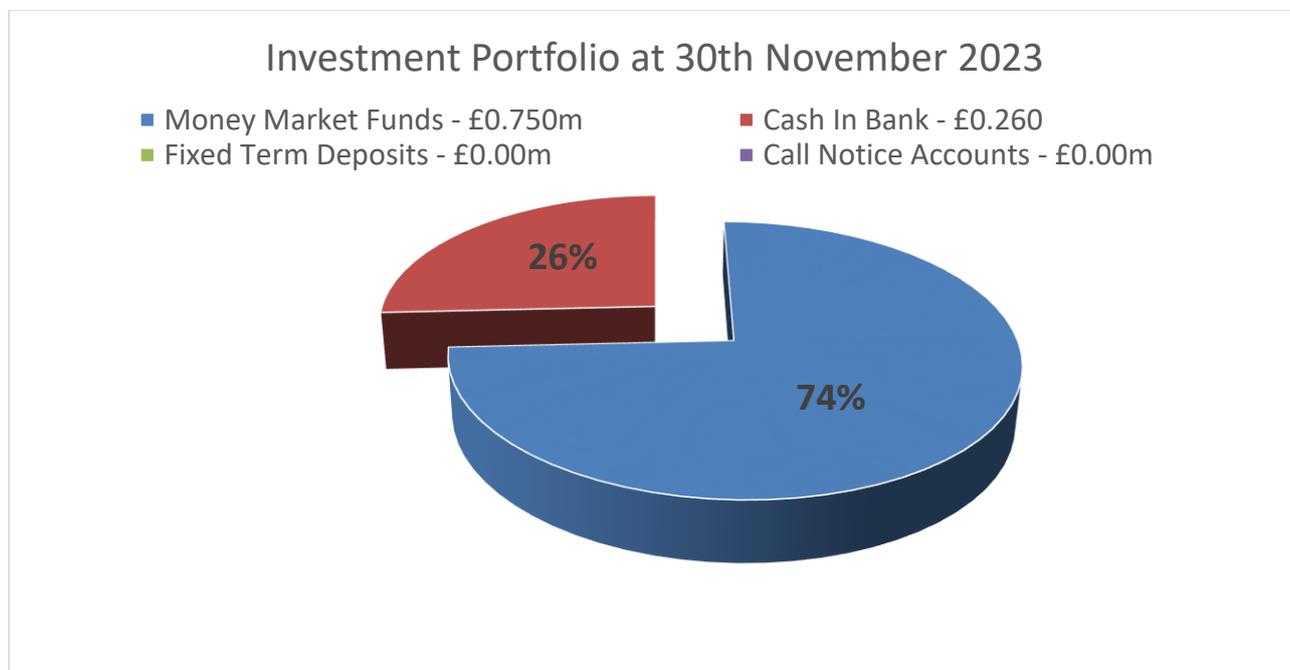
Figure 1 CYC Investments vs Bank of England base rate and SONIA up to 30th November 2023

29. Table 3 shows the current fixed term investments at 30th November 2023.

Institution Type	Principal 30/11/23	Average Principal	Average Rate
Fixed Term Deposits	£0.00m	£0.00m	0.00%
Call / Notice	£0.00m	£0.00m	0.00%
Money Market Funds	£0.75m	£28.91m	4.81%
Cash in bank	£0.26m	£0.41m	0.00%
Total Investments	£1.01m	£29.33m	4.79%

Table 3: Investment Portfolio by type at 30th November 2023

30. Figure 2 shows the investments portfolio split by cash in bank, deposits in short term call accounts, fixed term investments and Money Market Funds. All of the Money Market Funds have an AAAm credit rating and the cash bank account is AA-.

**Figure 2 Investment Portfolio by type at 30th November 2023**

Borrowing Strategy Update

31. 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.
32. The level of borrowing taken by the Council is determined by the Capital Financing Requirement (the Councils underlying need to borrow for capital expenditure purposes). Borrowing needs to be affordable, sustainable and prudent.
33. 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.
34. 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.

35. The borrowing strategy takes into account the borrowing requirement, the current economic and market environments and is also influenced by the interest rate forecast. The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This can be seen on the Councils Liability Benchmark graph as shown by the gap between the loans outstanding and CFR.

Borrowing Portfolio

36. The Councils long-term borrowing started the year at a level of £297.265m. No new loans have been taken during the first eight months of the year. The current borrowing portfolio position as at 30th November 2023 is £297.265m.

Institution Type	Principal	Average Rate
<u>Public Works Loan Board</u> PWLB (58) – Money borrowed from the Debt Management Office (HM Treasury)	£289.9m	3.17%
<u>Market Loans</u> LOBO Loans (1) – Lender Option Borrower Option	£5.0m	3.88%
<u>West Yorkshire Combined Authority</u> WYCA (4) – Zero interest loans the purpose of which are to help to fund York Central infrastructure projects.	£2.4m	0.00%
Total Gross Borrowing (GF & HRA)	£297.3m	3.16%

Table 4 Current position at 30th November 2023

37. There are 5 scheduled repayments of long-term borrowing that will occur this financial year totalling £6.2m. These are detailed in the table below.

Lender	Issue Date	Repayment Date	Amount	Rate	Duration (years)
PWLB	23/11/2000	05/11/2023	£3,000,000.00	4.75%	22.95
PWLB	03/04/2001	05/11/2023	£1,000,000.00	4.75%	22.59
PWLB	15/11/2001	28/02/2024	£114,956.00	4.50%	22.29
PWLB	15/11/2001	28/02/2024	£200,000.00	4.50%	22.29
PWLB	28/03/2012	31/03/2024	£1,900,000.00	2.76%	12.01
			£6,214,956.00		

Table 5 Maturing loans in 2023/24

38. The Councils £297.265m of fixed interest rate debt, is split between £146.359m for HRA (£121.550m self-financing debt) and £150.906m for General Fund.

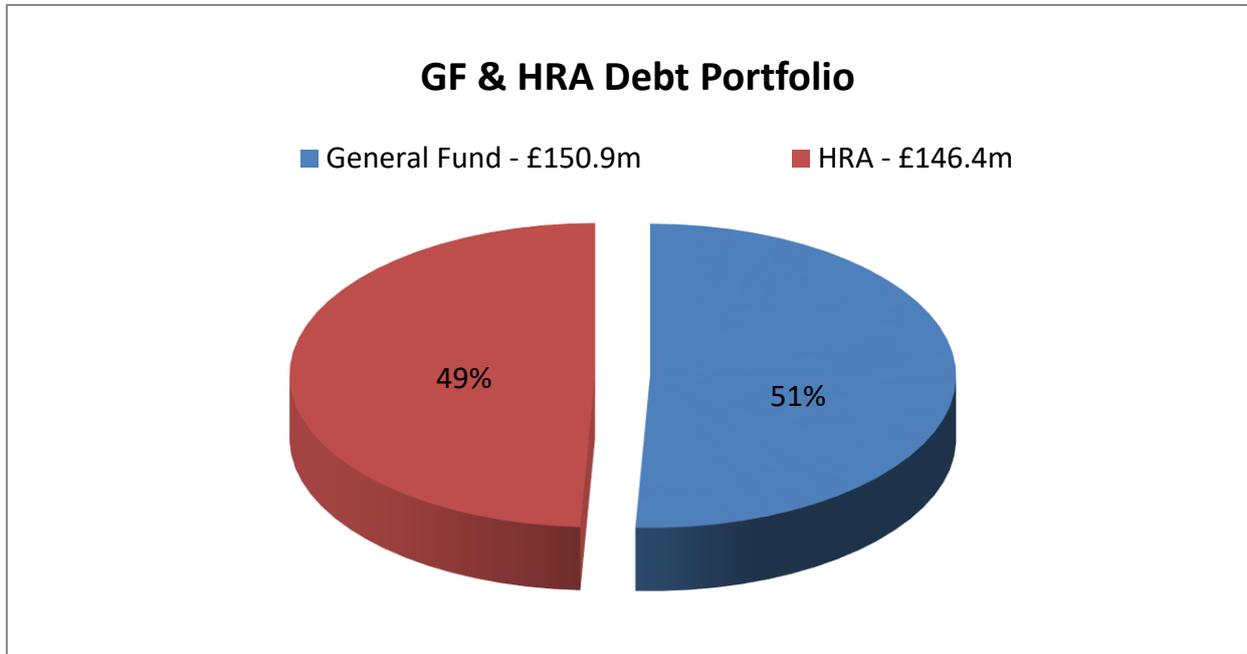


Figure 3 General Fund and HRA debt at 30th November 2023

39. Figure 4 illustrates the 2023/24 maturity profile of the Council’s debt portfolio at 1st December 2023. The maturity profile shows that there is no large concentration of loan maturity in any one year, thereby spreading the interest rate risk dependency.

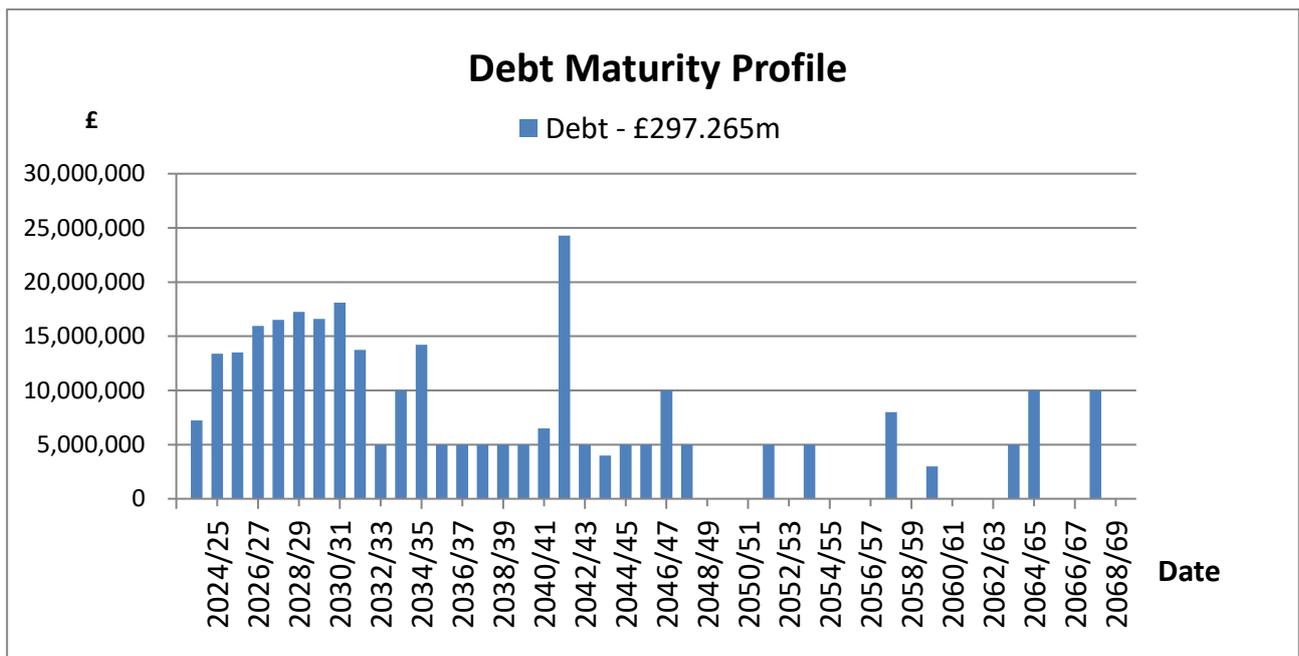


Figure 3 – Debt Maturity Profile at 30th November 2023

40. Should new debt need to be taken in 2023/24, the timing of when that debt is drawn down will depend 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.
41. Table 6 shows PWLB Certainty borrowing rates available for selected loan durations between 1st April 2023 and 30th November 2023 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	6.36%	5.93%	5.53%	5.96%	5.74%
Low	4.65%	4.14%	4.20%	4.58%	4.27%
Average	5.62%	5.15%	5.06%	5.33%	5.10%

Table 6 – PWLB Borrowing Rates 1st April 2023 to 30th November 2023

Compliance with Treasury policy Prudential Indicators

42. The Prudential Indicators for 2023/24 included in the Treasury Management Strategy Statement are based on the requirements of the Council's capital programme and approved at Budget Council on 23rd February 2023 and can be viewed here <https://democracy.york.gov.uk/ieListDocuments.aspx?CId=331&MId=13284>.
43. 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.
44. 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 financial year 2023/24 to date the Council has operated within the treasury limits and Prudential Indicators set out.
45. An update of the Prudential Indicators is shown in Annex A.

Consultation Analysis

46. 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.

Options Analysis and Evidential Basis

47. The Treasury quarterly report shows the 3rd quarter position of the treasury management portfolio at 31st December 2023 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

48. 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 are 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** - n/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

49. 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. These are detailed in the Treasury Management Strategy Statement at the start of each financial year.

Wards Impacted

All

Contact details

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

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Date:	21 December 2023

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Report approved:	Yes
Date:	21 December 2023

Background papers

Treasury Management Strategy Statement and Prudential Indicators for 2023/24 to 2027/28 and Annexes A, B, C and D to that report.

<https://democracy.york.gov.uk/ielssueDetails.aspx?IId=68802&PlanId=0&Opt=3>

Annexes

Annex A – Prudential Indicators 2023/24 Mon 3 (15.12.23)

Glossary of Abbreviations used in the report

CIPFA	Chartered Institute of Public Finance & Accountancy
CFR	Capital Financing Requirement
CYC	City of York Council
DLUHC	Department for Levelling Up, Housing and Communities
GF	General Fund
HRA	Housing Revenue Account
MPC	Monetary Policy Committee
MRP	Minimum Revenue Provision
PWLB	Public Works Loan Board
SONIA	Sterling Overnight Index Average

Prudential Indicators 2023/24 Mon 3 (15.12.23)

	Prudential Indicator		2023/24	2024/25	2025/26	2026/27	2027/28	
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	£87.9m	£142.9m	£55.9m	£35.2m	£24.3m	
		HRA	£31.8m	£34.7m	£20.9m	£12.7m	£12.1m	
		Other LT	£0.0m	£3.2m	£0.5m	£0.5m	£0.5m	
		<u>Total</u>	<u>£119.7m</u>	<u>£180.8m</u>	<u>£77.3m</u>	<u>£48.4m</u>	<u>£36.9m</u>	
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	£327.1m	£396.3m	£401.0m	£406.7m	£412.8m	
		HRA	£145.9m	£149.3m	£149.3m	£149.3m	£149.3m	
		Other LT	£41.7m	£43.9m	£42.5m	£41.2m	£39.9m	
		<u>Total</u>	<u>£514.7m</u>	<u>£589.5m</u>	<u>£592.8m</u>	<u>£597.2m</u>	<u>£602.0m</u>	
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.	<p style="text-align: center;">Liability Benchmark</p> <p>The chart illustrates the projected total amount of loans over time. The PWLB Loans (blue bars) and Existing Loan Debt Outstanding (black line) show a steady decline from approximately £300,000 in 2023 to near zero by 2093. The Net Loans Requirement (orange line) and Liability Benchmark (red dashed line) show an initial increase, peaking around 2027 at approximately £420,000, before declining to near zero by 2093. The Market Loans (orange line) and Short Term inc LA Temporary Borrowing (light orange line) remain relatively low throughout the period. The Loans CFR (dark blue line) shows a significant increase from 2023 to 2027, peaking at approximately £550,000, and then declining to near zero by 2093.</p>						
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	11.55%	16.23%	17.71%	17.75%	17.81%	
		HRA	13.10%	12.57%	12.29%	12.02%	11.74%	
		<u>Total</u>	<u>11.85%</u>	<u>15.53%</u>	<u>16.68%</u>	<u>16.68%</u>	<u>16.69%</u>	

	Prudential Indicator		2023/24	2024/25	2025/26	2026/27	2027/28	
	revenue stream is the income from rents. <i>Note that financing costs include debt and other long-term liabilities such as PFI and Leases.</i>							
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	£384.5m £15.0m £369.5m	£467.0m £15.0m £452.0m	£480.7m £15.0m £465.7m	£495.9m £15.0m £480.9m	£512.6m £15.0m £497.6m	
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	£590.9m £30.0m £620.9m (£620.9m set at 2023/24 Strategy)	£599.5m £30.0m £629.5m (Based on current CFR projection)	£602.8m £30.0m £632.8m (Based on current CFR projection)	£607.2m £30.0m £637.2m (Based on current CFR projection)	£612.0m £30.0m £642.0m (Based on current CFR projection)	

	Prudential Indicator		2023/24	2024/25	2025/26	2026/27	2027/28	
6 b	<p>Operational Boundary for External Debt</p> <p>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.</p>	Borrowing CFR / Short Term Liquidity Requirement	<p>£514.7m</p> <p>£76.2m</p> <hr/> <p>£590.9m</p> <p>(£590.9m set at 2023/24 Strategy)</p>	<p>£589.5m</p> <p>£10.0m</p> <hr/> <p>£599.5m</p> <p>(Based on current CFR projection)</p>	<p>£592.8m</p> <p>£10.0m</p> <hr/> <p>£602.8m</p> <p>(Based on current CFR projection)</p>	<p>£597.2m</p> <p>£10.0m</p> <hr/> <p>£607.2m</p> <p>(Based on current CFR projection)</p>	<p>£602.0m</p> <p>£10.0m</p> <hr/> <p>£612.0m</p> <p>(Based on current CFR projection)</p>	

	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 Less than 1 yr 1 to 2 yrs 2 to 5 yrs 5 to 10 yrs 10 yrs and above Total	Debt (£) £12.2m £12.4m £44.3m £78.4m £150.0m £297.3m	Debt (%) 4% 4% 15% 26% 51% 100%	Approved Minimum Limit 0% 0% 0% 0% 30% -	Approved Maximum Limit 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:	25 January 2024
Report of:	Debbie Mitchell, Chief Finance Officer
Portfolio of:	Councillor Katie Lomas, Executive Member for Finance, Performance, Major Projects, Human Rights, Equality & Inclusion

Decision Report: Financial Strategy 2024/25 to 2028/29

Subject of Report

1. This report presents the financial strategy 2024/25 to 2028/29, including detailed revenue budget proposals for 2024/25, and asks Members to recommend to Council approval of the proposals. The financial strategy delivers a balanced budget for 2024/25 with savings proposals totalling £14.3m, equivalent to 9% of the net budget. There are separate reports on the agenda covering the capital budget, the capital and investment strategy and the treasury management strategy.

Benefits and Challenges

2. The challenges continue to be the uncertainty around future funding from Government alongside managing increasing demand across all services, especially within social care, and ongoing inflationary pressures. This has generated an in-year gross financial pressure totalling c£11m for the Council, as noted to Executive in the latest Financial and Performance Monitor, which is also on the agenda for this meeting.
3. 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 but inflationary cost pressures,

increasing demand for services and short term funding settlements from Government continue to have a financial impact on the Council

4. Analysis from the Local Government Association (LGA) suggests that Councils in England face a £4 billion funding gap over the next two years. LGA analysis also shows that by 2024/25 cost and demand pressures will have added £15 billion (almost 29%) to the cost of delivering council services since 2021/22.
5. 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 6% since 2010/11, in real terms and mainly due to inflation, there has been a reduction in spending power of 28.5% for York.
6. As highlighted in a recent report by the Institute for Fiscal Studies, York is one of the lowest funded Councils in the country, with a national rank of 143 out of 150. If all services are included, such as NHS, Police and Schools York is the lowest funded in the country ranked at 150 out of 150. Based on 2022/23 information, this shows local government funding per person of £727 in York compared to a national average of £865. Just being funded at the national average would increase City of York Council resources by some £27m per year. The continued delays to Fair Funding Reform therefore have a significant negative impact on York.
7. Over the next four years the Council will see some of the most significant financial challenges we have ever experienced. The delivery of the Financial Strategy will be 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.
8. When the Medium Term Financial Strategy was approved in November, it was assumed that mitigation and other measures would be delivered that would enable a balanced budget for 2023/24. However, as can be seen in the Finance and Performance Monitor 3 report elsewhere on this agenda, the pressures have remained at a high level. Whilst mitigation

continues to be identified, and delivered, there is now a high probability that the Council will need to use the general reserve to balance in year.

9. Therefore, on the advice of the Chief Finance Officer, as well as the £10m already identified within the Medium Term Financial Strategy, further savings of £4m have been identified for delivery in 2024/25. This will ensure the budget is robust and makes proper provision for all known pressures.
10. Overall £4m in additional revenue funding will be added to the Council's 2024/25 budget to meet continuing pressures on adult social care and children's services. Considering the Council's current financial challenge, investment has been limited to dealing with inflations and existing pressures with some small investment to allow for continued progress on delivering the Council's key priorities.
11. 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. New funding has been secured in a number of areas from grants which can fund both new and ongoing activity;
 - Collaboration with the other local authorities across our Integrated Care System to access Accelerated Reform Funding of c.£1.2m to support unpaid carers by securing additional planned break capacity to enable them to continue caring for their loved ones.
 - Stop smoking grant (£195k) due to be received in April 2024 which supports preventative work against the £3m that smoking costs CYC social care each year, according to local modelling of national data.
 - Domestic Abuse grant (£342k), which has been used to provide safe and supported accommodation and prevention of crisis escalation impacting on statutory services.
 - Drug and Alcohol grant (£331k) used to fund additional criminal justice workers to support substance use recovery and limit reoffending.

- Work with primary care using health resource to fund CYC Health Trainer sessions delivered to residents in person in GP practices and remotely via phone support.
- Successful bid for the government's Migrant Resettlement grant £1.2m (capital).
- Additional £266k from the Government's Rough Sleeper Initiative Grant to support the Council's Rough Sleeper Housing Navigators and wider rough sleeper team, to continue to support the people they work with into more stable, long-term housing every year.
- Local Electric Vehicle Infrastructure (LEVI) funding has been secured for charging capacity at the Askham Bar P&R site (£1.2m capital) as well as money from the LEVI Capability Fund (£257k revenue) to develop charging infrastructure at other sites across the city.
- Local Investment in Natural Capital (LINC) Pilot – as part of a £1m devolution investment from Government to understand how to increase green finance for nature-based solutions and to attract new private sector investments that increase resilience in our natural assets. £100k to be used on a York pilot.
- Living Heritage Fund – £39k to establish two micro-woodland sites in York.
- Net Zero Fund – £3m to fund a total of 7 projects in York. Three development projects assessing the potential for new large-scale renewable energy generation sites in York; and four delivery projects, improving the energy efficiency of public buildings and street lighting, and installing renewable heating solutions at two council housing blocks.
- Accelerating York's Net Zero Transition – £65k from Innovate UK for a research project to understand the non-technical barriers to take-up of retrofit measures and low carbon solutions.
- Decarbonisation Accelerator Programme – £2m for the region to learn from, and replicate, the Bristol City Leap approach to increase innovation and investment for net zero projects. Up to £1m available for York.

- Retrofit one-stop-shop for York (ROSSY) – End-to-end approach for supporting households in York through the retrofit journey.
- Green Streets Tree Planting - £100k from the Northern Forest Fund to support tree planting in verges and school sites.

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

- A proposed basic council tax increase of 2.99% in 2024/25. The Government agreed in the Autumn Statement 2022, that the referendum cap would be raised for 2 years. This was confirmed in the latest Autumn Statement. Any increase above this amount would require a referendum.
- In addition, an increase of 2% in line with the government's social care precept, equating to additional income of £2m, which provides support for social care.
- Revenue savings of £14.258m in 2024/25.
- Ensuring a financially prudent budget by addressing known budget pressures, including likely pay awards and inflationary pressures.
- A net revenue budget of £149.268m, which will be funded by:
 - i. Council tax income of £113.927m;
 - ii. Retained business rates of £35.341m.

Policy Basis for Decision

13. The Financial Strategy aims to ensure that, as far as possible, resources are aligned to the Council's priorities.

Financial Strategy Implications

14. The following table shows the 2023/24 budget position after taking account of the expenditure and funding changes outlined throughout the report. Further detail is provided at annex 1.

Summary	2024/25 £'000
Total recurring investment (Table 2)	23,321
Total net funding changes (Table 3)	-1,419
Total changes in council tax (Table 4)	-6,144
Total changes in business rates income (Table 5)	-1,500
Total savings and income generation (Table 6)	-14,258
Budget gap	0

Table 1 – Budget position summary

Recommendation and Reasons

15. Members are asked to consider the appropriate levels of council tax that they wish to see levied by the City of York Council for 2024/25. In doing so they should pay due regard to factors such as.
- Expenditure pressures facing the council as set out in the report.
 - Impacts of savings proposals set out in annex 2.
 - Medium term financial factors facing the council as outlined in the report.
 - Projected levels of reserves as set out in the report.
 - Statutory advice from the Section 151 Officer.
16. In light of the considerations outlined in the paragraph above, Members are asked to recommend to Council approval of the budget proposals as outlined in this report. In particular;
- The net revenue expenditure requirement of £149.268m.
 - A council tax requirement of £113.927m.
 - The revenue growth proposals as outlined in the body of the report.

- The 2024/25 revenue savings proposals as outlined in annex 2.
 - The fees and charges proposals as outlined in annex 3.
 - The Housing Revenue Account (HRA) 24/25 budget set out in annex 5.
 - The Dedicated Schools Grant (DSG) proposals outlined from paragraph 139.
17. The effect of approving the income and expenditure proposals included in the recommendations would result in a 4.99% increase in the City of York element of the council tax, 2% of which would relate to the social care precept. It is intended that the total council tax increase including the parish, police and fire authority precepts, will be agreed at a meeting of Full Council on 22 February 2024.
18. Members are asked to approve the 100% increase in council tax on second homes with effect from 1st April 2025 subject to the Levelling Up bill receive Royal Assent by 31st March 2024, as set out in paragraphs 75 to 77.
19. Members are asked to approve the change to charge a 100% premium on homes that have been empty for 1 year with effect from 1st April 2024, as described in paragraph 78.

Reason: To ensure a legally balanced budget is set

20. Members are asked to approve the average rent increase of 7.7% to be applied to all rents for 2024/25.

Reason: To ensure the ongoing financial stability of the HRA and allow work on improving the quality of the council's affordable housing to continue.

Background

National context and funding issues

21. On the 22nd November the Chancellor's Autumn Statement announced the Government's spending plans for 2024/25. Further information was published in the form of a policy statement on the 5th December before individual council allocations were published on the 18th December.

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 2024/25.
 - The increase in Adult Social Care Grants in 2024/25 is in line with expectations and previous announcements made in the 23/24 settlement and the Autumn Statement.
 - Compensation will be paid for lost income arising from the decision to freeze the small business rating multiplier.
23. It is expected that the final settlement will be announced in February, but 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 2024/25 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. Whilst these are statutory services that the Council will always deliver to best of our ability, by looking for efficiencies now, we are able to preserve preventative investment that can help to control demand for services in future years.
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 are in turn 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. Despite the National Care Review, where Josh MacAlister recommended an injection of £2.6 billion to change the trajectory of future demand and spiralling costs, very little new funding has been announced.
29. A new Council Plan 2023 to 2027, One City For All has recently been approved. Over the next four years the Council will establish 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 new Council Plan. However, delivering Council priorities at a time of significant financial challenge will require 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 for the next 4 years (2023-2027). It will guide the council's priorities, whilst providing a framework for financial and performance management, and help the city identify and response 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 the ambition will require the Council to work closely with the city and partners to unlock investment and identify opportunities.
35. The plan was formally approved by Council on 21 September 2023 following consultation with residents, businesses and staff.
36. 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

37. The Council's Financial Strategy continues to invest in statutory areas, including adult social care and support for children.
38. 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.

Consultation

39. The council has been working with residents and businesses to identify the services that matter most to them and to understand their priorities for spending the council budgets.
40. Budget consultation began in December with 2 face to face events held to discuss the budget and the financial challenge facing the Council. One event was specifically for local businesses and was webcast. The second event was targeted to community and voluntary sector organisations. Further events are scheduled for January, once this report is published, to discuss the specific proposals contained within it.
41. The consultation was promoted through various channels including social media, local media, forum groups and newsletters.

Budget analysis

42. The budget setting process has taken into account the following issues, (which are considered in more detail in following paragraphs);
 - i. Consideration of the 2023/24 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.

2023/24 position

43. As part of the budget approved in February 2023, considerable investment was made in priority services to ensure sufficient resources to deliver statutory and priority services.

44. However, despite this investment the latest finance and performance report identifies a significant forecast overspend of c£11m. Mitigation strategies have been developed during the year and strict cost control is in place across the Council to reduce spending. Despite these additional measures, there remains a high risk that we will need to use reserves to balance the final position.
45. In light of this it is proposed that, in addition to the savings required to meet the budget gap outlined in this report, a further £4m of savings should be identified in order to protect against a position whereby reserves fall below the minimum accepted level.

Additional Investment

46. The following bullet points set out the areas where additional investment is being made;
- Hostile Vehicle Mitigation - **£200k** to manage the City Centre HVM barriers.
 - Equalities - **£50k** to fund Equalities work within the Council.
 - Free School Meals - **£100k** to continue the pilot on a recurring basis.
 - Winter Maintenance - **£100k** to fund cycle path clearing.
 - Health and Adult social care - **£4,000k** to cover contractual price increases and demographic pressures, including the cost of adults as they transition from children's services within 2024/25.
 - Children's Services - **£3,800k** to cover contractual price increases and demographic pressures, including looked after children costs within 2024/25.
 - Contractual price increases **£4,200k** - to cover unavoidable contractual price increases in other service areas, mainly ICT, insurance, transport and waste.
 - Pay and Pension costs - **£5,271k** is included for pay and pension costs in 2024/25. This will cover anticipated pay inflation.
47. 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.

Investment Summary

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

Investment	2024/25 £'000
Recurring investment	
- Revenue pressures in Social Care	4,000
- Revenue cost of borrowing	1,600
- Health and Adult social care prices and demographic	4,000
- Children's Services prices and demographic	3,800
- Other Prices contingency	4,200
- Pay and pension	5,271
- Other Service Growth	450
Total Investment	23,321

Table 2 – Summary of investment

Specific Grant Funding Changes

49. Table 3 shows the net change in specific grants, totalling £1.419m. The council will receive additional grants of £2,156k in 2024/25 to fund adult social care pressures. This will be used to fund growth in adult social care and is covered in further detail elsewhere in the report.

50. As part of the 2024-25 Local Government Settlement, the government announced that all local authorities would be guaranteed to see an increase in Core Spending Power of at least 3%. Those that fell below that level would receive a Funding Guarantee Grant. Following the reduction in the Services Grant for

2024-25 (£862k) York has been allocated £79k in Funding Guarantee.

51. Overall, there has been a net increase in other grants received by the Council (£46k).

	2024/25
Funding Changes	£'000
- Increase in ASC specific grants	-2,156
- Reduction in Services Grant	862
- 3% Funding Guarantee	-79
- Net increase in other grants including RSG	-46
Net Funding Changes	-1,419

Table 3 – Grant funding changes

Council Tax Funding Changes

52. Table 4 shows the net changes to council tax funding.
53. The first line in Table 4 shows the 4.99% increase in council tax which will generate additional income of £5.378m on the existing taxbase.
54. A further £0.766m 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 2024/25, this has grown by approximately 464 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.
55. The third line is the reversal of the collection fund surplus from the prior year. There was no estimated surplus or deficit declared in 2022/23. The final outturn position was a residual deficit of £3.854m. York's share of this is £3.114m. This will need to be repaid in 2024/25 using the Collection Fund Reserve.
56. The council tax collection fund surplus or deficit for the year 2023/24 is estimated on 15 January 2024, 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 2023/24. Instead a deficit of £879k is estimated of which York's share of £711k will need to be repaid during 2024/25 from the collection fund reserve, set aside for this purpose.

57. In summary the Table 4 shows an estimated £6.144m additional income from council tax in 2024/25.

	2024/25
Council tax	£'000
- Increase in charge	-5,378
- Increase in taxbase	-766
- Reversal of collection fund surplus 2022/23	0
- Collection fund surplus/deficit 2023/24	711
- One off funding of 2023/24 deficit	-711
Net council tax changes	-6,144

Table 4 – Council Tax funding changes

Business rates income

58. 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.
59. In 2023/24 City of York Council were part of a 50% business rates pool with Leeds City Region and this is set to continue in 2024/25. This is covered in further detail later in the report.

	2024/25
Business rates	£'000
- Business Rates increase/reduction	-1,500
Change in income	-1,500

Table 5 –Change in business rates Income

Savings proposals and Expenditure Reduction

60. Directorates have identified £14.258m to contribute towards the 2024/25 savings target. £2.7m of the 2024/25 savings are the full year effect of prior year savings previously agreed by Executive.
61. There is an additional full year impact of £1,699k in 2025/26 in relation to these savings proposals, as outlined in annex 2.
62. Table 6 summarises the 2024/25 savings to be delivered by each directorate and corporate services.

Savings	2024/25 £'000
- Adults	-2,360
- Children's	-1,845
- Place	-4,320
- Customers and Communities	-670
- Corporate	-5,063
Total expenditure reductions	-14,258

Table 6 – 2024/25 Expenditure Reduction

Net Budget Composition

63. 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.

	2024/25 £'000
Council Tax	113,927
Business Rates	35,341
Total Net Budget	149,268

Table 7 – Net budget composition for 2024/25

Fees and charges

64. Whilst the Council recognise the challenges of the cost of living crisis for businesses and residents, it has been necessary to increase some fees and charges for 2024/25 to achieve a balanced budget.
65. 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.
66. The proposals include a general inflationary increase in parking charges of up to 30p per hour and an increase in the standard Respark permits by £10. Inflationary increases have also been applied to fees charged by Registrars and Bereavement Services, although the basic cremation fee will remain unchanged.
67. The following supplements to the fees and charges annex are provided:
- Annex 3c regarding fostering allowances;
 - Annex 3j which provides details of the increased environmental Fixed Penalty Notices limits that have been set by DEFRA.

Council Tax

68. The existing components of the current (2023/24) 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	1,360.54
City of York Council – Social Care Precept	209.88
North Yorkshire Police	295.09
North Yorkshire Fire and Rescue	80.61
TOTAL	1,946.12

Table 8 - Make Up of 2023/24 Council Tax

69. 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

70. The council tax referendum limit (excluding social care precept) for 2024/25 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.
71. 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 £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

72. 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.
73. As referred to earlier in this report, the recommendation made in these papers is that from April 2025 the City of York element of the council tax will increase by 4.99%, 2% of the increase relating to the social care precept.

74. 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 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.

Second Homes Premium

75. The Government's May 2022 Levelling Up and Regeneration Bill proposed the ability for councils to charge a 100% additional council tax premium on second homes. The Bill received Royal Assent in October 2023 as the Levelling Up and Regeneration Act 2023.
76. Billing authorities that wish to adopt any changes arising from the Bill are required to make a Council decision confirming their requirements at least 12 months prior to the financial year in which the changes will come into effect.
77. The council currently has 439 live properties listed as 2nd Homes on the council tax base. As there is no additional premium currently charged there is no dispute around occupation, but this may change once additional liability can be applied. The 2023 net liability for these properties is c£700k. This paper recommends that the council approves the increase from 1st April 2025.

Empty Properties Premium

78. In addition to the Second Homes premium, The Levelling Up and Regeneration Act 2023 also contains a provision to allow local authorities to charge a 100% council tax premium on properties which have been empty for 1 year. Currently the premium is applied on properties that have been empty for 2 years. This would be effective from 1 April 2024 a recommendation is made in this paper for council to approve this change.

Precepts

79. 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 22 February.

80. Table 9 demonstrates both the cash and percentage increase in 2023/24 for these which resulted in a total band D council tax for a York property of £1,946.12.

	2022/23	2023/24		
	Charge (£)	Increase (£)	Increase (%)	Council Tax (£)
CYC	1,495.78	74.64	4.99%	1,570.42
Police	281.06	14.03	4.99%	295.09
Fire	75.61	5.00	6.61%	80.61
Total	1,852.45	93.67	5.06%	1,946.12

Table 9 – 2023/24 Council Tax Figures for City of York Area

81. 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)

82. 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.
83. 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 Autumn statement, the government has used this new legislation to freeze the small business rates multiplier and fully index to standard multiplier to 54.6p.
84. 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.

85. The council is projecting retained business rates/RSG income in 2024/25 of £35.341m, which is an increase of £1.5m compared to 2023/24 allowing for the increase in the Baseline Funding Level set by the government for York.
86. A prudent approach continues to be taken in respect of Business Rates growth and there are no further growth assumptions in relation to business rates income for 2024/25. 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

87. City of York Council is currently a member of the Leeds City Region (LCR) Business Rates Pool, and this will continue in 2024/25.
88. 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

89. Table 10 shows the position on the general fund reserve which, it is anticipated, will remain at £7.441m by the end of 2023/24. However, as noted earlier in the report and on a separate report on this agenda, several known pressures are forecast for 2023/24. The Council will continue to make every effort to reduce this forecast position, but it is highly likely that Council general reserves will need to be called on.
90. The projected reserves at the end of 2024/25 are based on the assumption that Members agree no usage of reserves in 2024/25 as part of the final recommendations to Council.
91. 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. As outlined earlier in the report, it is proposed that additional savings be identified to mitigate against the use of the general reserve in 2023/24. Further consideration of reserves will be made during the early part of 2024/25 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.

	2023/24 Projected Out-turn £'000	2024/25 Budget £'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	6,800	6,800
Headroom (+)/Shortfall (-) in reserves	641	641

Table 10 – Projected general reserves

92. In addition to general fund reserves, the budget includes a £500k general contingency. In recent years this has always been required.
93. 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

94. The balance on the venture fund reserve is anticipated to be £3.8m at the end of 2023/24.
95. 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 and one-off monies in 23/24 (£750k). 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
2024/25	891
2025/26	925
2026/27	1,375
2027/28	1,841

Table 11 –Venture Fund Balance

Medium term planning

Medium Term Outlook

96. The Government published the provisional settlement on 18 December 2023. It is a one year settlement.
97. Local Government did receive the previously announced increases in funding, much of it directed towards social care. Resources for adult social care increased by £2.8bn in 2023/24 and by £4.7bn in 2024/25, through a combination of the Adult Social Care precept (2%) and new grant funding in both 2023/24 and 2024/25.
98. The previous years settlement was clear that any significant reform of the local government funding system will not be undertaken within this Comprehensive Spending Review period, meaning 2025/26 at the very earliest. Therefore, considerable uncertainty about the future method of allocating funding remains.
99. There will also be a General Election in 2024 which could impact on the timing of future funding reforms and the Local Government Settlement in 2024.

Business Rates and Funding Reform

100. As highlighted in previous Financial Strategy reports, the government will phase out Revenue Support Grant (RSG), to be replaced by a system which allows local government to retain business rates growth.

101. Whilst devolution of business rates presents opportunities for the council, there are also associated risks with business rates appeals and the business rates reset.
102. There has been an expectation for the last 4 years that business rates and funding reform would be implemented in the following year. This has already been postponed due to the government's focus on Brexit, and the Covid-19 pandemic. The Chancellors Autumn Statement and subsequent funding settlement announced that this has been delayed until at least April 2025.
103. The business rates review will consider an increase in the retention rate for councils from 50% although seems increasingly less likely, the process for business rates revaluations and the business rates reset. It might also lead to more fundamental change in the way that businesses are taxed. It is expected that this may finally come into effect in 2025/26.
104. The Government has indicated that they are minded to have a full business rates baseline reset. This could have significant implications for a high growth authority such as York, as any growth built up since 2013/14 may be taken and redistributed to authorities with higher 'needs', according to the revised funding formula under consideration in the Fair Funding Review (FFR).
105. The Fair Funding Review focuses on the cost drivers for individual authorities. As part of the funding reform, additional responsibilities will transfer to local government, potentially the administration of housing benefits for pensioners and funding of public health.
106. As a prudent measure, there are no local growth assumptions in relation to business rates income for 2024/25, to enable the Council to build up a reserve in the event that the FFR and business rates reset is not favourable for York. Only the increase in retained rates allowed by government has been reflected (£1.5m).

Medium term strategy and approach to savings

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 2027/28.
108. It is difficult to predict beyond this timescale.

	2025/26	2026/27	2027/28
	£'000	£'000	£'000
GROWTH			
Pay and price inflation	7,400	7,500	6,600
Demographic (mainly social care) and service growth	6,600	6,200	6,200
Capital Programme	1,600	1,600	1,600
Total growth	15,600	15,300	14,400
RESOURCES			
Council Tax	4,000	4,100	4,200
Business Rates Growth	1,200	1,000	1,000
Total resources	5,200	5,100	5,200
FUNDING GAP	10,400	10,200	9,200

Table 12 – Medium Term Forecast to 2027/28

109. These figures are based on the assumption that funding for adult social care continues in a similar manner, that inflationary pressures start to reduce year on year and 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. The impact of the capital programme will have an effect on the revenue budget in terms of cost of borrowing. Whilst this is spread

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

113. 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.
114. To achieve the savings, and ensure budget pressures are contained, it is essential that the Council further develops the delivery of digital services, its use of assets, ensures efficient cost control, develops new sources of income, secures grant funding and reviews the method of delivery of a number of service areas.
115. There remains a funding gap of c.£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 and income from business rates. These savings are likely to be cuts in a range of services. Whilst every effort will be, and is being, made to identify alternative sources of income, secure grant funding and effectively control costs – this will not be enough to deliver the scale of the savings needed.
116. In order to deliver a further £30m (on top of the £14m already identified for 24/25) the Council will need to down size the organisation and seriously consider the level of spend on a range of services. There will also need to be a further review of management structures across the organisation to identify where savings can be achieved.
117. 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.
118. This work will sit alongside the continuation of the enhanced cost control measures that have been implemented during 2023/24. These include the Procurement Challenge Panel, which reviews all procurement exercises to see where savings can be achieved, a continued freeze on non-essential recruitment and the Corporate Cost Control Board, chaired by the Chief Operating Officer, which looks at a range of costs including overtime, use of agency, etc. to identify where spend can be reduced.

Use of Capital Receipts

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 will be reviewing the assets it holds and no longer requires and releasing these for sale. Where possible 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.

Housing Revenue Account (HRA) Budget

121. 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.
122. 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.
123. The HRA is also carrying a significant debt (including £121.5m from self-financing) which is forecast to rise to over £150m by the end of the decade. The first tranches of self financing debt is maturing over the coming years and current interest rates are c. 2% higher than the average rate when the debt was originally taken out. Should debt need to be refinanced on maturity additional debt costs will need to be factored into the plan.
124. When the latest HRA budget for 2023/24 was agreed in February 2023 the real annual surplus (excluding debt repayment) for the year was set at £342k which equates to less than 1% of turnover. This was due to significant increases in utility prices, repairs and pay levels whilst the rent levels were capped by government. This level of surplus given the significant level of debt within the HRA is not sustainable.

125. It is important for the HRA to be financially robust so that it can service its outstanding debt (the Council took on £121.5m of debt in 2012 as part of the self-financing settlement which removed the requirement to pass on a proportion of the HRA surplus to Government) and continue to provide an operationally effective service to its tenants within the resources available from rents.
126. As part of the budget setting and business plan forecasts for 2024/25 the Housing Revenue Account was forecasting an in-year surplus of £1.36m prior to debt repayment.
127. There have been a number of changes to assumptions that have been made since the budget was set and these are shown below

Service Area	£'000	Comment
Inflation	+60	Whilst some inflation pressures remain higher than forecast (pay / repairs) there are assumed reductions in energy costs.
Voids	+280	Whilst significant work has been undertaken speeding up the time voids take back to relet. There needs to be a recognition that the assumed financial loss from voids is understated. Increases level to 1.8% of rent
Financing Costs	+80	Additional capital financing costs arising from council decisions
Bad Debt Provision	+330	The levels of rent collection have not returned to pre Covid levels and require additional provision
Depreciation	+500	Budget required to reflect anticipated council house valuation
Interest	-800	Additional income anticipated from increased interest rates
Total	+450	

128. The table above show that inflation and service pressures across the HRA have worsened by £450k since the last business plan was produced and should be taken into account when agreeing to the rent increase and other savings.
129. The business plan agreed in February 2023 assumed a rent increase of 5%. The rent standard allows council to increase rents by CPI+1%. The increase is based on September 2023 CPI rate which stood at 6.7%. This would allow an increase of up to 7.7%.
130. Members will recall that in 2023/24 that government capped rent increases to 7% at a time that inflation was over 10% and over the last 10 years rents have been capped in 5 of those years. As a result social rents have increased by 16% over the last 10 years compared to a CPI increase of 33%. This has significantly impacted the level of resources available within the HRA. It is important to consider this impact when agreeing the revised rent increase.
131. Given the need to balance the impact on individual tenants with the impact on the ability of the HRA to fund repairs, maintenance and tenant support, the 7.7% rate is recommended. The impact of balancing the budget through reducing services such as repairs and tenant support is considered too severe.
132. In order to support tenants in the greatest financial difficulty, it is recommended that the one-off hardship fund of £100k that was created in 2023/24 is retained. Approximately two thirds of people living in York's council properties are on Housing Benefit or Universal Credit Housing Support, which means that any rent increase will be covered by benefits. Officers will continue to work with tenants who are struggling to help manage their rental payments, maximise benefit entitlement and draw on the Hardship Fund for additional support where needed.
133. The HRA budget for 2024/25, including the pay award, inflation, service pressures and rent increase shows a revised surplus of c£2m excluding repayment of debt interest. The detailed budgets are shown at Annex 5.

Rent Changes 2024/25

134. 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
2023/24	£89.90	
2024/25	£96.82	£6.92

Table 15 – Rent Changes 2024/25

135. From 2024/25 DLUHC have also introduced a rent cap of CPI +1.5% (increasing from CPI+1%) that allows Target rents to increase by a larger amount so that when properties are relet the rent set on relet will be higher. It is recommended that this increase is applied to target rents so that over time the overall rent taking will increase.
136. 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 7.7% 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.
137. It is also recommended that Shared Ownership rents increase at the same level of 7.7%.
138. 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

139. The DSG is ring-fenced for funding the provision of education or childcare for 9 months to 16 year olds in all settings and high needs pupils up to age 25. As such it covers funding delegated to individual local authority (LA) maintained schools, academies and private, voluntary and independent (PVI) providers through the Local Management of Schools (LMS) & Early Years Single Funding (EYSF) formulae, plus funding for other pupil provision which is retained centrally by the LA to support such things as Special Educational Needs and some specific central education services.

140. 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 2024/25 but with some significant changes to the early years NFF, and a continuing reduction in the funding allocated to the LA for centrally retained budgets.
141. The total DSG allocation for 2024/25 is estimated at £174.864m, an increase of £9.802m (5.9%) from 2023/24 and broken down as follows:

DSG Funding Block	Adjusted 2023/24 £m	2024/25 £m	Increase	
			£m	%
Schools Block	123.602	125.589	1.987	1.6%
Early Years Block - Existing	11.703	12.974	1.271	10.9%
Early Years Block - Expansion	-	5.985	5.985	NA
High Needs Block	27.683	28.470	0.787	2.8%
Central School Services Block	2.074	1.846	(0.228)	(11.0%)
Total DSG	165.062	174.864	9.802	5.9%

Table 16 – DSG Allocation

Schools Block

142. The vast majority of the Schools Block DSG (£119.280m) 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 2024/25 the LA is again proposing to follow the NFF for schools.
143. Apart from split site funding (see paragraph 147 below), the funding factors used in the 2024/25 NFF remain the same, however the factor values will increase by the following amounts:
- 1.4% 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
 - 1.6% to pupils currently accessing free school meals (FSM),

- 0% on the premises factors, except for the PFI factor which has increased by RPIX
144. 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 mainstream schools additional grant (MSAG) into the NFF, with more details at paragraph 146 below.
145. The minimum per pupil levels in 2024/25 will be set at £4,610 per pupil for primary schools and £5,995 per pupil for secondary schools. These amounts include additional funding for the rolling in of the MSAG, plus a further 0.5% increase.
146. The 2024/25 NFF funding floor has been set at 0.5%. This means that every school will attract an increase in their pupil-led funding of at least 0.5% per pupil, compared to their 2023/24 baseline. Funding floor baselines have also been increased to take account of the rolling in of the MSAG.
147. The **split sites factor** targets extra funding to schools which operate across more than one site. As announced in the response to their consultation, the DfE are introducing a formulaic approach to allocating split sites funding in the NFF in 2024/25. Their intention is to ensure that split sites funding will be provided on a consistent basis across the country, replacing the previous locally determined split sites factor used by some LAs including York.
148. The split sites factor is made up of two parts:
- i. **Basic eligibility funding:** Schools attract a lump sum payment for each of their additional eligible sites – up to a maximum of three additional sites. Each additional site must be separated from the school’s main site by a public road or a railway. Have a building on them which is primarily used for the education of 5 to 16-year-old pupils in mainstream education. This excludes playing fields, ancillary buildings and buildings leased full time by the school.
 - ii. **Distance funding:** Additional eligible sites that are separated from the school’s main site by more than 100 metres attract distance funding on top of the basic eligibility funding – up to a maximum of three additional sites.
149. Under the existing York split sites factor two schools are eligible for funding totalling £235k. The new DfE factor would still allocate funding to these two schools but with a reduced total of £161k.

However, for one school this would represent a significant reduction in their headline formula funding from £185k in 2023/24 down to an estimated £81k in 2024/25. The other school's allocation would increase from £50k under the York factor to an estimated £81k under the new DfE factor. Depending on the change in their overall total funding allocation from 2023/24 to 2024/25, both schools may then be subject to either protection under the NFF funding floor guarantee, or capping under the significant gains ceiling mechanism.

150. At a national level, school funding through the NFF is increasing by 1.90% per pupil. However, the average increase for York schools is estimated at 1.85% 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 0.5% in 2024/25.
151. Local authorities will continue to determine the final allocations for all local mainstream schools in 2024/25, but the DfE are in the process of consulting on how to complete their reforms to the schools NFF in the longer term.
152. The remaining £0.383m 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 £0.800m 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 four years the fund has been oversubscribed and this is likely to continue in 2024/25. 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.

154. Earlier this year the DfE announced a significant phased expansion of the entitlement to free childcare, along with an in-year uplift in funding for the 2023/24 2, 3 and 4 year old provision. 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 2023/24 for 2 year olds and 3/4 year olds allocation, plus the new 2024/25 hourly rates following the DfE's review and expansion, are set out in the table below:

	2023/24 Apr- -Aug £/hr	2023/24 Sep- -Mar £/hr	New 2024/25 £/hr	Increase £/hr %
3 & 4 Year Olds Universal & Working Parents	4.87	5.20	5.47	0.27 5.2%
2 Year Old Disadvantaged	5.77	7.65	7.59	-0.06 -0.8%
2 Year Old Working Parents	-	-	7.59	NA
9 Month to 2 Years Old Working Parents	-	-	10.30	NA
MNS Supplement	3.80	4.01	4.64	0.63 15.7%

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. The current EYNFF for the existing 2-year-old offer is not subject to regulations regarding the arrangements for the local funding formula, in the same way as for 3&4-year-old funding.

158. The introduction of the new working parent entitlements for 2-year-old children and children aged 9 months up to 2 years old in 2024/25 means that, for the first time, there will be two separate 2-year-old entitlements. With the introduction of the new entitlement for 2-year-olds of working parents and the significant growth in funding levels, the government have decided that the same regulatory framework will be extended across all funding streams.
159. For 2024/25, the majority of the existing local funding rules are extended to the two new working parent entitlements for 2-year-olds and under. This means that LAs must determine a funding formula for the 2-year-olds and under funding and consult its schools forum, maintained schools, and early years providers when developing the formula.
160. After discussions with the Schools Forum, York's proposals for the new formulae were developed following the same principles as our existing 3/4-year-old formula. A consultation was launched with all providers in December with a closing date of 17 January.
161. Subject to the outcome of the consultation and the views of the Schools Forum on 2 February, the following early years funding rates for all York providers are proposed for 2024/25:

	Base Rate £/hour	Deprivation Rate £/hour	Nursery School Lump Sum £
3 & 4 Year Olds Universal & Working Parents	5.09	0.55	175,853
2 Year Old Disadvantaged	7.06	0.76	NA
2 Year Old Working Parents	7.06	0.76	NA
9 Month to 2 Years Old Working Parents	9.58	1.04	NA

Table 18 – York's Proposed EYSFF Funding Rates for 2024/25

High Needs Block

162. The high needs block DSG increases by £0.787m (2.8%) in 2024/25. 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 2023/24 net in year expenditure within the high needs block is projected to be £1.3m higher than the core DSG funding allocated by government.

163. However, as part of the safety valve agreement that the LA has made with the DfE, additional grant of £2m 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 £0.7m and reduces the projected high needs deficit carry forward to 2024/25 to £2m.
164. It should be noted that the plan agreed with the DfE, if implemented in full, would result in a balanced high needs budget by the end of 2025/26. The original plan included a commitment from the DfE to allocate additional funding to York of £17m over the period 2021/22 to 2025/26, subject to certain conditions. To date £12m of this funding has been received by the LA, with a further £5m due in instalments over the next three financial years.

Central School Services Block

165. 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 £0.228m (11.0%) in 2024/25. This follows similar reductions in the previous two financial years. This net reduction is made up of a 3.4% increase 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.
166. For 2024/25 this means allocations of £0.837m for LA on-going responsibilities and £1.009m for historic commitments. As historic commitments currently total £1.261m in 2023/24 the LA will need to identify budget reductions totalling £0.252m for 2024/25. The LA will be consulting with the Schools Forum at its meeting on 2 February on how best to manage this reduction.
167. The DfE is protecting any LA from having a reduction that takes their total historic commitments funding below the total value of

their ongoing prudential borrowing and termination of employment costs, in recognition of the time required for these costs to unwind. Although York isn't quite at this stage yet, we will be very soon if further 20% reductions are made. At that point no further reductions are expected to be made, until actual expenditure on termination of employment or prudential borrowing costs reduces.

168. Outturn expenditure in 2022/23 for termination of employment costs and prudential borrowing totalled £0.644m and it is expected that the DfE will continue to protect the LA's historic commitments allocation at at least this level. This means that for 2024/25 the LA is proposing to remove all of its other historic commitment budgets totalling £79k. The remainder of the required reduction (£0.173m) will then need to be found from the School Improvement Commissioning budget, reducing that budget from £0.494m in 2023/24 to £0.321m in 2024/25.

Teachers Pay Additional Grant (TPAG)

169. The TPAG was announced in July 2023 in response to higher than originally estimated pay awards for teachers from September 2023. Schools have received an allocation for the 2023/24 financial year. For 2024/25 the DfE has not rolled the TPAG into the NFF for schools. Instead, it will continue to be paid to schools in 2024/25 as separate grant in addition to the NFF funding described above.
170. The base funding rates for the 2024/25 financial year are:
- £62 per primary pupil
 - £86 per key stage 3 pupil
 - £98 per key stage 4 pupil
 - a lump sum of £2,306
 - £53 per eligible primary FSM6 pupil
 - £77 per eligible secondary FSM6 pupil

DfE Funding Error

171. The DfE first published the 2024/25 NFF in July 2023. Following the discovery of a technical error made by officials during the initial calculations, an update was made to the schools NFF in October 2023. The technical error was due to the incorrect processing of pupil numbers in the initial calculations by the DfE. This error

meant that the overall cost of the schools NFF was underestimated, and incorrect factor values were published in July.

172. The figures and analysis earlier in this report reflect the new, correct, factor values as per the October update. No other changes were made to the structure of the NFF, or the rules governing the local formulae, since July. The high needs NFF and Central schools Support Budget (CSSB) were unaffected by this error.

The impact of this error on the funding originally announced for York schools in July is significant. Overall, the Schools Block allocation for York reduced by £1.166m equating to 34% of the originally communicated increase. At school level this resulted in the expected increase reducing from £152 per pupil to £100 per pupil. The equivalent of £13k for an average primary school and £55k for an average secondary school.

Equalities

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

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

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

number of factors including the Public Sector Equality Duty as part of their role.

175. In all aspects of the budget setting for the Council it is essential that the Public Sector Equality Duty is at the forefront of all decisions made. To ensure this occurs an Equality Impact Assessment is prepared at the outset of the budget preparations and a detailed EIA has been completed on the overall impact of the budget proposals.
176. 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.
177. The impact assessment considers risks associated with savings proposals to ensure any negative impact for a particular group, sector or community is eliminated or counterbalanced.
178. The financial strategy will impact on all residents and has carefully considered the local demand for services whilst also ensuring the budget set is prudent, protects vulnerable people and has capacity to invest.
179. This negative impact can be mitigated by investment targeted to these same communities. The key approaches to achieving savings whilst avoiding impacts on communities of identity include;
 - Ensuring that savings are made from back office functions and universal services
 - Protecting statutory services and other key services for vulnerable residents
 - Increasing community involvement in service redesign and delivery
 - Making services self-financing wherever practicable, including external trading
 - Maximising the return from externalised service provision
 - Redesign of existing services and external contracts

- Placing a focus on prevention and ceasing service provision only where this is least impact
- Streamlining services to provide focussed support and reduce areas of duplication
- Supporting carers
- Integrated working with health
- Focussing growth where it is expected to have a positive effect on older or disabled people and their carers

Specialist Implications

180. This report has the following implications;

Financial

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

Human Resources (HR)

182. The savings proposals contained within the overall budget will require the reduction of some posts in 2024/25.

183. 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 2024/25 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.

184. 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.

185. 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.

186. 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

187. 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.
188. 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.
189. 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.
190. The Council's Chief Financial Officer (under s151 Local Government Act 1972) is required to report to the Council on the robustness of the estimates made for the purposes of the calculations, and the adequacy of the proposed financial reserves. The Council must have regard to the report when making decisions about the calculations in connection with which it is made. The Chief Financial Officer has a statutory duty under section 114 of the Local Government Finance Act 1988 to issue a written report if he considers that a decision taken by the Council would be unlawful and likely to cause a financial deficiency.

191. 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.

192. 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.

193. 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.

194. Members have a fiduciary duty to the council tax payers and others in the local authority's area. This means that members must behave responsibly in agreeing the budget. Members have no authority to make anything other than a balanced budget.

195. Among the relevant considerations which Members must take into account in reaching their decisions are the views of business ratepayers and the advice of officers. The duty to consult representatives of non-domestic ratepayers on the Council's expenditure plans is contained in Section 65 of the Local Government Finance Act 1992.
196. In considering the advice of officers, and the weight to be attached to that advice, Members should have regard to the personal duties placed upon the s151 Officer 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.
197. The Chief Finance Officer is required by Section 151 of the Local Government Act 1972 and by the Accounts and Audit (England) Regulations 2011 (as amended) to ensure that the council's budgeting, financial management, and accounting practices meet relevant statutory and professional requirements. This is in addition subject to the requirements set out above.
198. Members must also have regard to, and be aware of, the wider duties placed upon the council by various statutes governing the conduct of its financial affairs. These include the distinction between revenue and capital expenditure and the requirement to set prudential indicators in line with capital investment plans that are prudent, affordable and sustainable.
199. Section 106 of the Local Government Finance Act 1992 makes it a criminal offence for any Member with arrears of council tax which have been outstanding for two months or more to attend any meeting at which a decision affecting the budget is to be made, unless the Member concerned declares at the outset of the meeting that he or she is in arrears and will not be voting on the decision for that reason. The Member concerned must not vote but may speak. The application of Section 106 of the 1992 Act is very

wide and Members should be aware that the responsibility for ensuring that they act within the law at all times rests solely with the individual Member concerned.

200. If a referendum is held after the beginning of the relevant financial year, the higher rate of council tax will be payable unless and until it is overturned by a 'no' vote in the referendum. It must also provide "substitute calculations" which need to be presented to Council setting out what the alternative budget would be. This means that 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.
201. **Procurement**, there are no direct implications arising from the report.
202. **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.
203. **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.
204. **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.
205. **Equalities and Human Rights**, implications are set out in the Equalities section earlier in the report.
206. **Data Protection and Privacy**, there are no implications related to the recommendations.

207. **Communications**, the information set out in this report necessitates both internal and external communications. This will be on an ongoing basis throughout the year.
208. **Economy**, there are no direct implications related to the recommendations. Some of the individual savings proposals may the limit the Council's ability to engage with local businesses.

Statutory Advice from the s151 Officer

Introduction

209. 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

210. 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.
211. 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.

212. 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 2023/24 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
213. 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.
214. A range of pressures have been identified and built into the budget presented in this report, including a contingency sum of £500k as in previous years. There are also significant savings, reflecting the scale of the challenge facing the council. There should be no understatement of the scale of this challenge that continues to face the council, given the general upward cost profile of adult care and children's services and the significant inflationary pressures being experienced across all areas of expenditure.

Risks

215. The report outlines the key risks to the 2024/25 budget, and these are considered further in the following paragraphs.
216. Continued increasing costs across all areas of spend remains an area of concern. Whilst inflation levels are reducing, this only

means that prices are not increasing as much – they remain at the previously high levels. Given the Council's significant capital programme, rising costs are to be expected and may result in some schemes being delayed or costing more than estimated. The current financial challenge means that we are not recruiting to vacant posts unless absolutely essential to do so. This will result in difficulties in achieving some Council Plan priorities.

217. A key risk facing the council is the number of complex capital schemes it is currently undertaking, and which are still at relatively early stages of development. Should schemes not progress to full completion there remains a risk that costs currently assumed to be capable of being capitalised must be written off to revenue. This risk has materialised in 2023/24 with abortive costs for a new multi storey car park needing to be written off in the year. 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.
218. 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.
219. 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.

220. The budget takes account of these pressures but in light of the continued financial challenges across social care my advice is that additional 2024/25 savings of £4m should be identified over and above those originally identified within the Medium Term Financial Strategy. I believe it is highly likely that the general reserve will be needed to balance the 23/24 position and in that event, the reserve would immediately fall below the recommended minimum level and therefore identifying further savings now, will mitigate against that risk. If the outturn is better than expected, then the savings will still be required for future years and therefore I consider this a measured, prudent approach to setting the budget.
221. 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.
222. Some of the savings included at Annex 2 do require further work and additional reports to future Executive meetings to outline the impact of a number of service reviews that will need to take place over the early part of the new financial year.
223. 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 2023. It is a one year settlement pending the general election in 2024. With the Fair Funding Review now postponed until 2025, the more fundamental changes needed in local government finances are again unlikely to take place for a number of years.
224. These changes in funding could be significant and make forecasting for 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.

Reserves

225. 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.
226. 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.
227. 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.
228. The proposed 2024/25 budget does not use the general reserve to balance and therefore reserves remain sufficient to deal with any further risks.

Summary

229. 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.

230. 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.
231. 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.

Risk Management

232. 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.
233. As the Council's Section 151 Officer, the Chief Finance Officer has a statutory responsibility for ensuring that the Council makes arrangements for the proper administration of its financial affairs. Section 114 of the Local Government Finance Act 1988 requires a report to all Council members to be made by the s151 officer, in consultation with the Monitoring Officer, if there is or is likely to be an unbalanced budget.

Wards Impacted

234. All

Contact details

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Background Papers:

None.

Annexes:

Annex 1 – 2024/25 Budget Summary

Annex 2 – 2024/25 Savings Proposals

Annex 3 – 2024/25 Fees & Charges

Annex 4 – Impact Assessment

Annex 5 – HRA 2024/25 Budget

Annex 6 – Risk Analysis

Abbreviations used in this report:

CIPFA – Chartered Institute of Public Finance & Accountancy

CPI – Consumer Price Index

CYC – City of York Council

DFE – Department for Education

DSG – Dedicated Schools Grant

DVLA – Driver & Vehicle Licensing Agency

EAL – English as an Additional Language

EIA – Equalities Impact Assessment

EYNFF – Early Years National Funding Formula

EYSFF – Early Years Single Funding Formula

FFR – Fair Funding Review

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

POPPI – Projecting Older People Population Information System

PVI - Private, Voluntary and Independent

RSG – Revenue Support Grant

SFA – Settlement Funding Assessment

TPPG - Teachers' Pay and Pensions Grant

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Summary of 2024/25 Budget**2024/25
£000's****Expenditure****Net Expenditure Brought Forward****141,624****Expenditure Pressures**

Additional Recurring Investment:

- Revenue pressures in Social Care	4,000
- Revenue cost of borrowing	1,600
- Adults Services: Prices and Demographic	4,000
- Childrens Services: Prices and Demographic	3,800
- Other: Pay and Prices	9,471
- Other: Service Growth	450

Total Expenditure Pressures**23,321**

Expenditure Reductions:

- Adults	(2,360)
- Childrens	(1,845)
- Place	(4,320)
- Customers and Communities	(670)
- Corporate Savings	(5,063)

Total Expenditure Reductions**(14,258)****Changes in Income**

- Net increases in social care grants	(2,156)
- Net decrease in specific grants	737.0

Total Changes in Income**(1,419)****Revised Projected Budget Requirement****149,268****Funding****Funding Streams:**

- Council Tax	(113,927)
- Business rates	(35,341)

Total Funding**(149,268)****Overall Funding Gap****0**

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Previously Agreed Savings (Full year effect)

Ref	Proposal Description	2024/25 Impact £000	2025/26 Impact £000	Total Saving Impact £000
CORP01	Prior Year Savings This is the full year effect of the 23/24 savings previously agreed	2,705		2,705
Adults				
ASC01	ASC Direct Payments Implement a new co-designed model for direct payments, reducing any inefficiencies in the system and focussing on meeting our statutory duty and establish parity in rates across the city.	142	142	284
ASC02	Prevent and Reablement Reduction in demand for urgent ASC intervention through better prevention and reablement	800	400	1,200
ASC03	Be Independent Expand Be Independent to generate income	46	23	69
ASC04	Home Care Cease in-house home care service, commission externally and move staff to vacancies in other in-house services	200		200
ASC05	Community Contracts Review of community contracts to remove duplication and to generate efficiencies in services	264	75	339
ASC06	Adults Management Structure Review management structure of ASC in order to protect frontline services	199		199
ASC07	Older Peoples Accommodation Budget Release funding previously set aside to cover increased costs in Independent Living that is not being used.	500		500

Ref	Proposal Description	2024/25 Impact £000	2025/26 Impact £000	Total Saving Impact £000
ASC08	Live Well York Review alongside other digital provision in the city and remove duplication of website maintenance	55		55
ASC09	External Consultants Cease using external consultants to undertaken Deprivation of Liberty Assessments and use our own staff instead.	25		25
ASC10	Social Care Stop providing weekend social work cover at the hospital	129		129

Ref	Proposal Description	2024/25 Impact £000	2025/26 Impact £000	Total Saving Impact £000
Childrens				
CHS01	School Improvement The academisation process will enable the reduction of 0.5fte School Improvement Advisor post.	20	15	35
CHS02	Home to School Transport Undertake a consultation to identify possible changes to the universal provision of discretionary transport to mainstream children and young people attending Tadcaster Grammar School. Savings would be phased over 5 academic years. It is not proposed to remove transport from pupils currently receiving it.	0	17	17
CHS03	DSG Funding Increase in Early Years DSG funding will enable some current costs to be grant funded resulting in a saving of the revenue budget	50	50	100
CHS04	CSC Direct Payments Review of direct payments will result in one off and ongoing savings	250	(150)	100
CHS05	Social Care Agency Staffing Reduce use of agency staff costs overall by 25% by April 2024 and a further 25% by March 2025.	175		175
CHS06	Fostering Reduced cost of CYC Fostering placements.	250		250
CHS07	LAC Placements Reduce the number of young people in high cost external placements.	1,000		1,000
CHS08	DMT Contingency Reduction in growth allocated in 2023/24	100		100

Customers & Communities

Ref	Proposal Description	2024/25 Impact £000	2025/26 Impact £000	Total Saving Impact £000
CAC01	Communities Structure Review of structures across various Communities teams whilst protecting frontline services	75	37	112
CAC02	Digital City Team Introduce self funding mechanism for Digital City Team	50	24	74
CAC03	ICT Management Management savings within ICT structure	48	24	72
CAC05	Members Enquiries This efficiency reduces bureaucracy by enabling Councillors to directly address residents concerns as well as supporting better engagement with officers.	18	10	28
CAC06	Bereavement & Registrars Management Combine management structure across Registrars and Bereavement Services	33	17	50
CAC07	Bereavement & Registrars Income Additional income anticipated from inflationary fee increase.	100		100
CAC08	Civic Support Reduction in civic budget to support mayoral function	10		10
CAC09	Adult Learning Funding Use of identified external funding to supplement staffing costs.	36		36

Ref	Proposal Description	2024/25 Impact £000	2025/26 Impact £000	Total Saving Impact £000
CAC10	<p>York Explore Contract</p> <p>Whilst preserving and uplifting spending on the City of York archive, officers are seeking approval from Executive and Full Council to commence discussions with its current library services provider in accordance with the terms and conditions of the current contract to agree with the provider an appropriate reduction to library services for the next two (2) years with a corresponding reduction per head library spending by the Council and amendments to any KPIs under the current contract.</p> <p>Any proposed cuts to library services, and corresponding to price reductions under the contract, will be subject to agreement with the provider, consultation with the public, and said proposals being approved by Executive at a later date.</p> <p>For the avoidance of any doubt, the library services contract will continue to be subject to its current terms and conditions, and the Council will continue to pay the provider the current price for the services including the CPI uplift, until such time that any proposed service reductions have been agreed with the Provider, have gone through any required lawful consultation process and have been approved by Executive.</p> <p>Target savings of £300k for each of the next 2 years are included in the budget.</p>	300	300	600

Ref	Proposal Description	2024/25 Impact £000	2025/26 Impact £000	Total Saving Impact £000
Place				
PLA01	Enhanced Parking Income Budget for enhanced income levels that are currently being raised	1,200		1,200
PLA02	Parking Income - All Day Rate Increase All day Charge to £20 at Standard Stay Car Parks	120		120
PLA03	Parking Income - Hourly Rate Standard increase of 30p for most hourly daytime charges	650		650
PLA04	Respark Income Inflationary increase to Respark Rate	60		60
PLA05	ResPark Review Simplify Respark by 2025/26	0	250	250
PLA06	Schools Cycle Training Reduce funding to parity with grant agreement and ask schools and parents to contribute where possible	20		20
PLA07	Highways income Inflationary increases to Highways charges	35		35
PLA08	York racecourse Incorporate traffic management into lease agreement with York Racecourse	30		30
PLA09	Dial & Ride Service Continue to support York Wheels Voluntary Car service following the cessation of the Dial & Ride Service	58		58
PLA10	Winter Maintenance Review in line with actual use for 25/26	0	50	50
PLA11	Graffiti Removal Reduction in Graffiti removal service	30		30

Ref	Proposal Description	2024/25 Impact £000	2025/26 Impact £000	Total Saving Impact £000
PLA12	Grounds Maintenance Sustainable and climate resilient planting from 2024 onwards, representing future year savings on winter and summer bedding. Residential verge grass cutting reduced to 6 times a year, that offer cost savings as well as increased biodiversity benefit.	100	30	130
PLA13	Garden Waste Introduce charges for Garden Waste collection service in line with NYC. From the other LAs that already charge for garden waste collections, there is no evidence of increased burning or fly tipping.	720	180	900
PLA14	Household Recycling Sites Adjust opening hours at Household Waste Recycling Sites allowing for a variety of opening to accommodate customers and following evidence on busiest times for attendance.	50	20	70
PLA15	Recycling Income Increase base budget for recycling income, in line with current prices	100		100
PLA16	Bulky Waste Disposal Increases to Bulky Waste charges	16		16
PLA17	Rough Sleeper Contract Savings already achieved by not re-commissioning rough sleeper count services following successful introduction of more effective intensive early interventions through the Housing Navigator Service.	96		96
PLA18	Hostel Rents Increase Hostel Rents by 7.7%	20		20
PLA19	City Development Reduce CYC direct budget for City Development work, including seeking additional external funding	90	125	215

Ref	Proposal Description	2024/25 Impact £000	2025/26 Impact £000	Total Saving Impact £000
PLA20	Make it York Reduction to CYC contribution to MIY	25	25	50
PLA21	Service Reviews A series of detailed budget reviews will look for savings in service delivery, transformation and procurement across Place Directorate. This will include Highways, Transport, Environmental Services, Public Protection, Housing, Property and Development Services. This equates to 3% of the directorates budget.	900		900

Corporate

CORP02	Member Support Reduction in the number of Member Executive Support Assistant posts	30		30
CORP03	Webcasting Moving webcasting from Zoom to Teams and reducing number of support staff associated with webcasting	40		40
CORP04	Complaints Team Merger of customer contact & complaints teams, resulting in efficiencies.	17		17
CORP05	Apprentice match funding Continue to use apprenticeships where appropriate but cease the match funding from the corporate budget	80	35	115
CORP06	Early Intervention & Prevention A review of current service provision across the council that supports early intervention and prevention will look at where savings can be achieved through securing additional external income, reducing cost to the council and service redesign / reduction. A further report early in the new financial year will report back with further recommendations.	591		591

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STANDARD CHARGES FOR SHORT BREAKS CARE HOMES

With the completion of the Beehive in 2020 any charges to other LA's for placements will be agreed at the specific based on the support required

FOSTER CARE ALLOWANCES
From 1st April 2024

Weekly Child Allowance (including Delegated Authority)

Age	National Weekly Allowance 2023/24 £	Delegated Authority 2023/24 £	Total Weekly Allowance 2023/24 £	National Weekly Allowance 2024/25 £	Delegated Authority 2024/25 £	Total Weekly Allowance 2024/25 £	Weekly Increase £
0-4	£159.04		£159.04	£165.40		£165.40	£6.36
5-10	£175.00	£14.42	£189.42	£182.00	£14.42	£196.42	£7.00
11-15	£199.08	£16.35	£215.43	£207.04	£16.35	£223.39	£7.96
16-17	£233.03	£17.31	£250.34	£242.35	£17.31	£259.66	£9.32

2024/25 Includes the proposed uplift on the national weekly allowance payment, we will pay the national weekly minimum amount when these are set by central government
The Delegated authority fee may vary

Foster Carer Fees and Capacity Payments

Grade	Fee £	Capacity - Total payments		Weekly Increase £
		2 £	3+ £	
Level 1	65.08	32.54	65.08	£0.00
		50%	100%	
Level 2	173.55	43.39	86.78	£0.00
		25%	50%	
Level 3	496.61	99.32	198.64	£0.00
		20%	40%	

The foster carer grade fee may vary following a review
Capacity payments are based on the grade fee payments

ADDITIONAL FOSTER CARERS ALLOWANCES
PAYABLE FROM 1st APRIL 2024

See Annex 3c supplement

Adoption, SGO & CAO
Allowances
PAYABLE FROM 1st APRIL 2024

Age	Weekly Allowance 2023/24 £	Weekly Allowance 2024/25 £	Weekly Increase £
0-4	£159.04	£165.40	£6.36
5-10	£175.00	£182.00	£7.00
11-15	£199.08	£207.04	£7.96
16-17	£233.03	£242.35	£9.32

Note: An amount equivalent to the Child Benefit entitlement will be deducted from this allowance.

2024/25 Includes the proposed uplift on the national weekly allowance payer weekly minimum amount when these are set by central government

SHORT BREAKS ALLOWANCES**PAYABLE FROM 1st APRIL 2024**

Time Band	Standard Sharing Care Current Weekly Allowance 2023/24 £	Standard Sharing Care Updated Weekly Allowance 2024/25 £	Allowance paid to carer of child with additional health needs (i.e.std allow. + 70% enhancement) Proposed Weekly Allowance 2024/25 £	Allowance paid to carer of child with more complex care needs (i.e.std allow. + 60% enhancement) Proposed Weekly Allowance 2024/25 £	Weekly Increase £
0-4 hours	18.13	18.13	30.81 (i.e. 18.13 + 12.68)	29.00 (i.e. 18.13 + 10.87)	£0.00
4-8 hours	27.13	27.13	46.12 (i.e. 27.13 + 18.99)	43.41 (i.e. 27.13 + 16.28)	£0.00
8-12 hours	36.19	36.19	61.52 (i.e. 36.19 + 25.33)	57.90 (i.e. 36.19 + 21.71)	£0.00
12-24 hours	54.24	54.24	92.21 (i.e. 54.24 + 37.97)	86.79 (i.e. 54.24 + 32.55)	£0.00

Contract Care Scheme

	Weekly Allowance 2023/24 £	Weekly Allowance 2024/25 £	Weekly Increase £
Contract Carers	368.28	368.28	£0.00

These charges may change following a review

ENVIRONMENTAL HEALTH	2023/24	2024/25	
	Charge (Before VAT) £	Charge (Before VAT) £	Increase (Before VAT) £
<u>HEALTH & SAFETY</u>			
<u>SKIN PIERCERS</u>			
High/Medium risk activities (cosmetic piercing & tattooing)	232.00	233.00	1.00
Low risk activities (Acupuncture/ Semi-permanent skin colouring/Ear piercing/Electrolysis/ Micro-blading)	144.00	149.00	5.00
Adding a high/medium risk activity to registration	232.00	233.00	1.00
Adding a low risk activity to registration	144.00	149.00	5.00
Change of name on registration	43.00	44.00	1.00
<u>FOOD & SAFETY UNIT</u>			
Export Certificate - Paper Certificate	79.00	84.00	5.00
Export Certificate - Electronic Certificate	56.00	59.50	3.50
<u>ANIMAL HEALTH</u>			
Animal Boarding / Dog Breeding / Pet Shop:			
- grant (yearly)	342.00	367.00	25.00
- renewal (2 year licence)	548.00	588.00	40.00
- renewal (3 year licence)	593.00	636.00	43.00
- request for re-inspection for re-rating purposes	113.00	119.00	6.00
Additional Activity (1 year)	168.00	173.00	5.00
Additional Activity (2 years)	275.00	282.00	7.00
Additional Activity (3 years)	275.00	282.00	7.00
Home Boarding / Day Creche:			
- grant (yearly)	222.00	248.00	26.00
- renewal (2 year licence)	358.00	392.00	34.00
- renewal (3 year licence)	403.00	440.00	37.00
- request for re-inspection for re-rating purposes	79.00	84.00	5.00
Additional Activity (1 year)	58.00	58.00	0.00
Additional Activity (2 years)	115.00	118.00	3.00
Additional Activity (3 years)	115.00	118.00	3.00
Home Boarding Franchises:			
- grant (yearly)	126.00	132.00	6.00
- renewal (2 year licence)	176.00	180.00	4.00
- renewal (3 year licence)	229.00	229.00	0.00
Riding Establishments ~ 1-10 horses (excluding vet fees):			
- grant (yearly) - with inspection	342.00	371.00	29.00
- grant (yearly) - without inspection	191.00	210.00	19.00
- renewal (2 year licence) - with inspection	540.00	595.00	55.00
- renewal (2 year licence) - without inspection	389.00	435.00	46.00
- renewal (3 year licence) - with inspection	585.00	649.00	64.00
- renewal (3 year licence) - without inspection	434.00	488.00	54.00
- request for re-inspection for re-rating purposes	113.00	119.00	6.00
Riding Establishments ~ 11-20 horses (excluding vet fees):			
- grant (yearly) - with inspection	427.00	427.00	0.00
- grant (yearley) - without inspection	222.00	226.00	4.00
- renewal (2 year licence) - with inspection	685.00	685.00	0.00
- renewal (2 year licence) - without inspection	479.00	479.00	0.00
- renewal (3 year licence) - with inspection	730.00	730.00	0.00
- renewal (3 year licence) - without inspection	524.00	524.00	0.00
- request for re-inspection for re-rating purposes	141.00	151.00	10.00

ENVIRONMENTAL HEALTH	2023/24	2024/25	
	Charge (Before VAT)	Charge (Before VAT)	Increase (Before VAT)
Riding Establishments ~ 21 or more horses (excluding vet fees):			
- grant (yearly) - with inspection	502.00	502.00	0.00
- grant (yearly) - without inspection	245.00	245.00	0.00
- renewal (2 year licence) - with inspection	799.00	799.00	0.00
- renewal (2 year licence) - without inspection	539.00	539.00	0.00
- renewal (3 year licence) - with inspection	852.00	852.00	0.00
- renewal (3 year licence) - without inspection	595.00	595.00	0.00
- request for re-inspection for re-rating purposes	175.00	186.00	11.00
Performing /Exhibition of Animals:			
- Grant and renewal (3 yr licence)	365.00	367.00	2.00
- Request for re-inspection for re-rating purposes	79.00	84.00	5.00
Dangerous Wild Animals - valid for 2 years (excluding vet fees)	292.00	309.00	17.00
Zoos Licence Grant (4 year licence)	343.00	358.00	15.00
Zoos Licence Renewal (6 year licence)	456.00	474.00	18.00

PUBLIC PROTECTION (Excluding Licensing)	2023/24	2024/25	
	Charge (Before VAT)	Charge (Before VAT)	Increase (Before VAT)
	£	£	£
FEES FOR THE TESTING AND VERIFICATION OF WEIGHING AND MEASURING INSTRUMENTS			
Standard Hourly Charge	79.00	84.00	5.00
<u>Consultancy and Court Cases (per hour)</u>			
Officer (Grade 8)	66.00	71.00	5.00
Officer (Grade 9)	72.00	77.00	5.00
Officer (Grade 10)	79.00	84.00	5.00
Officer (Grade 11)	88.00	92.00	4.00
Officer (Grade 12)	97.00	101.00	4.00
Officer (Grade 13)	108.00	112.00	4.00

REGULATORY SERVICES (Licensing)	2023/24	2024/25	
	Charge (Before VAT)	Charge (Before VAT)	Increase (Before VAT)
	£	£	£
<u>GAMBLING ACT</u>			
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 Prmises (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
<u>STREET TRADING CONSENTS</u>			
INSIDE CITY WALLS			
Ice Cream - various locations	Fees assessed by individual location, to rise by 4 % to 9 % depending on site location		
Food - various locations			
Non Food - various locations			
Artists	2,300.00	2,400.00	100.00
Buskers 1 day	21.50	22.00	0.50
Buskers 5 days	63.00	64.50	1.50
Buskers 10 days	106.00	108.00	2.00
Buskers 1 month	206.00	210.00	4.00
OUTSIDE CITY WALLS			
Ice Cream	1,825.00	1,875.00	50.00
Food	1,700.00	1,750.00	50.00
Non Food	820.00	850.00	30.00
OCCASIONAL			
Food	60.00	62.00	2.00
Non Food	44.00	45.00	1.00
Charities	15.00	15.00	0.00
<u>CAR BOOT SALES (commercial)</u>			
Less than 15 traders	79.00	80.00	1.00
15 - 50 traders	155.00	157.00	2.00
50 - 100 traders	312.00	315.00	3.00
More than 100 traders	435.00	440.00	5.00
*if the operator is paying rent for using private land the fees are reduced by half			
Charities	15.00	15.00	0.00
<u>SEX ESTABLISHMENTS *</u>			
Grant sex shop/cinema - application fee	942.00	1,022.00	80.00

REGULATORY SERVICES (Licensing)	2023/24	2024/25	
	Charge (Before VAT)	Charge (Before VAT)	Increase (Before VAT)
	£	£	£
Grant sex shop/cinema licence fee - grant	511.00	525.00	14.00
Grant sexual entertainment venue - application fee	1,364.00	1,453.00	89.00
Grant sex entertainment venue licence fee - grant	641.00	659.00	18.00
Renewal sex shop/cinema *	827.00	767.00	-60.00
Renewal sexual entertainment venue *	1,292.00	1,127.00	-165.00
Trans/Vary sex shop/cinema	942.00	1,022.00	80.00
Trans/Vary sexual entertainment venue	1,364.00	1,453.00	89.00
<u>Scrap Metal Dealers - renewable 3 yearly</u>			
Grant / renewal site licence	496.00	509.00	13.00
Grant / renewal site licence (2 sites)	689.00	707.00	18.00
Grant / renewal site licence (3 sites)	819.00	842.00	23.00
Grant / renewal collectors licence	365.00	375.00	10.00
Variation	163.00	173.00	10.00
Variation change of name / address	94.00	103.00	9.00
<u>Miscellaneous</u>			
Hypnotism Licence	80.00	81.00	1.00
Film Classification	100.00	118.00	18.00
Replacement Charitable Collection Permit	12.50	13.50	1.00
<u>Consultancy and Court Cases (per hour) - Licensing</u>			
Officer (Grade 5)	51.87	53.71	1.84
Officer (Grade 6)	55.22	57.03	1.81
Officer (Grade 7)	58.20	60.07	1.87
Officer (Grade 8)	62.34	64.15	1.81
Officer (Grade 9)	68.33	70.04	1.71
Officer (Grade 10)	75.40	76.97	1.57
Officer (Grade 11)	84.44	85.90	1.46

TAXI LICENSING	2023/24	2024/25	
	Charge £	Charge £	Increase or Decrease £
<u>PRIVATE HIRE LICENCE FEES</u>			
Driver's licence - new application (3 Year Licence) application fee	181.00	188.00	7.00
Driver's licence - new application (3 Year Licence) grant fee	181.00	188.00	7.00
Driver's licence - renewal (3 Year Licence) and (applications over 3 months late charged at new app fee)	256.00	267.00	11.00
Vehicle licence - new application	260.00	273.00	13.00
Vehicle licence - renewal (applications over 3 months late charged at new app fee)	199.00	205.00	6.00
Vehicle licence - new plate renewal (change every 3 years)			
Vehicle inspection (including admin fee)	82.50	85.00	2.50
Vehicle re-test (including admin fee)	41.25	42.50	1.25
Change of vehicle fee	52.00	59.00	7.00
Drivers badge - replacement charge	19.00	19.50	0.50
Internal vehicle plate - replacement charge	10.50	10.50	0.00
Vehicle plates - cost to new apps (includes internal plate)	49.00	49.00	0.00
Vehicle plates - replacement charge (set of 2)	43.00	44.00	1.00
Operator's licence - 1 - 10 vehicles (5 Year Licence)	232.00	238.00	6.00
11 - 50 vehicles (5 year licence)	394.00	414.00	20.00
51 - 90 vehicles (5 year licence)	559.00	597.00	38.00
90+ vehicles (5 Year Licence)	636.00	695.00	59.00
change of company name	29.00	29.50	0.50
Vehicle licence transfer fee	40.00	42.00	2.00
Plates and signage exemption	65.00	68.00	3.00
Duplicate licence fee	18.00	19.00	1.00
Change of name or address	18.00	19.00	1.00
Administration charge DBS check (not part of grant or renewal)	22.00	23.00	1.00
Administration charge for various activities including bounced cheques	31.00	35.00	4.00
HACKNEY CARRIAGE LICENCE FEES			
Driver's licence - new application (3 Year Licence) - application fee	181.00	188.00	7.00
Driver's licence - new application (3 Year Licence) - grant fee	181.00	188.00	7.00
Driver's licence - renewal (3 Year Licence)	256.00	267.00	11.00
Vehicle licence - new application	276.00	285.00	9.00
Vehicle licence - renewal (applications over 3 months late charged at new app fee)	230.00	235.00	5.00
Vehicle inspection (including admin fee)	82.50	85.00	2.50
Vehicle re-test (including admin fee)	41.25	42.50	1.25
Change of vehicle fee	52.00	59.00	7.00
Driver's badge - replacement charge	19.00	19.50	0.50
Internal vehicle plate - replacement charge	10.50	10.50	0.00
Vehicle plate - replacement charge	35.00	37.00	2.00
Vehicle Crest	18.00	18.50	0.50
Vehicle licence transfer fee	40.00	42.00	2.00
Duplicate licence fee	18.00	19.00	1.00
Change of name or address	18.00	19.00	1.00
Administration charge DBS check (not part of grant or renewal)	22.00	23.00	1.00

Housing & Community Safety Fees & Charges 2024-25

HOUSING - HRA		2023/24	2024/25	Proposed
		Charge	Charge	Increase
		£	£	£
Garages				
Normal	Council tenant	9.44	10.00	0.56
	Private **	14.79	16.00	1.21
High Demand	Council tenant	11.36	12.00	0.64
	Private (local connection) **	34.62	37.00	2.38
	Private (no local connection) **	43.53	47.00	3.47
Low Demand	All tenures	4.76	5.00	0.24
** Charges include VAT				

HOUSING - GENERAL FUND		2023/24	2024/25	Proposed
		Charge	Charge	Increase
		£	£	£
Houses in Multiple Occupation Fees & Charges				
New Licence Applications*				
	Band A	1,316.00	1,382.00	66.00
	Band B	1,536.00	1,613.00	77.00
	Band C	1,679.00	1,763.00	84.00
	Band D	1,888.00	1,982.00	94.00
Licence Renewals				
	Band A	958.00	1,006.00	48.00
	Band B	1,024.00	1,075.00	51.00
	Band C	1,062.00	1,115.00	53.00
	Band D	1,173.00	1,232.00	59.00
Other HMO Charges				
	Penalty fee**	275.00	275.00	
	Letters of Advice	127.00	127.00	
	Immigration Inspection	187.00	187.00	
	Copy of Register	606.00	606.00	
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	810.00	851.00	41.00
	Transfer of Licence (no variations)	277.00	291.00	14.00
	Variation to Licence	590.00	620.00	30.00
	Annual Inspection - 50 units or more	590.00	620.00	30.00
	Annual Inspection - 49 units or fewer	462.00	485.00	23.00
	Fit and Proper Person test mobile homes	440.00	462.00	22.00
Landlord Training Fees				
	1 x 3 hour Landlord Training course per person (Not related to HMO qualification)	110.00	116.00	6.00
	2 x 3 hour Landlord Training course per person (Not related to HMO qualification)	135.00	142.00	7.00
	New online training course (Not related to HMO qualification)	75.00	79.00	4.00

HOUSING - GENERAL FUND		2023/24 Charge	2024/25 Charge	Proposed Increase
		£	£	£
Charging for Notices				
Housing Notices	Officer's hourly rate up to maximum of £300			
Works in default	Officer's Hourly rate			
Hourly Rates	Grade 8	66.00	71.00	5.00
	Grade 9	72.00	77.00	5.00
	Grade 10	79.00	84.00	5.00
	Grade 11	88.00	92.00	4.00
	Grade 12	97.00	101.00	4.00
	Grade 13	108.00	112.00	4.00
Administration of Private Sector grants/loans				
	Home Safety Loan (Includes VAT)	200.00	200.00	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)	24.00	25.00	1.00

COMMUNITY SAFETY		2023/24 Charge	2024/25 Charge	Proposed Increase
		£	£	£
Fixed Penalty Notices				
	Littering Fine	110.00	120.00	120.00
	Littering Fine early payment	80.00	90.00	90.00
	Reclaim Fee (Statutory fee)	70.00	77.00	77.00
	Kennels Fees - Statute only allows the local authority to recover the	12.00	13.00	13.00
	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 payment)	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)	400.00	1,000.00	1000.00
	Small-scale fly-tipping (less than a small van load) - early payment	240.00	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	275.00	300.00	300.00
	Failure to comply with domestic waste duty of care requirement (early payment)	175.00	190.00	190.00
	Fly-posting	100.00	110.00	110.00

* Early payment requires penalty notice to be paid within 10 days

TRANSPORT	2023/24		2024/25	
	Charge		Proposed Charge	Increase
	(exc VAT) £		(exc VAT) £	£
Bus Stop				
Installation & removal of temporary bus stop	108.00		115.00	7.00
Removal of permanent bus stop during work	202.00		215.00	13.00
Damage to bus stop or unauthorised removal	202.00		215.00	13.00
Road Safety*				
Local Authority School Children: (cost per child)				
Pre Basic Cycle Training Level 1	4.50		40.00	35.50
Basic Cycle Training Level 2	19.00		120.00	101.00
Cycle Training Level 1 and 2 combined	22.00		120.00	98.00
Advanced Cycle Training Level 3	10.00		40.00	30.00
Adults (cost per person):				
1:1 adult training (first hour)	35.00		40.00	5.00
1:1 adult training (90 minutes)	53.00		55.00	2.00
Pedestrian Training:				
School training by class (2 x 1.5hr class)	105.00		110.00	5.00
*Road Safety training charges only levied if costs cannot be covered by grant funding				
Replacement charge for YOzone card & ENCTS cards	10.00		12.50	2.50
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+£500*		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)	N/a		500	n/a
White Bar Markings				
Application and Initial Placement	149.00		160.00	11.00
Refreshment (to new and existing)	97.00		104.00	7.00
Scaffold & Hoarding licences				
Initial consent and 1 month permission	171.00		183.00	12.00
Each additional month or part thereof	86.00		93.00	7.00
Late notification fee (less than 5 working days)	52.00		56.00	4.00
Failure to comply with terms of licence	103.00		111.00	8.00
Retrospective Application /Additional fee for dealing with unlicensed scaffold/hoarding	341.00		365.00	24.00
Skip/ Container/ Building Materials licence for 14 days	63.00		68.00	5.00
Late notification fee (less than 3 working days)	46.00		50.00	4.00
Failure to comply with terms of licence (for example defective	63.00		68.00	5.00
Additional fee for dealing with unlicensed skips/ scaffolding	231.00		248.00	17.00
Cherry picker licence - up to 1 day	91.00		98.00	7.00
Cherry picker licence - more than 1 day	172.00		185.00	13.00
Crane - up to 1 week	172.00		185.00	13.00
Crane - per additional week	172.00		185.00	13.00
Retrospective Application /Additional fee for dealing with unlicensed cherry picker/crane	347.00		372.00	25.00
Officer time spent dealing with commercial events on the highway - charge per hour	40.00		60.00	20.00
*excludes costs associated with specialist areas e.g. highway structures, street lighting, traffic signals (full cost recovery); additional fees will be applied relating to an extension of works and agreement based upon the cost of outstanding works.				
Vehicle Crossing Fees (Assessment & Inspection Fee)	204.00		219.00	15.00

TRANSPORT	2023/24		2024/25	
	Charge		Proposed Charge	Increase
	(exc VAT) £		(exc VAT) £	£
Refused Application Admin Charge	50.00		54.00	4.00
Shared crossings - Assessment & Inspection Fee (charged once)	204.00		219.00	15.00
Shared crossings - Admin charge for other dwelling(s) (charged per dwelling)	55.00		59.00	4.00
Installing a new access from the highway (outside S278 agreement) & vehicle crossing for non-residential properties	1,000.00		1,070.00	70.00
Change to Permanent Traffic Regulation Order - removal from Res Park zone	3,000.00		3,000.00	0.00
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)	2,000.00		1,800.00	0.00
Road Closures - validation fee (to ensure all required information is provided to required standards - non-refundable)			200.00	0.00
(Non-Commercial/ Charitable Events may be exempt or reduced,				
Temporary Waiting Restrictions (exc cost of work, coning & advertising)	229.00		246.00	17.00
Authority to contravene Moving Traffic Order	57.00		61.00	4.00
Annual Parking Waiver	103.00		111.00	8.00
Waiver to contravene a Parking Order				
1 day	29.00		32.00	3.00
2 - 7 days	67.00		72.00	5.00
8 - 14 days	134.00		144.00	10.00
Brown Sign Applications				
1 sign	361.00		387.00	26.00
2 signs	602.00		645.00	43.00
Charge per sign for each additional sign over 2 signs	120.00		129.00	9.00
Additional charge for signs on the trunk road network	902.00		966.00	64.00
Any additional works costs per sign	per application			
Noticeboard/structure (in highway)	300.00		321.00	21.00
Licence to plant	300.00		321.00	21.00
Approval consent for House Builder signs				
4 signs or less	424.00		454.00	30.00
5 to 8 signs	495.00		530.00	35.00
9 signs or more	565.00		605.00	40.00
Retrospective Application /Additional fee for dealing with unlicensed House Builder signs				
4 signs or less	849.00		909.00	60.00
5 to 8 signs	990.00		1,060.00	70.00
9 signs or more	1,130.00		1,210.00	80.00
				0.00
Pavement Cafe Licences (Under Business and Planning Act 2020) - annual	100.00		100.00	0.00
Pavement Cafe Licence - New (Under Levelling-up and Regeneration Act, once regulations published) - annual	100.00		500.00	400.00
Pavement Cafe Licence - Renewal (Under Levelling-up and Regeneration Act, once regulations published) - annual	100.00		350.00	250.00
Pavement Cafe Licences*	686.00		800.00	114.00
*These charges do not apply at present due to temporary legislation - max charge is £100 per 3 month period.				
General Solicitor Highway and PRow Simple	103.00		111.00	8.00

TRANSPORT	2023/24	2024/25	
	Charge (exc VAT) £	Proposed Charge (exc VAT) £	Increase £
Complex (including legal documents)	264.00	300.00	36.00
PRoW - Public Path Orders (diversions, creations and extinguishments - indicative charge as cost depends on complexity, excluding advertising costs)			
Section 116, 118, 119 unopposed		3,575.00	
Section 116, 118, 119 opposed		6,064.00	
PRoW - Highways Act 1980 s31(6) declarations	242.00	259.00	17.00
PRoW dilapidation surveys - charge per hour	35.00	38.00	3.00
NRSWA (Set Nationally)			
Section 50 Licence Fee (Including Site Meeting - applicable for up to 200m)	419.00	450.00	31.00
- Additional S50 licence fee for larger site (per additional 200m)	165.00	180.00	15.00
- Inspection Fees	157.00	120.00	-37.00
- Variation fee (i.e. change of dates for TM)	53.00	57.00	4.00
Section 171 Excavation of the Highway (incl Permit Application)	340.00	365.00	25.00
- Joint Site Meeting (Priority Routes)	75.00	81.00	6.00
- Variation fee (i.e. change of dates for TM)	53.00	57.00	4.00
To raise a permit for private street works and road works in public highway	53.00	60.00	7.00
Variation fee (i.e. change of dates for TM)	53.00	60.00	7.00
Traffic lights & lane closure additional permit fee	165.00	180.00	15.00
Inspection fees			
- Category A, B, C Defect Inspection	47.50	47.50	0.00
- Investigatory inspection / Third Party	68.00	68.00	0.00
- Sample inspection	50.00	50.00	0.00
Administration Fees (incl letters/searches/re-issuing of licences)	53.00	57.00	4.00
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	Per permit scheme	Per permit scheme	
Charges for Casualty Accident Data			
Statistic Only Requests - Up to 10 years Statistics			
Single Junction and/or up to 200m	51.00	55.00	4.00
Single Junction and/or up to 600m	88.00	95.00	7.00
Roundabouts up to 6 arms and 200m	122.00	132.00	10.00
Roundabouts up to 6 arms and 1.6km	158.00	171.00	13.00
Up to 16km e.g. A1237	245.00	265.00	20.00
Up to 32km e.g. A64	319.00	345.00	26.00
Whole of York	405.00	438.00	33.00
Extra Plan by vehicle type or pedestrian	51.00	55.00	4.00

TRANSPORT	2023/24	2024/25	
	Charge (exc VAT) £	Proposed Charge (exc VAT) £	Increase £
Standard Collision Requests			
Accident Request - up to 5 years			
Single Junction and/or up to 200m	102.00	110.00	8.00
Single Junction and/or up to 600m	139.00	150.00	11.00
Roundabouts up to 6 arms and 200m	187.00	202.00	15.00
Roundabouts up to 6 arms and 1.6km	245.00	265.00	20.00
Up to 16km e.g. A1237	319.00	345.00	26.00
Up to 32km e.g. A64	404.00	437.00	33.00
Whole of York	478.00	516.00	38.00
Extra Plan by vehicle type or pedestrian	88.00	95.00	7.00
Accident Request - up to 10 years			
Single Junction and/or up to 200m	158.00	171.00	13.00
Single Junction and/or up to 600m	245.00	265.00	20.00
Roundabouts up to 6 arms and 200m	319.00	345.00	26.00
Roundabouts up to 6 arms and 1.6km	404.00	437.00	33.00
Up to 16km e.g. A1237	478.00	516.00	38.00
Up to 32km e.g. A64	561.00	606.00	45.00
Whole of York	632.00	683.00	51.00
Extra Plan by vehicle type or pedestrian	158.00	171.00	13.00
Traffic Survey Data			
Automatic traffic count data (ATC): per site for 1 years	130.00	140.00	10.00
Classified count data	50% of the survey cost	50% of the survey cost + £75 for admin costs	75.00
Ev Charging at Hyperhubs and Car Parks			
Fast Charging	39p / kwhr	39p / kwh	
Rapid and Ultra Rapid	59p / kwhr	59p / Kwhr	

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	50.00	53.00	3.00
240L	56.00	59.50	3.50
360L	64.00	68.00	4.00
Recycling box	0.00	0.00	0.00
Garden Waste Collection *		46.50	New Charge
Second bin and additional bin	43.00	46.50	3.50
*Proposed Charge applies for 2023 season commencing 4th March 2024			
Bulky Household Collections			
1-3 items	27.00	30.00	3.00
4-10 items	27.00	50.00	23.00
White Goods - Fridges/Freezers only (domestic collections)	17.00	18.00	1.00
Bonded Asbestos Collections for quantities up to 200 kg, including assessment visit (incs VAT)	122.00	129.50	7.50
Bonded Asbestos Collections greater than 200 kg, price quoted on application (excluding VAT)	n/a	n/a	n/a
Hazel Court - Household Waste Recycling Centre			
Material Charges:			
Brick/rubble per bag	3.50	0.00	-3.50
Bonded Asbestos per sheet (less than 1.8m by 0.6m)	8.50	9.00	0.50
Bonded Asbestos per sheet (more than 1.8m by 0.6m)	17.00	18.50	1.50
Bonded Asbestos per bag (able to be lifted by one person)	8.50	9.00	0.50
Plasterboard per bag	8.50	0.00	-8.50
Gas bottles up to 10Kg	10.50	11.00	0.50
Gas bottles up to 20Kg	17.00	18.50	1.50
Gas bottles large (over 20kg) or specialised	47.00	50.00	3.00
Trade Waste Charges			
Waste to be charged per tonne or part thereof :-			
Residual Waste to Landfill per tonne	187.00	200.00	13.00
Minimum Charge	96.00	100.00	4.00
Recycling or Waste for Composting per tonne	96.00	100.00	4.00
Minimum Charge	50.00	55.00	5.00
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 Chief Finance Officer subject to service required/customer requirements		

DEVELOPMENT MANAGEMENT**Section A - Advice as to whether permission / consent is required**

Category	Current Fee (excluding VAT) 2023/24 £	Proposed (excluding VAT) 2024/25 £	Increase (excluding VAT) 2024/25 £
Householder Enquiry (ie house extensions, garages/sheds, etc)	82.50	90.00	7.50
Other Commercial Development (to establish if "development" or whether "permitted development" or not)	82.50	90.00	7.50

Note 1 - All fees above are subject to VAT

Section B - Advice in relation to the prospects of permission / consent being granted**Category - Minor Development**

Proposed Development Type	Current Fee (excluding VAT) 2023/24 £	Proposed (excluding VAT) 2024/25 £	Increase (excluding VAT) 2024/25 £
Householder (see note 4)	82.50	90.00	7.50
Advertisements (see note 4)	82.50	90.00	7.50
Commercial - where no new floorspace (see note 4)	121.00	133.00	12.00
Change of Use - with no building works (see note 4)	121.00	133.00	12.00
Telecommunications (see note 4)	167.00	183.00	16.00
Other (See note 3 & 4)	167.00	183.00	16.00
Small Scale Commercial Development (Incl shops offices, other commercial uses)			
* Upto 500m2	422.00	460.00	38.00
* 500-999m2	845.00	921.00	76.00
Small Scale Residential			
* less than 4 Dwellings - fee per dwelling	167.00	182.00	15.00
* 4-9 Dwellings	845.00	921.00	76.00

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 such as variation or

Note 4 - Additional £100 fee + vat when the site is a listed building or in the curtilage of a listed building, and building construction works or engineering operations are proposed

DEVELOPMENT MANAGEMENT**Category - Major Developments**

Proposed Development Type	Current Fee (excluding VAT) 2023/24 £	Proposed (excluding VAT) 2024/25 £	Increase (excluding VAT) 2024/25 £
Major new residential Student accommodation developments (10 or more students) * 10-25 Dwellings * 26-199 Dwellings - additional fee per dwelling	1,474.00 58.00	1,610.00 64.00	136.00 6.00
Small Scale Commercial Development (inc shops, offices, other commercial uses) * 1,000 m2 to 3,000m2	2,545.00	2,775.00	230.00

Note 1 - All fees above are subject to VAT

Note 2 - With site visit and meeting if Development Management Officer considered to be required

DEVELOPMENT MANAGEMENT**Category - Very Large Scale Developments**

Proposed Development Type	Current Fee (excluding VAT) 2023/24 £	Proposed (excluding VAT) 2024/25 £	Increase (excluding VAT) 2024/25 £
* 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 £58.00 per dwelling	Minimum fee of £64.00 per dwelling	6.00
* 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 £4,576	Fee to be negotiated with a minimum fee of £4,990	414.00

Note 1 - All fees above are subject to VAT

Note 2 - With multiple meetings including a lead officer together with Development Management case officer and

Note 3 - The fee for pre-application advise expected to be not less than 20% of anticipated planning fee for a full

Exemptions

Advice sought in the following categories is free

- * Where the enquiry is made by a Parish Council or Town Council
- * Where the development is for a specific accommodation/facilities for a registered disabled
- * Advice on how to submit a planning application
- * Enquiries relating to Planning Enforcement

Section C - Section 106

Category	Current Fee (excluding VAT) 2023/24 £	Proposed (excluding VAT) 2024/25 £	Increase (excluding VAT) 2024/25 £
Section 106 Confirmation Letter (Simple) (ie does not require site visit or document retrieval)	32.00	35.00	3.00
Section 106 Confirmation Letter (Complex) (ie requires site visit and/or document retrieval)	107.00	117.00	10.00
Decision Notices for applications decided before January 2006	20.00	22.00	2.00
Copies of S106 Agreements	55.00	60.00	5.00

Note 1 - All fees above are subject to VAT

Category	Current Fee (excluding VAT) 2023/24 £	Proposed (excluding VAT) 2024/25 £	Increase (excluding VAT) 2024/25 £
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			

Section D - Building Control

DEVELOPMENT MANAGEMENT

Category	Current Fee (excluding VAT) 2023/24 £	Proposed (excluding VAT) 2024/25 £	Increase (excluding VAT) 2024/25 £
Letter of confirmation } Completion Certificates } Approvals } Note 1 - All fees above are subject to VAT	48.00	53.00	5.00

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.

DEVELOPMENT MANAGEMENT**Section E - Land Charges**

Category	Current Fee (excluding VAT) 2023/24 £	Proposed (excluding VAT) 2024/25 £	Increase (excluding VAT) 2024/25 £
Basic search - over the counter	112.00	123.00	11.00
Basic search - electronic	112.00	123.00	11.00
Business search	219.00	239.00	20.00
Optional enquiries	62.00	68.00	6.00
Additional enquiries	35.00	38.00	3.00

Section F - Naming & Numbering

Category	Current Fee 2023/24 £	Proposed 2024/25 £	Increase 2024/25 £
Renaming of property	57.00	62.50	5.50
Naming of new property	114.00	125.00	11.00
New developments up to 10 units	286.00	312.00	26.00
New developments over 10 units (per additional unit)	57.00	62.50	5.50
Confirmation of address	57.00	62.50	5.50

Section G - Commons Registration

Category	Current Fee 2023/24 £	Proposed 2024/25 £	Increase 2024/25 £
Processing & Registration under section 15A(1) of the Commons Act 2006	423.50	462.00	38.50
Processing & Registration of the Highway Statement & Highway Declaration under section 31(6) of the Highways Act 1980 (Other fees are available on request)	376.00	410.00	34.00
Tree Preservation Orders	54.00	59.00	5.00

PARKING SERVICES		2023/24	2023/24	2023/24	2024/25		2024/25		2024/25	
		Standard Charge	Discounted Rate*	Premium Rate**	Standard Charge		Discounted Rate*		Premium Rate**	
		Charge £	Charge £	Charge £	Proposed Charge £	£ Increase £	Proposed Charge £	£ Increase £	Proposed Charge £	£ Increase £
Note : VAT is chargeable at the appropriate rate										
Household Permit	-Standard *	99.95	49.98	139.00	109.95	10.00	54.98	5.00	164.95	25.95
	Quarterly charge *	30.50	15.25	42.00	33.00	2.50	16.50	1.25	47.00	5.00
	-Second	220.00	110.00	310.00	240.00	20.00	120.00	10.00	340.00	30.00
	Quarterly charge	65.00	32.50	87.50	70.00	5.00	35.00	2.50	92.50	5.00
	-Third	440.00	220.00	600.00	500.00	60.00	250.00	30.00	680.00	80.00
	Quarterly charge	120.00	60.00	165.00	135.00	15.00	67.50	7.50	177.50	12.50
	-Fourth	880.00			1,000.00	120.00				
	Quarterly charge	225.00			255.00	30.00				
Visitor	-Standard	1.35			1.40	0.05				
	-Concessionary	0.35			0.35	0.00				
Special Control Permit	-Standard *	125.00	62.50	160.00	135.00	10.00	67.50	5.00	180.00	20.00
	Quarterly charge *	35.50	17.75	48.00	38.00	2.50	19.00	1.25	52.50	4.50
Special Additional Permit	-Standard *	125.00	62.50	160.00	135.00	10.00	67.50	5.00	180.00	20.00
	Quarterly charge	35.50	17.75	48.00	38.00	2.50	19.00	1.25	52.50	4.50
Business Permit *		480.00	240.00		510.00	30.00	255.00	15.00		
Guest House Authorisation Card	-Standard *	480.00	240.00		510.00	30.00	255.00	15.00		
	Quarterly charge	125.00	62.50		132.50	7.50	66.25	3.75		
Multiple Occupancy Permit *	-Standard *	192.50	96.25		202.50	10.00	101.25	5.00		
	Quarterly charge *	52.50	26.25		55.00	2.50	27.50	1.25		
Landlord's Permit *	-Standard *	192.50	96.25	240.00	202.50	10.00	101.25	5.00	240.00	0.00
	Quarterly charge *	52.50	26.25		55.00	2.50	27.50	1.25		
Community Permit *		62.50	31.25	75.00	67.50	5.00	33.75	2.50	82.50	7.50
Day use Community Permit	- Standard	1.35			1.40	0.05				
	- Charities	0.35			0.35	0.00				
Authorisation Card without Permit		3.50			4.00	0.50				
Property Renovation Permit	- Quarterly *	150.00	75.00		160.00	10.00	80.00	5.00		
	- Daily *	3.70	1.85		4.00	0.30	2.00	0.15		
Commercial Permit *		700.00	350.00		760.00	60.00	380.00	30.00		
	- Quarterly	200.00	100.00		215.00	15.00	107.50	7.50		
Commercial Permit (Specific Zone) *		175.00	87.50		190.00	15.00	95.00	7.50		
	- Quarterly	45.50	22.75		50.00	4.50	25.00	2.25		
Commercial Permit (School) *		110.00	55.00		120.00	10.00	60.00	5.00		
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			125.00	0.00				
Vehicle Storage Charge	Daily	15.00			15.00	0.00				
Vehicle Disposal Charge		30.00			30.00	0.00				
Admin Fee		55.00			55.00	0.00				
Replacement Permit Respark	First Replacement	30.00			32.50	2.50				
	Second Replacement	200.00			200.00	0.00				
Regular User Discount Permit (2 Year)		30.00			30.00	0.00				

* 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

		2023/23 Current Charge £	2024/25	
			Proposed Charge £	Increase £
Annual Season Ticket*	Standard Car Parks	1,450.00	1,600.00	150.00
	Discount vehicle rate	725.00	800.00	75.00
Monthly Season Tickets				
Standard Stay car parks	Standard rate	200.00	220.00	20.00
	Discount vehicle rate	100.00	110.00	10.00
Weekly Season Tickets				
Preferential phone rate only				
Standard Stay car parks	Standard rate	80.00	88.00	8.00
	Discount vehicle rate	40.00	44.00	4.00
Contract Parking (Bulk) *				
Foss Bank - Annual		700.00	770.00	70.00
Hotel Scratchards				
Standard Stay Car Parks	Per Book of 30	360.00	400.00	40.00
Contract Parking (City Centre Resident 24 hour)				
Foss Bank - Monthly	Standard rate	100.00	110.00	10.00
	Discount vehicle rate	50.00	55.00	5.00
Foss Bank - Annual	Standard rate	1,000.00	1,100.00	100.00
	Discount vehicle rate	500.00	550.00	50.00
Surface - Monthly	Standard rate	100.00	110.00	10.00
	Discount vehicle rate	50.00	55.00	5.00
Surface - Annual	Standard rate	1,000.00	1,100.00	100.00
	Discount vehicle rate	500.00	550.00	50.00

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 2024

a) Off-Street Car Parks

Note			Daytime Charges (0800 - 18:00)							Evening Note 4	24 hour
			< 30 Mins	Upto 1 hr	1-2 Hours	2-3 Hours	3-4 Hours	4-5 Hours	Over 5 hours	6.00pm to 08.00am	Charge using mobile phone
Short Stay	1/3	Discounted	N/A	£3.10	£6.20	£9.30	£12.40	£15.50	£3.10 per addnl hour	£1.00	
		Standard	N/A	£3.40	£6.80	£10.20	£13.60	£17.00	£3.40 per addnl hour	£4.00	
Standard Stay	2/5	Discounted	N/A	£2.40	£4.80	£7.20	£9.60	£12.00	£20.00	£1.00	£22.00
		Standard	N/A	£3.10	£6.20	£9.30	£12.40	£15.50	£20.00	£4.00	£22.00
Foss Bank	4		£2.30 per hour								
Bishopthorpe Rd	4		N/A	£0.80	£1.60	£4.50	Maximum stay of 3 hours			free	
East Parade	4		£0.50	£1.10	£6.20	£9.30	Parking for over 2 hours is only allowed after 3pm.			free	
Moor Lane	6	Discounted	£3.50 all day charge							n/a	
		Standard	£4.00 all day charge							n/a	

Note 1 - Bootham Row, Castle, Esplanade and Coppergate

Note 2 - Marygate, Monk Bar, Nunnery Lane, St. Georges, Union Terrace. The £20.00 (over 5 hours fee) allows parking until 8am the next day.

Note 3 - There are no evening charges at Coppergate Car Park. The charges only apply until 19:00

Note 4 - There are no discounts or evening charges at Foss Bank, Bishopthorpe Road or East Parade. The charges only apply until 18:00 except at Foss Bank where they apply until 20:00.

Note 5 - Evening parking charges for Regular Discount User Permit Holders on Fridays and Saturdays in Standard Stay Car Parks to commence at 5pm

Note 6 - Flat charge to cover full day. Car Park currently closed.

b) Coach Parking

	Peak (1/4/24 - 31/12/24)				Off Peak (1/01/25 - 31/3/25)		
	<1 Hour	<3 Hours	Over 3 hrs	Over 8 hrs	<1 Hour	Over 1 Hr	Over 8 hrs
Union Terrace and St George's Field Coach Parks	£7.80	£16.00	£18.50	£27.00	£8.50	£16.00	£27.00

c) On Street Parking

			Daytime Charges				Evening	Streets Included
			< 30mins	<1 Hour	1-2 Hours	2-3 Hours	6.00pm to 08.00am	
Standard Rate	7	Discounted	N/A	£3.10	£6.20	£9.30	£1.00	Carmelite St, Lawrence Street, Lord Mayor's Walk, North Street, Palmer Lane, Piccadilly, Skeldergate, Tanner's Moat, Toft Green, Walmgate.
		Standard	N/A	£3.10	£6.20	£9.30	£4.00	
Micklegate	7 & 8	Discounted	£0.60	£1.20	£6.20	£9.30	£1.00	
		Standard	£0.60	£1.20	£6.20	£9.30	£4.00	
Priory Street	7 & 8	Discounted	N/A	£3.10	£6.20	£9.30	£1.00	
		Standard	N/A	£3.10	£6.20	£9.30	£4.00	
City Centre Footstreets		Discounted					£1.00	Fossgate, Piccadilly, St Deny's Road, The Stonebow, Walmgate.
		Standard					£4.00	
Respark Shared Use Areas		Non-Permit Holders	N/A	£1.20			Charges Apply 8am - 8pm	Bishophill Senior, Clifton, Cromwell Rd, Cumberland St, Garden St, George St, Huntington Rd, Lawrence St, Lead Mill Lane, Lower Friargate, Lower Priory St, Lowther St, Margaret St, Marygate, Park Grove, Penleys Grove St, Queen Anne's Rd, The Crescent, The Mount, Townend St, Union Terrace, Walmgate.

Note 7 - There is no discount available on-street except that parking after 6pm is £1 at discounted rate. Parking for over 2 Hours is only allowed after 3pm

Note 8 - No charges on Sundays between 8am and 1pm in Micklegate and Priory Street

d) On-Street Parking for large vehicles

	< 2 Hours	2- 5 Hours	5-12 Hrs	Market Traders with Permit
Foss Islands Road	£5.40	£8.00	£13.00	£3.00

Adult Social Care fees and charges

	2023/24	2024/25		Explanation
	Actual Charge	Proposed Charge	Proposed Increase	
	£	£	£	
Residential Care				
22 The Avenue (Mental Health residential care) - emergency respite (per week)	934.36	1,364.99	430.63	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)	201.81	246.27	44.46	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.	247.16	253.62	6.46	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)	22.20	24.76	2.56	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)	33.30	37.14	3.84	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)	18.49	20.65	2.16	Charge reflects the estimated average external day support hourly rate for 2024/25. Customers are financially assessed and only pay what they can afford.

Adult Social Care fees and charges

	2023/24	2024/25		Explanation
	Actual Charge	Proposed Charge	Proposed Increase	
Income Services Team charges				
Full fee payers administration charge (per annum)	555.00	582.00	27.00	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 £522 annual set up charge and an ongoing £60 administration charge.
Additional reconciliation charge for full fee payers (per reconciliation)	7.20	7.56	0.36	Income Services can charge full fee payers for any reconciliations of their account they request above the annual reconciliation.
Deferred Payment Agreements additional costs:				
Deferred Payment set up charge (one off) - made up of the following as a minimum:	947.69	999.39	51.70	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	533.69	576.39	42.70	
Income Services Administration Charge - set-up	189.00	198.00	9.00	
Initial Professional Valuation	225.00	225.00	0.00	Our valuers have confirmed there will be no increase in 2024/25
Letter of Undertaking	123.50	133.38	9.88	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

	2023/24	2024/25		Explanation
	Actual Charge	Proposed Charge	Proposed Increase	
Monthly invoice generation and distribution	1.20	1.25	0.05	The Care Act allows local authorities to recover the costs of activities associated with administering deferred payments.
Monthly management, monitoring and application of interest	2.80	2.95	0.15	
Half yearly statement of account	2.80	2.95	0.15	
Legal team costs de-registration and file closure	34.18	36.91	2.73	
Final account preparation and account closure	9.20	9.65	0.45	
Revaluation Costs	subject to actual cost of valuation			
Court of Protection				
Appointment of Deputy Fee	745.00	745.00	0.00	Cost of administering financial affairs for those who the authority has responsibility for under the Court of Protection. The majority of these rates are set by the Office of the Public Guardian and the authority cannot charge more than this.
Year 1 Management Fee	775.00	775.00	0.00	
Year 2 Management Fee	650.00	650.00	0.00	
Year 3 Management Fee	650.00	650.00	0.00	
Property Sale Fee	300.00	300.00	0.00	
Annual Report Fee	216.00	216.00	0.00	
Assets less than £16k	3.5%	3.5%	0.00	
Basic HMRC Return	70.00	70.00	0.00	
Complex HMRC Return	140.00	140.00	0.00	
Travel rates ph	40.00	40.00	0.00	
Estate Administration Fee	367.75	386.14	18.39	
Corporate Appointee Charge	3.5% or £5.95 per week	3.5% or £6.25 per week		

Adult Social Care fees and charges

	2023/24	2024/25		Explanation
	Actual Charge	Proposed Charge	Proposed Increase	
Be Independent				
Monthly Charges excluding VAT where applicable Friends & Family Service	18.95	19.35	0.40	
Friends & Family Service Additional Person	9.45	9.65	0.20	
Premium Response Service	36.80	37.55	0.75	
Premium Plus Response Service	50.50	51.50	1.00	
Second Resident Charge	17.80	18.15	0.35	
1 additional safety sensor	2.58	2.65	0.07	
Further additional sensors (55p per additional sensor up to 4 in total)	0.52	0.55	0.03	
SIM GSM Connection	4.00	4.10	0.10	
One Off Charges excluding VAT where applicable				
Installation Charge	31.52	32.15	0.63	
Key Safe Installation	48.10	49.05	0.95	
Key Safe Charge police approved	69.96	71.35	1.39	
Stand Alone				
Canary - Charge	40.42	41.20	0.78	
Stand Alone (not monitored by Be Independent)	19.00	19.40	0.40	
Damaged/Lost Equipment Charges				
Replacement Pendant	36.83	37.60	0.77	
Smoke Detector	52.50	53.55	1.05	
Carbon Monoxide Detector	104.00	106.10	2.10	
Falls Detector	77.25	78.80	1.55	
Bed Vacation Sensor	89.00	90.80	1.80	

REGISTRAR OF BIRTHS, DEATHS AND MARRIAGES	1st Apr 2023	1st Apr 2024	
	Charge (inc VAT if applicable)	Proposed Charge (inc VAT if applicable)	Increase
	£	£	£
Certificates			
Copy certificate - issued within 15 days 2nd class	11.00	11.00	0.00
Copy certificate - collect/post 1st class next working day	35.00	35.00	0.00
Signed for postage	2.00	2.00	0.00
Overseas postage - per order	10.00	10.00	0.00
Certificates issued at time of registration	11.00	11.00	0.00
Search fee for certificate not held	7.00	7.00	0.00
Notice of marriage	35.00	35.00	0.00
Saturday room booking for Notice (Per Person)	15.00	15.00	0.00
Certification of a venue for marriage ceremonies (valid for three years)			
Large Venue (Capacity over 200)	3,755.00	3,943.00	188.00
Medium Venue (Capacity over 75)	1,734.00	1,821.00	87.00
Small Venue (Capacity 75 or less)	1,156.00	1,214.00	58.00
Civil Funeral	210.00	220.00	10.00
Civil Partnerships			
Attendance of Registration Staff at Approved premises			
Bootham Suite Mon-Thurs	296.00	311.00	15.00
Bootham Suite Fri-Sunday (extended to include Sundays)	403.00	423.00	20.00
Approved Premises (venues) Mon-Thurs	613.00	644.00	31.00
Approved Premises (venues) Fri - Sat	711.00	747.00	36.00
Approved Premises (venues) Sun / Bank Holidays	769.00	807.00	38.00
Statutory Register Office CP	46.00	46.00	0.00
Marriage			
Attendance of Registration Staff at Approved premises			
Bootham Suite Mon-Thurs	296.00	311.00	15.00
Bootham Suite Fri-Sunday (extended to include Sundays)	403.00	423.00	20.00
Approved Premises (venues) Mon-Thurs	613.00	644.00	31.00
Approved Premises (venues) Fri - Sat	711.00	747.00	36.00
Approved Premises (venues) Sun / Bank Holidays	769.00	807.00	38.00
Statutory Register Office Wedding	46.00	46.00	0.00
Pre-ceremony Consultation	44.00	46.00	2.00
Converting a civil partnership into a marriage (1 stage procedure)	45.00	45.00	0.00
Converting a civil partnership into a marriage (2 stage procedure: stage 1)	27.00	27.00	0.00
Converting a civil partnership into a marriage: ceremony at the York Register Office (2 stage procedure: stage 2)	325.00	341.00	16.00
Converting a civil partnership into a marriage: ceremony at an approved venue (2 stage procedure: stage 2)	418.00	439.00	21.00
			0.00
Ceremony amendment	40.00	42.00	2.00
Citizenship Ceremonies (Private)	296.00	311.00	15.00
GRO fees*			
Correction by Superintendent Registrar (SR)	75.00	75.00	0.00
Correction by Registrar General (GRO)	90.00	90.00	0.00
Consideration of divorce/dissolution docs outside British Isles by SR	50.00	50.00	0.00
Consideration of divorce/dissolution docs outside British Isles by GRO	75.00	75.00	0.00
Consideration of reducing the 28 day waiting period	60.00	60.00	0.00
Addition of forename within 12 months of registration	40.00	40.00	0.00
Registrar General's Licence	15.00	15.00	0.00
Baby Naming Ceremonies			
At Register Office	325.00	341.00	16.00
Approved Premises (venues)	418.00	439.00	21.00
Renewal of Vows			
At Register Office	325.00	341.00	16.00
Approved Premises (venues)	418.00	439.00	21.00
Proof of Life (New)	25.00	26.00	1.00
Sale of Goods and Miscellaneous Charges :-			
Baby Folders (suggested donation)	2.00	2.00	0.00

* Collected in part on behalf of the General Register Office (GRO)

BEREAVEMENT SERVICES	1st Apr 2023	1st April 2024	
	Charge (Inc VAT if applicable)	Proposed Charge (Inc VAT if applicable)	Increase
	£	£	£
CREMATORIUM			
CREMATIONS (VAT EXEMPT)			
Adult (including medical referee fee)*	1037.00	1086.00	49.00
Drop off only	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
INTERMENT (VAT EXEMPT)			
Interment of Ashes	56.00	59.00	3.00
SCATTERING OF ASHES (VAT EXEMPT)			
Ashes received from external sources	88.00	92.00	4.00
Ashes forward to other places	0.00	0.00	0.00
Additional Service Time	125.00	131.00	6.00
EXHUMATIONS			
Exhumation fee	226.00	237.00	11.00
BEARING SERVICE	33.00	35.00	2.00
FUNERAL SERVICE	210.00	220.00	10.00
RECORDINGS & WEBCASTINGS			
RECORDINGS			
CD recording	55.00	58.00	3.00
DVD recording	68.00	71.00	3.00
WEBCASTINGS			
Live	34.00	36.00	2.00
Live plus 28 days and downloadable	50.00	53.00	3.00
Keepsake Copy (DVD/Blue-Ray/USB stick)	56.00	59.00	3.00
VISUAL TRIBUTES			
Single Photo	0.00	0.00	0.00
Slideshow	43.00	46.00	3.00
Professional Tribute	79.00	83.00	4.00
Family made	20.00	20.00	0.00
Keepsake Copy of Visual Tribute (DVD/Blue-Ray/USB stick)	29.00	30.00	1.00
Downloadable copy of Visual Tribute	11.00	12.00	1.00
VISUAL EXTRAS			
Additional Keepsake copies	29.00	30.00	1.00
Extra 25 photos	24.00	25.00	1.00
Extra Work	24.00	25.00	1.00
MEMORIALS AND PLAQUES			
PLAQUES			
60 letter inscription 10 years	449.00	470.00	21.00
60 letter inscription 20 years	623.00	653.00	30.00
Display for a further 5 years	122.00	122.00	0.00

BEREAVEMENT SERVICES	1st Apr 2023	1st April 2024	
	Charge (Inc VAT if applicable)	Proposed Charge (Inc VAT if applicable)	Increase
MEMORIALS			
Memorial Plaque with Rose tree 10 yrs	516.00	540.00	24.00
Memorial Plaque with rose tree 20 yr	677.00	709.00	32.00
Memorial seat with plaque (10 yrs)	1454.00	1523.00	69.00
Memorial seat plaque renewal (5yrs)	245.00	245.00	0.00
Granite Seat (10 yrs) - new fee	1554.00	1627.00	73.00
Granite vase Block 10years	745.00	780.00	35.00
Granite vase Block 20years	1222.00	1279.00	57.00
Vase Block Plaque	202.00	211.00	9.00
Bronze rose memorial plaque on stake (10 yr)	628.00	657.00	29.00
Bronze rose memorial plaque on stake (20 yr)	796.00	834.00	38.00
Circular bench memorial plaque (10 yrs)	535.00	560.00	25.00
Circular bench memorial plaque (20 yrs)	742.00	776.00	34.00
Babies garden memorial plaque (10yrs)	402.00	421.00	19.00
Memorial Disc	517.00	517.00	0.00
Granite Shaped Planter	611.00	640.00	29.00
Summer House Memorial Plaque	484.00	484.00	0.00
URNS			
Cardboard Box	19.00	20.00	1.00
Polytainer	22.00	23.00	1.00
Baby Urn	42.00	44.00	2.00
Urn	58.00	61.00	3.00
Casket	80.00	84.00	4.00
NICHES			
Niche 10 years	902.00	944.00	42.00
Niche 20 years	1,518.00	1589.00	71.00
Sanctum 2000 (Average Charge)	1,252.00	1310.00	58.00
Second Plaque on Sanctum 2000	449.00	470.00	21.00
Inscription (second Plaque/Renewals)	462.00	484.00	22.00
Additional inscription p/letter over 80 letters	5.00	5.00	0.00
BOOK OF REMEMBRANCE			
2 line entry	100.00	104.00	4.00
5 line entry	154.00	161.00	7.00
5 line entry with floral emblem	212.00	222.00	10.00
5 line entry with badge, bird, crest & shield	245.00	257.00	12.00
8 line entry	190.00	199.00	9.00
8 line entry with floral emblem	257.00	269.00	12.00
8 line entry with badge, bird, crest & shield	292.00	306.00	14.00
8 line entry with coat of arms	337.00	353.00	16.00
FOLDED BOOK OF REMEMBRANCE CARDS			
5 line entry with floral emblem	164.00	172.00	8.00
5 line entry with badge, bird, crest & shield	208.00	218.00	10.00
8 line entry with floral emblem	228.00	239.00	11.00
8 line entry with badge, bird, crest & shield	250.00	262.00	12.00
8 line entry with coat of arms	302.00	316.00	14.00
Regimental Badge Etc			
MEMORIAL CARDS			
2 line card	68.00	71.00	3.00
5 line card	88.00	92.00	4.00
8 line card	104.00	109.00	5.00
Regimental Badge			

BEREAVEMENT SERVICES	1st Apr 2023	1st April 2024	
	Charge (Inc VAT if applicable)	Proposed Charge (Inc VAT if applicable)	Increase
<u>DRINGHOUSES CEMETERY</u>			
INTERMENT (VAT EXEMPT)			
Adult (4ft 6" grave)	954.00	999.00	45.00
Child up to 12 years	0.00	0.00	0.00
Interment of Ashes	286.00	299.00	13.00
Exhumation (negotiated at cost)			
Exhumation of Cremated Remains	226.00	226.00	0.00
MEMORIALS			
Headstones	187.00	196.00	9.00
Add Inscription	102.00	107.00	5.00
Marking out grave	26.00	28.00	2.00
Removal of grave memorial by stonemason prior to interment	115.00	120.00	5.00
Cremation plot with exclusive Right of Burial for period of 50 yrs.	510.00	534.00	24.00

MANSION HOUSE	1st Apr 2023	1st Apr 2024	
	Charge (inc VAT if applicable)	Proposed Charge (inc VAT if applicable)	Increase
	£	£	£
Admission charges			
Adult	6.50	6.50	0.00
Concessions	5.00	5.00	0.00
Child (under 16; babes in arm go free)	3.50	3.50	0.00
Family (2 adults and 2 children)	17.00	17.00	0.00
York resident - 50% Discount			
Resident annual tickets	Paused		
Adult	n/a	9.00	
Concessions	n/a	8.00	
1 Child (free with adult)	n/a	0.00	
Family	n/a	15.00	
Non resident annual tickets	Paused		
Adult	n/a	18.00	
Concessions	n/a	15.00	
Child (free with adult)	n/a	Free	
Family	n/a	40.00	
Tours - Guide provided			
Adult	6.50	6.50	0.00
After hours	10.00	10.00	0.00
Specialist tours	15.00	15.00	0.00
Group Rate: Self-Guided			
Groups of 10 or more (with a max group size TBD): Cost per adult	6.00	6.00	0.00
As above: Cost per child	3.00	3.00	0.00
As above: Cost per concession	4.50	4.50	0.00
Educational visits			
1 hours tour	3.50	3.50	0.00
Weddings			
Ceremony only (2 hours)	450.00	450.00	0.00
Reception only (3.5 hours)	650.00	650.00	0.00
Ceremony and reception (7 hours)	1,300.00	1,300.00	0.00
Full House hire			
Half day (3.5 hours)	650.00	650.00	0.00
Full day (7 hours)	1,200.00	1,200.00	0.00
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	1,200.00	0.00
Catering charge - per person	12%	12%	0.00
Delegate rate - per person	25.00	25.00	0.00
Mansion House own events	Variable	Variable	

YORK LEARNING	PH (per hour) or PC (Per course)	1st Apr 2023	1st April 2024	
		Charge (Inc VAT if applicable)	Proposed Charge (Inc VAT if applicable)	Increase
Adult and Community Learning (VAT EXEMPT)		£	£	£
DELIVERY OF FUNDED PROVISION - ESFA / WYCA / UKSPF*				
Delivery Accredited Learning - if co funded	PH	139.00	144.00	5.00
Delivery non accredited wider community learning (arts, languages, health)	PH	78.00	81.00	3.00
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 accredited Pre Entry/ Entry One	PC	240.00	252.00	12.00
Entry 2/ Entry 3/ Level 1/ Level 2 (accredited)	PC	1,265.00	1290.00	25.00
Delivery of accredited maths/English courses to External employers registered as apprenticeship providers	PC	474.00	500.00	26.00
Wider Community Learning - resource costs = dependent on course		5.00-25.00		
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	77.00	80.00	3.00
#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	50.00	0.00
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 accredited or accredited provision Digital	PH	15.00	20.00	5.00
Childcare provision provided privately (not funded delivery) per a childcare worker	PH	18.00	22.00	4.00
INDIVIDUAL COSTS				
Senior Management time	PH	39.00	39.00	0.00
Curriculum, Operations or MiS management time Grade 9s	PH	25.00	25.00	0.00
Lead Tutor - Grade 8s	PH	21.50	21.50	0.00
Tutor time only - Grade 7s	PH	19.00	19.00	0.00
Admin/Data time - Grade 4/5s	PH	16.00	16.00	0.00
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	265.00	285.00	20.00
L2 digital course paid for learning only ICDL - not funded	PC	200.00	220.00	20.00
AAT registration fee: L2 Bookkeeping (if not funded)	PC	122.00	140.00	18.00
AAT registration fee: L1 Bookkeeping (if not funded)	PC	37.00	42.00	5.00
AAT registration fee: L1 Business (if not funded)	PC	37.00	42.00	5.00
AAT registration and teaching cost L1 SAGE - not funded	PC	425.00	445.00	20.00
Counselling (CPCAB) CPCAB registration fees per a person		100.00	120.00	20.00
HNS Management fee - per a learner		1350.00	1550.00	200.00
IQA of subcontracting provision	PH	21.50	21.50	0.00
*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				

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Placement Review: Fees and Allowances 2024/25



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ANNEX 3c Supplement**1: Child Allowance**

This allowance will be reviewed annually and updated based on Government guidance.

The Foster Carer weekly child allowance is allocated to cover the average costs of looking after a child as part of the Foster Carer's family. The amounts are below.

Age	Proposed Weekly Allowance 2024/25	Annual Delegated Authority Allowance (paid weekly)
0-4	£165.40	On request
5-10	£182.00	£750 per child per year
11-15	£207.04	£850 per child per year
16-17	£242.35	£900 per child per year

It is recommended that the child's weekly allowance covers the following costs:

- General care costs including food, accommodation and contribution towards utility related household costs
- Normal replacement of clothing
- Pocket Money and child savings
- Normal transport associated with any child living within a family including to and from local school and out of school activities
- The basic costs associated with contact e.g. telephone costs and the child's drinks and food
- Attendance at child care review meetings
- Participation in clubs and activities
- Keeping record of events and memories about the child for the child
- Repayment scheme for a computer / I pad required for school

The Fostering Network recommended breakdown of the child allowance is below.

Age	Food	Clothing	Transport	Personal	Household	Total
0-4	34%	22%	8%	6%	30%	100%
5-10	32%	26%	7%	8%	27%	100%
11-15	32%	26%	11%	10%	21%	100%
16+	30%	26%	9%	17%	18%	100%

2: Delegated Authority allowance (see rates on page 1)

In addition to child allowance, holiday, birthday and Christmas allowance, an annual Delegated Authority amount will be paid to Foster Carers (for each child). This is to be combined with the weekly child allowance, and to be spent on the child or young person at the carer's discretion, thereby working towards the principle of normalising decision making for the child.

(Some of these decisions may be taking in conjunction with the Fostering Social Worker and child's Social Worker, taking the views of the child / young person into consideration)

It is anticipated that the Delegated Authority allowance will be used to pay for:

- Additional leisure activities
- Hobbies
- Music lessons
- Out of school clubs
- Holiday clubs
- Clothing for a special event
- Duke of Edinburgh, Scout and Guides expenses

Receipts will not need to be submitted for Delegated Authority expenditure. However Foster Carers must retain their receipts and these may be reviewed during visits made by the Fostering Social Worker. At annual review, the Foster Carer will be requested to evidence how the Delegated Authority allowance was spent on the child or young person.

The additional payment will be made weekly along with the usual child allowance. If a child moves placement the additional payment will move with the child.

The weekly Delegated Authority payment can be saved up by Foster Carer or in the child / young person's bank account in order to pay for a more expensive item or activity.

3: Birthday and Christmas / Festival allowances

It is accepted that there are important events which incur additional costs for Foster Carers. Accordingly, a payment equivalent to one week's fostering allowance is automatically paid prior to the child's birthday and Christmas period.

A Foster Carer can request that the allowance is paid to cover another major religious festival instead of Christmas. Any new placement will receive these allowances if children are placed shortly before these occasions.

For any placement ending before the child/young person's birthday, this money will normally be recovered from the carers unless the carers provide the gifts they have purchased to the child.

ANNEX 3c Supplement

Christmas payments are made approximately four weeks before Christmas falls. For any placement ending three weeks before Christmas Day, the allowance will normally be recovered.

Age	Proposed Birthday Allowance 2024/25	Proposed Christmas/ Allowance 2024/25	Festival
0-4	£165.40	£165.40	
5-10	£182.00	£182.00	
11-15	£207.04	£207.04	
16-17	£242.35	£242.35	

4: Holiday allowances

Each Foster Carer household is entitled to 3 weeks holiday allowance; this is equivalent to 3 week's child allowance per year for each child living with them. The payment relates to each financial year (1st April to 31st March) and the amount to be paid is in accordance with the age of the child.

The holiday allowance is paid to support a carer to take a child on holiday or to be used for holiday activities such as day trips or outings. Foster Carers are advised to retain receipts for this expenditure. The holiday allowance is to be paid proportionately to the length of time the child is in placement subject to the discretion of the Fostering Service Manager.

Foster Carers should claim the holiday allowance at the time it is needed. It can be claimed in units of one weeks allowance up to the maximum of three weeks. The payment is not generated automatically. Foster Carers need to ensure that holiday allowances are spent on holidays or appropriate activities as agreed with their Fostering Social Worker.

Where a child changes placement during the financial year and the holiday allowance has already been claimed, the payment of additional holiday allowance to the new carers is at the discretion of the Fostering Service Manager and will only be paid in exceptional circumstances.

A 'Stay Over Foster Carer may request holiday allowance for a specific child over and above the three weeks allowance If the 'Stay Over' Foster Carer is taking the child away on holiday. This is at the discretion of the Fostering Service manager.

ANNEX 3c Supplement

Age	Holiday allowance week 1 2024/25	Holiday allowance week 2 2024/25	Holiday allowance week 3 2024/25
0-4	£165.40	£165.40	£165.40
5-10	£182.00	£182.00	£182.00
11-15	£207.04	£207.04	£207.04
16-17	£242.35	£242.35	£242.35

5: Holiday supplement allowance

A Foster Carer, in common with other parents and carers, must ensure that all children in care attend school during the school term. In recognition of the increased cost of holidays in the school holidays a supplement is available for each child up to a maximum of £300 per year.

The holiday supplement allowance is only payable if agreed in advance with the Fostering Service Manager prior to booking the holiday.

A request for payment of the holiday supplement will need to include evidence that the cost of the holiday for each child is greater than the 3 weeks holiday allowance.

The Local Authority will pay for any costs incurred in purchasing a passport for a child and any Visa which may be required for holiday travel.

6: Clothing Allowance

Start up

Children and young people may come into care needing additional clothing. A Foster Carer can claim a clothing allowance at the beginning of a placement up to a maximum of 3x the child's weekly allowance. School uniform

Foster Carers may request a school uniform grant for a child or young person who needs to change school. For planned changes in school uniform, for example in moving from lower to upper school, it is expected that Foster Carers will budget accordingly.

Work clothing and equipment

On an ongoing basis the weekly allowance should enable Foster Carers to maintain and increase the level of clothing over time.

A Foster Carer may request a one off grant towards the cost of work clothing that a young person requires at the beginning of training or employment

ANNEX 3c Supplement

Where a child is changing placement, it is expected that they will move with a reasonable amount of clothing that fits and is in good condition and appropriate for seasonal conditions.

Children should also be provided with a suitcase or bag for transporting clothes. Children may want to keep clothes they have grown out of as they have come from their family. Foster carers need to ensure they check with the child and social worker before disposing of clothing.

7: Tuition

Private tuition will not be funded and should be discussed in the child/ young persons Personal Education Plan.

8: School trips

The Delegated Authority payment can be used to fund school trips.

Requests for exceptional residential school trips e.g. skiing need to be made in advance to the Service Manager of the child and will be considered on a case by case basis.

9: Nursery fees

Foster carers can apply for age related free nursery hours.

Requests for a financial contribution towards additional hours can be made via the Service Manager of the child to the Fostering Service Manager. This will be considered on a case by case basis, if the nursery provision is felt to be in the best interest of the child.

10: Pocket Money

There are two basic principles, which apply to pocket money:

- There needs to be some measure of equality between children within the foster household. Therefore, carers need to take into account the pocket money paid to other children in the household.
- The pocket money should be realistic depending on the age of the child. Children can be encouraged to 'save' their pocket money to buy special items as well as for treats such as sweets, CD's, or games.

Pocket money should be given to children and young people for their own use and not to pay for regular entertainment, clothes or personal toiletries as this should come out of the fostering allowance. Any deviations from this need to be discussed with the child's social worker.

ANNEX 3c Supplement

The amount of pocket money must be clarified at the start of a placement and discussed and recorded at the placement agreement meeting. The amount arrived at must be compatible with the foster carers' birth children still living in the home and other foster children.

Where there are concerns that it may be risky for a child or young person to have their pocket money directly, this should be agreed with the supervising social worker and the child's social worker and clearly recorded.

If a child or young person has to spend time in a respite care there is an expectation that the respite carer will pay the child or young person's pocket money.

It is not expected that pocket money is paid to children under the age of five. They can have occasional treats instead of pocket money.

It is recommended that an increase in pocket money is linked to the child or young person's birthday to mark their increasing age and maturity

11: Health care expenses

Health care expenses for children are generally exempt from charges under the NHS. Children / young people with diagnosed conditions may be eligible to claim Disability Living Allowance. In exceptional circumstances, Foster Carers may request the reimbursement of unavoidable costs for items which may not have been exempt from NHS charges or payable through DLA payment. E.g.: glasses, immunisations for holidays.

12: Household related costs

Furniture and equipment

At the point of Foster Carers initial assessment, the basic equipment needed will be discussed, at this point certain items may be provided at the discretion of the Fostering Service Manager. From that point it is the expectation that Foster Carers are responsible for the overall condition and furnishing of the foster home to an acceptable standard, including the security and maintenance of any garden or outside area. It is an expectation that carers take out household insurance.

It is expected that the need for additional furniture, equipment and the replacement of any equipment, furniture or furnishings, will be assessed during supervision visits and if any replacement is required, agreement will need to be sought from the Fostering Service Manager prior to any purchase. Receipts must be retained and passed to the Supervising Social Worker for payment.

Replacements items must be purchased by CYC from agreed suppliers, i.e. Beds, mattresses

Any specialist equipment or adaptations needed will be subject to a needs assessment based on the young person's requirement.

ANNEX 3c Supplement

On commencement of a placement basic equipment should include a bed, storage space for children's clothing and personal items, 2 sets of bedding, pillows, mattress protector or cover as required. For babies and younger children basic equipment will include a cot, buggy, car seat, high chair, changing equipment, sterilising/bottle equipment, 3 sets of cot bedding. It is expected that replacement bedding for longer term placements will be funded out of the child's weekly allowance.

In addition, specific items might be identified i.e.: stair gates, cooker guards, smoke alarms, pond covers, gate and window locks etc, for which loan of equipment or assistance with purchase may be negotiated with the Fostering Service Manager on a case by case basis.

In some circumstances, in order for a placement to proceed, more specific equipment may need to be provided i.e. bunk beds, a double buggy or car seat. These items would be classed as equipment provided for a carer and would not belong to specific children. However, any specifically modified equipment for the child/young person could move with them.

Equipment purchased by the fostering service remains the property of City of York Council. As a result should equipment be in a good condition but not required by the original Foster Carer, then it may be provided to others who need that equipment. Foster carers should not sell unwanted equipment purchased by CYC unless this is agreed and they are using the proceeds towards other equipment.

13: Transport

There is an expectation that children and young people will undertake most journeys in their day-to-day lives, by walking, cycling, and using public transport or in the foster family's car.

The child weekly allowance includes an element / percentage to cover the travelling expenses for a child. For example;

- Local trips for medical / health appointments
- Transport to and from local school
- Taking and collecting from local leisure and social activities
- Transport to contact, where contact is local to the foster home
- Attendance at reviews, case conferences, and child protection meetings

Local travel costs are covered within the child's weekly allowance, therefore it is expected that the first 200 miles driven by carers each month will not be claimed for.

Any mileage over 200 miles per month can be claimed. Mileage claims should be submitted to the Supervising Social Worker, when they are processed the first 200 miles will be discounted. Claims must be submitted within 3 months of the journey.

ANNEX 3c Supplement**14: Public transport and bus passes**

Young people over the aged 12 will be encouraged to make use of public transport where necessary for school and leisure activities. All young people are now eligible for an all-day bus pass for First York within the City of York area.

For young people placed outside the York area, corresponding arrangements will be made to cover bus pass provision/reimbursement.

□ Bicycles

Young people are eligible to reclaim the purchase of a bicycle with safety equipment, if this will enable them to cycle safely to school and for they request it for their leisure time. Any proposed bicycle purchase should be fully considered and costs agreed by the Fostering Service Manager prior to any Foster Carer committing to a purchase. Provision of a bicycle should be considered in the context of the child's travel/transport plan.

A bicycle and safety equipment can be purchased up to the £350 .Additional amounts can be contributed from the Delegated Authority payment.

□ Driving and moped lessons

The purchase of provisional car / moped licence and starter pack of up to 10 driving lessons may be considered on an individual basis by both the Fostering and Child's Service Manager as part of a wider plan of supporting a young person's independence.

15: Foster Carer Fees

Foster carer fees will be paid in line with agreed skill levels

- Level one
- Level two
- Level three

Grade	Weekly Skill Fee	Capacity fee Second placement	Capacity fee Third placement
Level 1	£65.08	£32.54	£65.08
Level 2	£173.55	£43.39	£86.78
Level 3	£496.61	£99.32	£198.64

Each Foster Carer will be assessed and reviewed to determine their level within the fee structure.

ANNEX 3c Supplement

All Foster Carers on Level one to three will be paid a skill fee when they have a child or young person in placement.

Payments of the fee may continue if a Foster Carer is without children in the following circumstances

- i) When a Foster Carer does not have a child in placement -up to 14 days in total
- ii) A foster carer who has a named placement may request to take a holiday break without the foster children - up to 14 days in total. Foster carers are expected to give a minimum of 1 months notice to allow an alternative placement to be arranged.
- iii) When a Foster Carer is sick, up to 14 days in total
- iv) A maximum of 28 days in total in any year will be covered by these payments.

The Fostering Service Manager's may use discretion to continue to pay a fee to Foster Carers who are undergoing an investigation or who are being re assessed. This will be time limited and subject to review.

16: Long Service Awards

In acknowledgement of long service of Foster Carers. The following will be paid

<input type="checkbox"/> 5 years' service	£250
<input type="checkbox"/> 10 years' service	£500
<input type="checkbox"/> 15 years' service	£750
<input type="checkbox"/> 20 years' service	£1000

A Foster Carer's length of service will be identified by the Supervising Social Worker and noted in the foster carer annual review. Appropriate payment will be authorised by the Fostering Service Manager.

17: Multiple placements payment

For Level 2 and 3 carers this will be increased from 12.5% to 20% for a second child and from 25% to 40% for a third child.

Level 1 carers will continue to be paid 25% for second child and 50% for third.

18: Emergency payment

Foster Carers may be asked to take a placement in an emergency situation, they will be offered an additional payment, and this is in recognition of the disruption caused to the household. The usual fees and allowance for the child will also be paid.

Emergency placements are defined as a same day placement that needs to take place without any pre planning. The additional payment will be £50 a day for up to 6 days to allow the Local Authority to plan for the child.

Exceptions

All exceptions to the Fees and Allowances Policy will need to be agreed in writing by the Fostering Service Manager.

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ANNEX 3j Supplement

Increase in Environmental FPNs

1. In response to recent Government increases to upper fine limits, under the Environmental Offences (Fixed Penalties) (Amendments) (England) Regulations 2023, to set new Fixed Penalty Notice (FPN) charge amounts for the offences as follows:

Offence	Recommended Fine	Existing Fine	Possible upper limit (set by DEFRA)
Fly-tipping	£1000 <i>(£500 payment within 10 days)</i>	£400 <i>(£240 payment within 10 days)</i>	£1000
Household Waste Duty of Care	£300 <i>(£190 payment within 10 days)</i>	£275 <i>(£175 payment within 10 days)</i>	£600
Littering	£120 <i>(£90 payment within 10 days)</i>	£110 <i>(£80 payment within 10 days)</i>	£500
Fly-posting	£110 <i>(£80 payment within 10 days)</i>	£100 <i>(£75 payment within 10 days)</i>	£500

2. In 2021/22, councils dealt with almost 1.1 million incidents of fly-tipping and issued 91,000 fines¹, along with other enforcement. Government has increased fines in order help strengthen councils in their fight against waste crime.
3. Environmental crimes such as littering and fly-tipping are *‘cynical and opportunistic, damaging wildlife and nature, creating eyesores and ruining our enjoyment of the visual amenity’*².
4. The increased fines are intended to deter people from harming the environment and ensure that those who continue to offend face tougher consequences. Government has asked councils to take a tougher approach to this type of anti-social behaviour. Taking proportionate and effective enforcement action against people who intentionally or carelessly damage the environment is seen as a practical step local authorities can take to change behaviour and deter others from offending.

¹ DEFRA Press Release, 27 July 2023

² DEFRA Press Release. 27 July 2023

5. This work contributes to the Council Plan commitments of *Climate and Environment* and *Health & Well-Being*. Environmental crime is harmful to both people and the environment. Dumping waste affects urban and rural environments. It can cause damage to wildlife, residential areas and farm businesses. Waste may include harmful chemicals that contaminate soil and land, it can pollute watercourses and encourage pests leading to transmission of disease.

Introduction of a payment plan

6. To introduce a repayment plan period of up to 5 months for those who are in financial difficulty. Payment plans should not offer repayment terms longer than 5 months because any prosecution for a summary offence such as littering must be brought within 6 months of the alleged offence.³ A Simple Caution could also be offered where the officer feels that there is sufficient evidence but not in the public interest to proceed with a prosecution.

³ Part 1A – DEFRA Effective enforcement Code of practice for litter and refuse September 2019 (updated October 2023). 11L.8, p21

**City of York Council
Equalities Impact Assessment**

Who is submitting the proposal?

Directorate:	Corporate		
Service Area:	Finance Department		
Name of the proposal:	Financial Strategy 2024/2025 to 2028/29		
Lead officer:	Debbie Mitchell		
Date assessment completed:	29 December 2023		
Names of those who contributed to the assessment:			
Name	Job title	Organisation	Area of expertise
Debbie Mitchell	Chief Finance Officer	CYC	S151 Officer
Helen Malam	Principal Accountant, Corporate Finance	CYC	
Bryn Roberts	Director of Governance	CYC	Monitoring Officer
Pauline Stuchfield	Director of Customers and Communities	CYC	

Step 1 – Aims and intended outcomes

<p>1.1</p>	<p>What is the purpose of the proposal? Please explain your proposal in Plain English avoiding acronyms and jargon.</p>
	<p><i>This has been prepared to support the Council’s Financial Strategy 2024-25 to 2028-29 which will be presented to the Council’s Executive on 25th January 2024. 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.</i></p>
<p>1.2</p>	<p>Are there any external considerations? (Legislation/government directive/codes of practice etc.)</p>
	<p><i>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 2023. Following approval of the strategy, future Equality Impact Assessments will need to consider the specific areas which are directly related to that budget saving.</i></p>
<p>1.3</p>	<p>Who are the stakeholders and what are their interests?</p>
	<p><i>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.</i></p>

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.
	<ol style="list-style-type: none"> 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 November 2023 and closed on 22nd December 2023	There is a statutory requirement for the council to consult local businesses on its budget proposals
A number of focus groups were consulted in December	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
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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	<p>Older People:</p> <p>Continued investment in Adult Social Care, Telecare, Extra Care Sheltered Housing and Disability Support are expected to have a positive impact on older people.</p> <p>Any increase in fees and charges could adversely impact on older people, their families and their standard of living.</p> <p>Financial assessments are completed for Adult Social Care customers to ensure that people only contribute what they can afford.</p> <p>As these projects progress assessments will continue to take place. There will be further detailed impact assessments by the respective service areas, and it is expected that these will give further clarity based on evidence available as to likely impacts.</p>	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.	Positive and negative	high

	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.		
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	<p>Continued investment in Adult Social Care, Telecare, Extra Care Sheltered Housing and Disability Support should have a positive impact on disabled people.</p> <p>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.</p>	Positive and negative	high
Low income groups	Although there are increases in council fees and charges, the Financial Strategy includes a 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.

<p>High impact (The proposal or process is very equality relevant)</p>	<p>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.</p>
<p>Medium impact (The proposal or process is somewhat equality relevant)</p>	<p>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</p>

<p>Low impact (The proposal or process might be equality relevant)</p>	<p>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</p>
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Step 5 - Mitigating adverse impacts and maximising positive impacts

<p>5.1</p>	<p>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?</p>
<p>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:</p> <ul style="list-style-type: none"> • 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 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	<p>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:</p>
	<ul style="list-style-type: none"> - 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 2024/25 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 Corporate Directors will develop detailed Equality Impact Assessments in relation to individual proposals. Consultation will	Chief Operating Officer and Corporate Directors	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.		
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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

FORECAST			BUDGET
2023/24			2024/25
£'000	Expenditure:		£'000
	Repairs & Maintenance		
7,826		Jobs General	8,339
1,564		Projects	1,666
68		Estate Improvements	73
37		Decoration Allowance	39
30		Rechargeable Repairs	32
9,525			10,149
	General Management		
46		Tenant Support and Information	47
2,765		Recharges	2,880
159		Housing Leadership Team	164
3,641		Landlord Services	3,858
1,050		Asset Management	1,149
41		HRA Training	42
7,702			8,140
	Special Services		
2,089		Sheltered Housing	1,841
165		Energy Costs	178
1,053		Temporary Accommodation	914
422		Grounds Maintenance	430
357		Caretaking Costs	364
38		Cleaning Costs	39
99		Lifts	101
6		Contribution to Energy Efficiency	6
4,229			3,873
	Rents etc.		
123		Rent & Rates	125
471		Insurance	620
1		RTB Legal Fees	1
595			746
	Provision for Bad and Doubtful Debts		
468		Council Housing	820
468			820
	Capital Charges		
9,884		Depreciation	10,638
60		Debt Management	60
9,944			10,698
32,463	TOTAL EXPENDITURE		34,426

FORECAST			BUDGET
2023/24			2024/25
	Income:		
	Rents		
-34,437		Council Housing	-36,801
-898		Temporary Accommodation	-960
-249		Shared Ownership	-266
-35,584			-38,027
	Non Dwellings Rents		
-458		Council Garages	-491
-95		General Rents	-97
-553			-588
	Charges for Services and Facilities		
-75		Fees & Charges - Council Housing	-77
-84		- Legal Fees	-86
-1,794		- Sheltered Housing	-1,830
-1		- Temporary Accommodation	-1
-196		Leaseholder Admin Charge	-200
-2,150			-2,194
	Contribution Towards Expenditure		
-1		- Sheltered Housing	-1
-25		- Rechargeable Repairs	-26
-10		- Affordable Homes	-10
-47		- Housing Estates	-48
-83			-85
	Supporting People Income		
-148		- Temporary Accommodation	-148
-148			-148
-38,518	TOTAL INCOME		-41,042
-6,055	NET COST OF SERVICE		-6,616
4,726		Loan Interest Paid	4,818
			0
-263		Revenue Cash Interest Received	-1,020
			0
			0
2,929		Capital Expenditure financed from Revenue	860
-65		Capital Receipt Allowable Disposal Costs	-65
0		Contribution to/(from) MRR	0
1,900		Contribution to/(from) Earmarked Reserves	8,400
3,172	(SURPLUS) / DEFICIT IN YEAR		6,377
-29,427	(SURPLUS) / DEFICIT BROUGHT FORWARD		-26,255
3,172	(SURPLUS) / DEFICIT IN YEAR		6,377
-26,255	(SURPLUS) / DEFICIT CARRIED FORWARD		-19,878

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	<ul style="list-style-type: none"> • regular monitoring with corrective action • robust financial management/prudent budget setting
Budgets across the Council are overspent due to mitigations not being delivered as outlined in monitoring reports (KCR1)	Medium/ High	High	<ul style="list-style-type: none"> • regular monitoring with corrective action
All Savings are not achieved, or delayed, due to reduced management and support services capacity to deliver (KCR1)	High	High	<ul style="list-style-type: none"> • regular budget monitoring focused on high risk areas to identify issues at an early stage • where savings are not achieved ensure alternative savings identified • regular monitoring with corrective action at DMTs • effective project management
Delays in implementing new operating models mean that savings are not delivered in the timescales forecast (KCR 1)	High	Medium	<ul style="list-style-type: none"> • regular monitoring with corrective action at relevant DMTs and CMT • effective project management

Underperformance of Better Care Fund schemes results in additional costs for Adult Social Care. (KCR 3)	High	High	<ul style="list-style-type: none"> • regular monitoring with corrective action • effective project management
Continued pressure on income and grant budgets (KCR1)	Medium/ High	Medium	<ul style="list-style-type: none"> • regular budget monitoring to identify trends
Potential for reserves to go below minimum levels due to budgets being exceeded (KCR1)	Medium/ High	High	<ul style="list-style-type: none"> • ensure minimum levels are maintained • robust financial management/prudent budget setting
Costs of redundancy/retirement as a result of service changes exceed budget (KCR1)	Low	Medium	<ul style="list-style-type: none"> • provision made for costs of retirement/redundancy in budgets
Capital costs may have to be charged to revenue, should a scheme not progress to completion. (KCR7)	Medium	High	<ul style="list-style-type: none"> • ensure adequate levels of reserves maintained • effective project management
Increased costs of borrowing due to	Medium	High	<ul style="list-style-type: none"> • ensure adequate levels of reserves maintained

ANNEX 6

increase in the capital programme (KCR7)			<ul style="list-style-type: none">• robust financial management/prudent budget setting
Short or medium term cashflow impact due to increase in the capital programme (KCR7)	Medium	High	<ul style="list-style-type: none">• ensure adequate levels of reserves maintained

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Meeting:	Executive
Meeting date:	25 January 2024
Report of:	Debbie Mitchell, Chief Finance Officer
Portfolio of:	Councillor Katie Lomas, Executive Member for Finance, Performance, Major Projects, Human Rights, Equality & Inclusion

Decision Report: Capital Budget 2024/25 to 2028/29

Subject of Report

1. This report sets out the capital programme for 2024/25 to 2028/29, 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 ongoing. This has resulted in increases to the cost of borrowing. 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 £458m (as reported in Monitor 3) of which £190m (42%) is funded from external grants, £156m (34%) from general fund borrowing and £112m (24%) from HRA funding. There are further opportunities in the creation of the York and North Yorkshire Mayoral Combined Authority to further increase external funding for investment in the city and seeking external funding is key in delivering 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 be considered in line with the other budget papers on this Agenda.

Policy Basis for Decisions

6. The capital programme budget covers the period 2024/25 to 2028/29 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 £28m (primarily in 2028/29).

Recommendations and Reasons

9. The Executive is requested to recommend that Council:
 - Agree to the revised capital programme of **£395.186m** that reflects a net overall increase of **£56.409m** (as set out in table 2 and in Annex A). Key elements of this include:
 - i. New schemes funded by prudential borrowing totalling £3.353m as set out in table 3;
 - ii. Extension of prudential borrowing funded Rolling Programme schemes totalling £25.025m as set out in table 4;

- iii. Extension of externally funded Rolling Programme schemes totalling £6.030m as set out in table 5;
 - iv. New schemes funded by external grants totalling £3.844m as set out in table 5;
 - v. An increase in HRA funded schemes totalling £18.157m 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 £28.378m the details of which are considered within this report and the financial strategy report.
 - Approve the full restated programme as summarised in Annex B totalling **£395.186m** covering financial years 2024/25 to 2028/29 as set out in table 12 and Annex B

Background

10. The current 2023/24 – 2027/28 capital programme was approved by Council on 23 February 2023. Since then, a number of amendments have taken place as reported to the Executive up to and including the 2023/24 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 2023/24 – 2027/28 of £458.500m, financed by £189.959m of external funding and Council controlled resources of £268.541m. Table 1 illustrates the current approved capital programme profile from 2023/24 – 2027/28 as of capital monitor 3 2023/24.

	23/24	24/25	25/26	26/27	27/28	Total
	£m	£m	£m	£m	£m	£m
Gross Capital Programme	119.723	177.571	76.890	47.933	36.383	458.500
Funded by:						
External Funding	56.431	66.995	41.170	18.868	6.495	189.959
Council Controlled Resources	63.292	110.576	35.720	29.065	29.888	268.541
Total Funding	119.723	177.571	76.890	47.933	36.383	458.500

Table 1 – Funding Position of approved 2023/24 – 2027/28 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 2024/25 to 2028/29. 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 22 proposals going forward 16 are asking for direct council funding, this is comprised of 14 proposals for extensions to existing schemes and 2 proposals for new schemes.
14. In total, proposals have been made that would increase the existing 2024/25 – 2028/29 Capital Programme by **£56.409m**. The proposals are comprised as follows:
 - General Fund schemes requiring financing by Council borrowing **£28.378m**
 - General Fund Schemes and HRA Schemes financed by external funds **£9.874m**
 - Housing Revenue Account schemes financed by HRA funds **£18.157m**

Key Scheme proposals

15. The table below summarises the key proposals that result in an increase to the capital programme of £53.808m split by type. Further details of the individual schemes can be found later in the report at the following references:

Type	Total Value	Further Details
	£m	
New Schemes – Prudentially Borrowed	3.353	Table 3
Rolling Programme – Prudentially Borrowed	25.025	Table 4
Rolling Programme – Externally Funded	6.030	Table 5
New Schemes – Externally Funded	3.844	Table 5
Housing Revenue Account (HRA) Schemes – Funded by HRA resources	18.157	Table 6
Total Increase in Capital Programme	56.409	

Table 2 – Summary of New Proposals and Increase in Capital Programme

16. Overall, this report proposes new capital schemes totalling **£56.409m** 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 B.

Detailed Consideration of Proposed Investment

New Schemes – Prudential Borrowing

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	
Mansion House Urgent Repairs	1.273	2024/25
Castle Mills Lock	0.300	2025/26
Askham Bar EV Charging (Levi Match Funding)	0.800	2024/25 -25/26
West Offices Data Centre	0.380	2024/25
Garden Bin Replacement	0.600	2024/25 to 2027/28
New Proposals Requiring Prudential Borrowing	3.353	

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. **Mansion House Urgent Repairs (£1,273k in 2024/25)** - As the council are the custodians of the Mansion House on behalf of the residents, the proposed scheme of works ensures the council meets its statutory and legal obligations it has towards the Mansion House as well as fulfilling the grant conditions of the National Heritage Lottery Fund (NHLF) investment. 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.

20. 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. Failure to act now will not only result in further damage to the building heritage but also likely increase costs and scope of the restoration works required.

21. **Castle Mills Lock (£300k in 2025/26)** - When our canals and rivers were built there was no standard template for lock gates. They were constructed using a variety of techniques and designed to navigate the local landscapes. As a result, our lock gates are bespoke so when we're building new lock gates, each one has to be sized up and built to the exact specifications for each lock. An average lock gate lasts for about 25 years. Castle Mills Lock were last renewed in 1986 making them 35 years old and 10 years exceedance of their expected serviceable life. Further to the work on the lock gates, work is also needed to the access bridge to the site which is nearing the end of its serviceable life.

22. Additional funding is required to deliver the scheme as a direct result of increases in the cost of materials, labour, design, and project management fees. This is over and above the original

budget of £800k which has been approved. The additional funding required is in the region of £300k.

23. **Askham Bar EV Charging (£400k in 2024/25 and £400k in 2025/26 Total £800k)** - Askham Bar Hyper Hub will provide Ultra-rapid, Rapid and Standard EV charging infrastructure at Askham Bar Park and Ride, servicing the southern side of the city. The facility will be accessible to all users of electric vehicles under 3.5 tonnes, driving the uptake of EVs which in turn supports the council's climate change objectives by reducing carbon emissions and improving air quality. The Hyper Hub will include 4 x 175kW chargers, 4 x 50 kW chargers and 56 x 7kW charge points. Solar PV panels, mounted on canopies over the chargers, provide up to 100kW renewable electricity, which can be used directly to charge vehicles, or stored in a 500kW battery for later use.
24. The council has been awarded a grant of £1,243k which Executive approved in principle in July 2023 "LEVI Pilot Funding for Askham Bar Hyper Hub" and as part of the bid £669k was required as match funding to the project. A further £131k has been included to cover other internal fees to deliver the project. It is proposed that officers continue to seek alternative funding streams for the match funding and a decision to commence the scheme will be subject to a further report to Executive.
25. **West Offices Data Centre (£380k in 2024/25)** - West Offices Data Centre (DC) was installed and commissioned in 2012. The environmental conditions (temperature and humidity) need to be stable to enable the ICT Servers and supporting equipment to operate efficiently and continuously 24/7/365. The current system consists of four cooling units within the DC that push the cool air into the floor plenum which is released via the floor grilles into the server racks. The hot air from the servers is collated, then cooled and the cycle continues. The cooling units are supported by a series of condensers installed in the energy centre located against the City Walls.
26. The purpose of this funding is to upgrade the system prior to a major failure of the DC that could cause significant disruption to council services and protect the significant revenue stream (c.£2m pa once anticipated lease deals complete). The proposal is to install 1 additional cooling system and replace the currently installed 4 x cooling systems resulting in 5 new systems in the DC.

27. The DC requires a specific operating environment to enable ICT equipment to function correctly. This is achieved by the installation of air conditioning and humidity control equipment. Currently, 4no air conditioning units provide cooling to the server racks. This involves cool air being blown over the servers which removes the heat from the server, the warmer air is ejected at the rear and is returned the air conditioning system for cooling and the process continues.
28. This proposal will address the risks of losing the cooling capacity and provide future resilience to the DC. Works are required due to some system components approaching end of life (10-12 years) and others becoming obsolete.
29. **Garden Bin Replacement £150k per annum 2024/25 to 2026/27 Total £600k)** - The council introduced a Garden Waste Service in 2005/06 and as part of the scheme all Households on a garden waste round were provided with a green wheeled bin. The bins are now 18+ years old and a large number are failing due to constant wear and tear.
30. It is proposed that, If the council is to introduce a chargeable waste service, should subscribers request a new bin due to damage they would receive one free replacement. Any further replacements would be a chargeable service to the resident.
31. The funding is based on 15,000 replacement bins would be required over the period.

Rolling Programme Schemes – Prudential Borrowing

32. The 2023/24 – 2027/28 capital programme contained a number of rolling programme schemes that require funding on an ongoing basis. This report extends the rolling capital programme to 2028/29 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)	3.234	2024/25 - 2028/29
Drainage	0.900	2028/29
Highways	5.070	2028/29
City Walls Maintenance	1.515	2026/27 - 2028/29
Fleet Replacement	8.510	2028/29
Cycle Access Barrier Refresh	1.000	2024/25 - 2028/29
Asset Maintenance	0.325	2024/25 & 28/29
Disabled Facilities Grant	0.475	2028/29
Disability Support Budget	0.300	2028/29
Major Items of Disability Equipment	0.167	2028/29
Telecare Equipment	0.309	2028/29
ICT Rolling Programme	2.820	2028/29
Project Support Fund	0.200	2028/29
Contingency	0.200	2024/25
Total Rolling Programme Schemes	25.025	

Table 4 – Summary of Rolling Programme Proposals Requiring Prudential Borrowing Funding

33. All of the £25.025m of rolling programme scheme will require revenue growth to fund (to support the prudential borrowing), the revenue implications are contained in the Financial Strategy 2024/25 – 2028/29 report also on this agenda.
34. An overview of each scheme being proposed is set out in the following paragraphs.
35. **Structures (Special Bridge Maintenance) (£775k 2024/25, £615k 2025/26, £622k 2026/27, £617k 2027/28, £605k 2028/29)**

Total £3.234m) – The scheme encompasses all required work to ensure that the Council's highway structures are inspected and maintained in accordance with the Code of Practice for Well-Managed Highways Infrastructure. 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. Costs for an inspection and assessment regime are included within this funding, routine principal and general inspections and bridge assessments help identify whether the structures are safe for use and fit for purpose.

36. Other work will include bridge minor maintenance works identified from general and principal bridge inspections. 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 funding covers future major maintenance of bridges which will include bridge waterproofing and joint replacements, painting works, small bridge replacements and strengthening works.
37. **Drainage (£900k 2028/29)** – 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.
38. 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.
39. This budget includes works that have been identified following drainage investigations.
40. **Highways Schemes (£5,070k in 2028/29)** – The total annual rolling budget requirement for an optimum structural maintenance regime is circa £10m representing current costing. Outputs from the Council's highway inspection and deterioration data (Gaist) will be used to target additional highways R&R funding to address emerging highway asset defects, proactive works will slow the

deterioration of the city's highway network across footways and carriageways. 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. The purpose of this funding is to indicate the need for capital investment to meet with the rate of depreciation recognising the work which is carried out annually to highlight the rate of decline.

41. **City Walls (£505k a year 2026/27 to 2028/29 Total £1,515k) –** 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 Monument with the highest level of heritage significance, a key draw for tourism and of singular importance to the residents of York. 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.
42. 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.
43. Furthermore, within the scope of planned conservation are intentions to improved access to and interpretation of the monument to meet our obligations under the Equalities act, as well as efforts to attract direct donations towards the cost of future maintenance, along with building on partnership working arrangements so that we can tap into funding currently unavailable to the local authority.
44. **Fleet Replacement (Total £8,510k in 2028/29) -** A vehicle replacement policy has been developed and agreed by members to manage the replacement of vehicle and plant assets. The main purpose of this policy is to deliver electric vehicles to council's light commercial fleet and a select few HGV fleet assets with the aim to be carbon neutral by 2030 and to ensure that the investment made into the fleet (electric and fossil fuelled) and the charging infrastructure achieves an environmentally friendly fleet that is

utilised and applied in the most effective way. Identify and meet the fleet needs of the Council, for operational and support functions. Maintain cost-effective and timely processes for repair and maintenance, commissioning, decommissioning and disposal of fleet assets and to ensure statutory requirements are adhered to. To maintain safe, efficient and effective vehicles/plant & equipment, ensuring these fleet assets are replaced by following optimum replacement cycles in line with the Asset Management Strategy also to develop an electric charging infrastructure at the Hazel Court depot and satellite sites to ensure full charging capacity of all vehicles at all times can be met, there is significant investment required for this infrastructure but offset against fuel savings this cost can be recovered over time.

45. The purpose of this funding is to highlight the need for renewal of the expired CYC fleet within all services areas ensuring that all services have vehicles that maximises value for money and remains environmentally and energy efficient using electric vehicles where possible with the end goal to have a full electrified fleet and be carbon neutral by 2030 that will maintain service delivery for the council. This bid will allow the fleet replacements become part of the overall council's capital programme and ensure a continuous cycle of vehicles fit for purpose.
46. **Cycle Access Barrier Refresh (£200k a year 2024/25 to 2028/29 Total £1,000k)** - Officers recently commissioned a review of Access Control Barrier measures across the York area. The twin aims of this review were to:
 - i. Identify the volume and variability of designs currently in use across the city and assess which of these comply with current legislation and design guidance;
 - ii. To propose a policy on the use and design of barriers which can subsequently be adopted by the appropriate council body as council policy.
47. A report will shortly be brought forward seeking adoption of the proposed policy. This policy will help council departments and other external agencies address their duties under the Equality Act to improve accessibility for many groups with protected characteristics or specific access needs. An advisory panel is currently being assembled to undertake the next phase which will be to prioritise the list of non-compliant barriers in order that they can be addressed in a logical order. This funding will tackle the prioritised list of barriers. Works will primarily comprise removal or

redesign of the non-compliant barriers. Of the 1000+ sites identified at least 500 are non-compliant therefore a large amount of work will be needed to tackle these sites on a rolling programme basis. Additional resource will be needed at the design and delivery stages to accommodate the additional work included within this funding.

48. **Asset Maintenance (£50k in 2024/25 and £275k 2028/29 total £325k)** – There is currently a rolling programme capital scheme for health and safety repairs of £250k per annum with 4 years left to run. The previous year's allocations have been spent and the Council has a number of properties which have been identified as being retained for service delivery and/or delivering Council objectives, either directly or indirectly, through the Corporate and Community Asset Strategies and also individual service reviews.
49. A significant number of these properties have urgent health and safety repairs which will need to be carried out in the coming years to make them sustainable for future service delivery. The budget will also be used to cover the council's responsibility for closed churchyards.
50. There will also need to be substantial other work required to a proportion of these properties to refurbish or improve them to meet the service requirements, but these works will be the subject of separate business cases as and when necessary. This funding therefore is to extend the approved annual rolling programme for a further year to help fund these critical repairs to the retained buildings. The additional funding in 2024/25 will be used to address urgent repairs at the Tractor sheds near the Knavesmire.
51. **Disabled Facilities Grant (£475k 2028/29)** – This funding is to continue to allow the payment of mandatory disabled facilities grants (DFG's) in line with statutory requirements (The Housing Grants, Regeneration and Construction Act 1996) and the Council's policies last reviewed in July 2017. The DFG rolling programme enables older and disabled persons to remain safely in their own home and maximise their independence. The funding also ensures the delivery of the falls prevention service aimed at providing early intervention in the residents home looking to reduce the risk of falling by assessing the home, the environment and the person. Both programmes directly contribute towards the Better Care Fund objectives by preventing, reducing and delaying the need for NHS and Adult Social Care Services.

52. **Disability Support budget (£300k 2028/29)** – This extension to funding is to continue to provide assistance for disabled vulnerable customers who need financial help. The help comes through the form of grants and top up loans to help disabled vulnerable adults and parents with disabled children to provide cost effective adaptations in their homes to ensure that they continue to live and maintain their independence. The help covers the shortfall between the cost of the eligible work and the mandatory disabled facilities grant, or to purchase a more suitable home where it is more cost effective than to adapt the current home and the relocation expenses. Given the increasing number of older people and the increasing life expectancy of children with complex needs there is a need to increase funding year on year.
53. There is a direct link with the disabled facilities grant programme. The funding directly contributes to the priorities of the Better Care Fund and Council by preventing, reducing, and delaying the need for NHS and Adult Social Care Services.
54. **Major Items of Disability Equipment (£167k 2028/29)** – This funding is to extend the current scheme whereby equipment is provided to vulnerable individuals which enables them to remain in their own homes and live in the community. Timely supply of equipment is an essential component of prevention and enabling people to continue to live safely in their own homes. It also contributes to successful community re-ablement and is a key component of hospital discharge packages.
55. Keeping people at home, in their communities is crucial for the individual's long-term wellbeing but also the financial sustainability of the authority as long term formal care is significantly more expensive than the one-off investment in equipment.
56. **Telecare equipment (£309k 2028/29)** – This scheme is to extend the current scheme funding Telecare equipment into 2028/29. Keeping people at home, in their communities is crucial for the individual's long-term wellbeing but also the financial sustainability of the authority as long term formal care is significantly more expensive than the one-off investment in equipment.
57. Under this scheme sensors will continue to be installed in vulnerable customers' homes to deal with specific assessed risks. The sensors will be linked to our Community Alarm system and trigger alerts automatically given a programmed set of

circumstances, ensuring speedy response from the warden service. These pieces of equipment provide customers with peace of mind and 24 hour monitoring of their circumstances. In some cases, the provision of telecare equipment can prevent a move to residential care and can provide monitoring so that smaller care packages can be commissioned. Telecare allows more people to be looked after at a lower cost and several studies have shown its cost effectiveness.

58. **ICT Rolling Programme (£2,820k 2028/29)** - This extension funds the design, development, procurement and deployment of evolving digital customer centric technologies to help improve and personalise the customer experience by supporting the delivery of the organisational transformation, the evolving Digital Service Programme and CYC's continual improvement programme. The scheme also supports the customer strategy and enables the delivery of accessible and effective council services for its residents, businesses, and the city.
59. It also funds the maintenance, development and compliancy requirements of the key corporate enabling and supporting ICT infrastructure and application estate that is required to underpin the delivery, sustainability and security of these programmes supporting technologies whilst also maintaining the organisation's business as usual critical ICT services to staff and citizens.
60. **Project Support Fund (£200k 2028/29)** – To extend the existing funding into 2027/28 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.
61. **Contingency Funds (£200k 2024/25)** – 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.

Rolling programme - Externally Funded + HRA Funded

62. In addition to part funded rolling programme schemes, Schemes that are fully externally funded are proposed as part of this budget process. This table shows the level of external funding that is increasing existing schemes and which year the change takes effect in:

Scheme Type / Description	External Funding	Financial Year
	£m	
<u>Existing General Fund Schemes New External Funding</u>		
Highways schemes	2.835	2028/29
Integrated Transport	1.570	2028/29
Disabled Facilities Grant	1.625	2028/29
<u>Total</u>	6.030	
<u>New General Fund Schemes – New External Funding</u>		
Renewable Heating Upgrade - Alex Lyon House	1.051	2024/25
Honeysuckle House – heat pump communal heating upgrade	0.844	2024/25
Street Lighting LED Conversion	0.352	2024/25
Commercial Buildings LED Lighting Renewal	0.354	2024/25
Askham Bar EV Charging	1.243	2024/25 and 2025/26
<u>New General Fund Schemes – New External Funding TOTAL</u>	3.844	

Total – New External Funding	9.874	
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Table 5 – Summary of New External Funding

63. The funding for the schemes set out above for the rolling programmes have been updated to reflect the indicative funding settlements in 2028/29.
64. The council was successful in being awarded £2.601m grant funding from the Mayoral Combined Authority from the Net Zero Fund. The funding will improve the energy efficiency of public buildings and street lighting and installing renewable heating solutions at 2 council housing blocks. There are match funding commitments from schemes already in the capital programme for street lighting improvements and the introduction of LED lighting at West Offices / Hazel Court.
65. The table also includes the LEVI funding identified for the Askham Bar EV charging scheme totalling £1.243m which was referenced in paragraph 23 and 24.
66. The **Housing Revenue Account (HRA)** generates funds within the account to deliver capital repairs and investment in its properties.
67. Table 6 shows the overall movement (growth) against the existing approved expenditure plans.

Scheme Type / Description	Total Scheme Value HRA Funded	Financial Year
	£'m	
<u>New Investment for the HRA</u>		
Major Repairs & Modernisation	11.40	2028/29
Assistance to Older and Disabled People	0.68	2028/29
Housing Environmental Improvement Programme	0.17	2028/29

Glen Lodge Refurbishment	2.444	2024/25
Bell Farm Modernisation	3.463	2024/25
<u>New Investment for the HRA</u>	18.157	

Table 6 – Summary of HRA investment

68. **Major Repairs & Modernisation of LA Homes (£11,400k growth 2028/29)** – This is the second year of delivering the Housing Investment and Energy Retrofit Plan 2023-2028 to allow achievement of key objective that all homes will meet and retain the government’s Decent Homes Standard (DHS). DHS is the minimum standard and all homes will retain this standard within the planned programmes ensuring that failing components are updated ahead of their failure date. 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 2024/25 is £11,919k which includes £1,580k carried forward from 2023/24. A preliminary breakdown of the type and value of works are provided below:

	2024/25 budget	Description of works 2024/25
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	£'000	
Home Modernisation (formerly known as Tenants Choice)	1,400	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 140 homes will be modernised, predominantly in the Dringhouses area of the city.
Modernisation of Void properties	2,500	Essential repairs to void properties including the upgrading of the kitchen, bathroom and electrical wiring if the outgoing 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 80 homes are expected be improved.
Heating/Boilers	1,064	Regular replacement of Heating Systems to ensure that gas boilers are safe and efficient, replacing each on a 15-year cycle, and they are energy efficient. An estimated 443 homes will be updated.
Roof Replacements	240	Roof Replacement Works, guided by pre-programme intrusive surveys to determine the scope of works. An estimated 40 homes will be updated.
External Doors	383	With an increase in investment over previous years, we will deliver an enhanced programme of External Door Replacements to approximately 450 homes in order to provide high quality composite doors and deliver Decent Homes "safe and secure". Where possible these works will

		be delivered in advance of or part of the revenue funded external painting programme.
Window Replacements	610	Window Replacements in the Bell Farm area will progress and some homes in the Tang Hall area will benefit, addressing difficulties with 1st generation uPVC double glazed windows. 110 homes will get new, high performance, windows, helping to keep homes secure and draught free.
Tackling damp	1,850	Addressing rising and penetrating damp issues in homes, tackling the worst first and working to deliver our commitment to tackling damp and mould in response to recommendations made in a recent national report published by the Housing Ombudsman. This will include a review and reform our approach, helping to make best use of these resources, and expect to carry out works to an estimated 93 homes, dependent upon the extent of works needed.
Structural and external works	421	These funds will be used to deal with Structural Issues as and when they occur and deliver minor projects to address issues beyond repairs and maintenance. Incidents are sometimes caused by subsidence and vary, year on year. This is likely to involve work on approximately 55 homes.
Fire Remedial Works	650	Remedial works arising from Fire Risk Assessments.
Asbestos Removal	200	Remedial works following asbestos surveys.
Contribution to Glen Lodge & Bell Farm Schemes	1,353	Contribution to major refurbishment and modernisation schemes

Other	1,248	Various projects including one-off kitchen and bathroom refurbishments, soundproofing, upgrading communal corridor lighting and entry door access, remedial work following electrical testing programme, security upgrades.
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Table 7 – Breakdown of Major Repairs & Modernisation of LA Homes 2024/25 Budget

69. The intention of these projects are to ensure the Council invest in and plan for the future, ensuring we support safe, sustainable, affordable and good quality homes.
70. **Assistance to Older and Disabled People (£680k 2028/29) –** 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.
71. **Housing Environmental Improvement Programme (£170k 2028/29) -** 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 be maximised the benefits to the HRA estates and council stock, it is proposed that the funding continues to be set aside.
72. A decision was taken by Executive in July 2022 to resolve major health and safety concerns at both Bell Farm and Glen Lodge and decant residents from these properties to prepare the buildings for a programme of major refurbishment. Since the approval, all residents have been successfully relocated to alternative accommodation and the buildings are now vacant. The paragraphs below detail the investment required at the two sites.
73. **Glen Lodge (£2,444k new funding 2024/25) -** Glen Lodge is an Independent Living Community, originally built in the 1970s with an additional wing added to the building in 2017. There are a total of

57 apartments and 12 bungalows, with 25 apartments in the newer wing and 32 in the original building. No major work was carried out to the existing building during the work to build the newer wing.

74. The refurbishment of the original part of this building was primarily aimed at dealing with the replacement of the domestic hot and cold water systems which had repeatedly become contaminated with legionella and was being managed through chemical dosing. Following approval to progress the project in July 2022 a number of intrusive surveys were undertaken to better understand the condition of the building. These surveys have identified a number of critical issues which, following consultation with internal and external subject experts, have resulted in the inclusion of additional works to be incorporated into the scope of the project.
75. During the surveys it became apparent that services were contained within an asbestos containing service trench. Both the electrical services and heating pipework to the building were at the end of their useable life and likely to fail within the next 5 years and therefore the decision was made that whilst the building is vacant, these major disruptive works will be undertaken to reduce the ongoing maintenance requirement of the building and significantly reduce the risk of disruption to future residents.
76. To date the project has received an initial £10,000 from Heat Network Efficiency Scheme to complete an optimisation study for the new heating network. Once this study is complete, the service will submit a further bid to seek match funding for the heating network which is likely to be in the region of £200,000 if successful.
77. The scope of work now comprises of; replacement of hot and cold water pipework, replacement of the heat network including low surface temperature radiators, a full rewire, remodel of ground floor properties to enhance accessibility, essential fire strategy works, window replacement, kitchen and bathroom replacement, redecoration and new floor finishes to flats and communal spaces.
78. Tenders were returned in October 2023 with 6 compliant bids received. The commercial and quality aspects of the tenders were analysed and Hobson & Porter have been named as the preferred bidder.

79. The total cost of the scheme is estimated at £3.204m of which £2.6m relates to the main contract.
80. There is no existing budget however there are a number of planned maintenance works that were not complete whilst major works to resolve the water hygiene issues were awaited therefore there is an contribution from the planned maintenance budget in order to complete these works as well as other.

Funding Source	Financial contribution
	£'000
Housing Management contribution building wifi	13
HNES initial funding	10
Planned maintenance budget	737
New HRA funding	2,444
Total	3,204

Table 8 – proposed funding for Glen Lodge HRA scheme

81. The additional budget requirement for this project is therefore £2.444m. The project is anticipated to start on site in Spring 2024 and will take approximately 12months to complete. With the building providing care the reoccupation will be complex and work with colleagues in Adult Social Care will commence imminently to bring the original side of the building back into use as quickly as possible and minimise future void times.
82. It is proposed that the additional value £2.444m is funded by using Housing Capital Receipts that have been generated from council house sales that are not set aside for right to buys and general sales.
83. **Bell Farm (£3,463k new funding 2024/25)** - The Bell Farm project consists of 40 properties within the Bell Farm Estate which are in need of significant improvement works. The 40 apartments primarily sit along Bellfarm Avenue and Middleham Avenue. These properties were originally houses which were converted to 1 bedroom apartments approximately 40 years ago. At this point bathroom pod extensions were added to the existing buildings.

These are constructed from asbestos containing materials which was common at the time. The pod structures have degraded, creating a health and safety risk if not tackled.

84. The works proposed will include demolition and rebuild of the pod extensions, the new extensions will be built to a high level of thermal comfort with enhanced insulation. A full refurbishment and remodel of the homes will be undertaken including retrofit works to significantly improve the energy efficiency of the homes. These works include; replacing cavity wall insulation, external wall insulation to solid gable end walls, new UPVC windows, new composite doors, upgrading the DPC to prevent rising damp, replacement of kitchens and bathrooms. Where existing gas boilers are out of warranty and cannot be reused these will be replaced with Air Source Heat pumps, removing the properties from dependence on fossil fuels.
85. The project has been successful in receiving Social Housing Decarbonisation Funding to part fund the works. As part of the project, the Council has also repurchased 2 leasehold properties to increase the overall supply of much needed 1 bedroom homes.
86. Tenders were returned in October 2023 with 3 compliant bids received. The commercial and quality aspects of the tenders were analysed and Equans have been named as the preferred bidder.
87. The total cost of the scheme is estimated at £4.790m of which £3.925m relates to the main contract.
88. There is no existing budget however there are a number of planned maintenance works that were not complete whilst major works to resolve the water hygiene issues were awaited therefore there is an contribution from the planned maintenance budget in order to complete these works as well as other.

Funding Source	Financial contribution
	£'000
SHDF (Bell Farm Capital costs)	613
SHDF (Admin & Ancillary costs)	97
Planned maintenance budget	617

New HRA funding	3,463
Total	4,790

Table 9 – proposed funding for Bell Farm HRA scheme

89. The additional budget requirement for this project is therefore £3.463m. It is proposed that this value is funded by using Housing Capital Receipts that have been generated from council house sales that are not set aside for right to buys and general sales. The project is anticipated to start on site in Spring 2024 with first occupations expected approximately 12 months later.
90. **Local Authority Homes (no proposed budget changes)** - All 140 homes at the Lowfield Green site are now complete along with two areas of public open space for the enjoyment of new and existing residents. In total the site provides 56 affordable homes which are fully occupied and provide much needed accommodation for the city. There are final works ongoing to complete the highways prior to adoption in 2024.
91. Construction continues to progress on the two certified Passivhaus sites, Duncombe Barracks and Burnholme led by contractor Caddick Construction. Duncombe Barracks commenced in 2022 and the construction of the superstructure is now significantly advanced. The site will deliver 34 new homes with first handovers anticipated in 2024. Burnholme will deliver 78 new homes. Both sites are 60% affordable housing supported by grant funding from Homes England.
92. Following the commitment for all future council housing sites to be developed as 100% affordable, Ordnance Lane has undergone a process of evaluation and minor redesign in order to achieve this target. As a result the site density has increased slightly from 85 homes to around 100 homes to reflect housing need and a planning application will be resubmitted in January to formalise this change. The new homes on Ordnance Lane will be built to Passivhaus standards and utilise renewable technologies to ensure the homes are affordable for new residents. The project received OPE grant funding of £2.4m to carry out enabling works. A contractor has been procured for this work and will start on site in early 2024.
93. Procurement is underway for a multidisciplinary team to lead the design of Willow House and wider South Walmgate masterplan.

This project will aim to deliver 100% affordable housing in the heart of the city. Community engagement will commence in Spring 2024 to begin to develop plans for the site through a process of co-design with local residents, businesses and wider stakeholders. This project has also received grant funding through the York and North Yorkshire Devolution Brownfield Housing Fund to remove site abnormalities and accelerate the delivery of much needed new homes.

94. The Housing Delivery programme continues 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. Combined these two schemes will deliver 40 new affordable homes and to date over 30 homes have been acquired. It is anticipated that all homes within these programmes will be purchased by Spring 2024. In November 2023, an additional £1.3m of grant funding was secured through the Local Authority Housing Fund to support the purchase of an additional 10 homes, 7 homes for Afghan resettlement households and a further 3 homes to contribute towards meeting wider temporary accommodation needs in the city. Work is underway to purchase these homes and is expected to be concluded by Spring 2024.

Funding Position – Council Prudential Borrowing

95. The budget proposals requires additional prudential borrowing to existing rolling programme schemes of £25.025m and to new schemes totalling £3.353m. This results in a total increase in the level of debt (the underlying need to borrow for capital investment purposes only) of £28.378m over the 5 year programme. Table 9 shows the financial impact on a year by year basis and over the 5 year period.

	24/25	25/26	26/27	27/28	28/29	Total
	£000	£000	£000	£000	£000	£000
Rolling Programme	1.225	0.815	1.327	1.322	20.336	25.025
New Schemes	2.203	0.850	0.150	0.150	-	3.353

Net Increase in PB	3.428	1.665	1.477	1.472	20.336	28.378
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Table 10 – Net Funding Position of Prudential Borrowing Schemes

96. The incremental revenue costs of the new schemes funded by prudential borrowing is estimated at £2.838m over the 5 year budget period, assuming borrowing of £28.378m. Actual borrowing may be taken during 2024/25, 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 £1.6m to cover additional capital investment.

Summary of Analysis

97. 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 **£56.409m** of which £38.616m relates to the extension of the programme to future years.

	24/25	25/26	26/27	27/28	28/29	Total
	£m	£m	£m	£m	£m	£m
1) New CYC Schemes Funded by CYC PB (table 3)	2.203	0.850	0.150	0.150	-	3.353
2) Rolling Programme Schemes Funded by CYC PB (table 4)	1.225	0.815	1.327	1.322	20.336	25.025
3) Existing Schemes Funded by External Grant (table 5)	-	-	-	-	6.030	6.030

4) New General Fund and HRA schemes Funded by External Grant (table 5)	3.223	0.621	-	-	-	3.844
5) HRA Schemes Funded by HRA (table 6)	5.907	-	-	-	12.250	18.157
Total Net Increase to Capital Programme	12.558	2.286	1.477	1.472	38.616	56.409

Table 11 – Summary of new expenditure by funding type 2024/25 – 2028/29

98. 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 B.

Gross Capital Programme	2024/25	2025/26	2026/27	2027/28	2028/29	Total
	£m	£m	£m	£m	£m	£m
Children's services	12.374	5.275	1.045	0	0	18.694
Adult Social Care	0.682	0.705	0.728	0.752	0.776	3.643
Housing & Community Safety	44.900	23.318	15.301	14.638	14.35	112.507
Transport, Highways and Environment	78.164	45.983	29.041	19.17	20.195	192.553
Property Services	45.932	0.275	0.275	0.275	0.275	47.032
ICT	2.509	3.170	2.82	2.82	2.82	14.139
Customer & Corporate Services	0.627	0.200	0.200	0.200	0.200	1.427

Communities & Culture	3.491	0	0	0	0	3.491
Climate Change	1.45	0.250	0	0	0	1.700
Total Capital Programme	190.129	79.176	49.410	37.855	38.616	395.186

Table 12 – Proposed Capital Programme 2024/25 – 2028/29

Other Major Capital Projects

99. **York Outer Ring Road Dualling** - During 2023/24, the main focus of activity for the project team has been supporting the determination of the planning application for the scheme. The magnitude and complexity of the project has meant that a number of challenges have been raised from statutory consultees e.g. National Highways and the Environment Agency. These have been time consuming to address and as such responding to, and satisfying the issues raised from these and a range of other sources has impacted on the programme to achieve planning approval. The previous programme was to get to a planning committee by spring 2023, this has now slipped to February/March 2024.
100. 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 with the planning application. In parallel, documentation is being prepared for submission of a Compulsory Purchase Order and this is completed to an advanced stage. Other concurrent work includes completion of the detailed design, preparations for the final business case and a cost review to understand the impacts of construction inflation on the scheme. 2024 will be a time therefore to secure planning approval and acquire as much land as possible by private agreement. Later in the year the project team will turn attention to finalising the

business case and commence procurement of a contractor for commencement of construction in spring 2025.

101. **York Station Gateway** - In January 2022, a complex package of enabling works began involving the diversion of key statutory utilities from in and around Queen Street Bridge to enable its demolition. This package of work is valued at £1.8m (excluding risk, contingency, etc) and is expected to be complete by January 2024.
102. In spring 2022, a procurement was carried out to identify a delivery contractor for the Package 2 (Highway Works) and Package 4 (Loop Road Works). Three tenders were received in June 2022 and John Sisk and Son was identified as the preferred contractor with a tender value that fell within the forecast budget for Packages 2 and 4. John Sisk and Son was subsequently appointed and pre-construction activities commenced in July 2023 and site works commenced for Package 2 (Highway Works) commenced in October 2023. Completion of Packages 2 and 4 are programmed for November 2024.
103. Package 2 of the scheme requires 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 £2.54m (excluding 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 2024.
104. **Haxby Station** - During 23/24 the Towthorpe Road site (owned by CYC) has been the single option being developed further by CYC and their delivery partners Network Rail, to outline design stage. A revised business case was presented to the Department for Transport in March 2023, to request funding in full for the project – estimated full project cost £23m (with CYC contributing an agreed fixed £4.3m) and the remainder to be provided by DfT, via their Restoring Your Railway fund (awarding directly to Network Rail). To date the project has received £1.5m in development funding from DfT.
105. In October 2023 the Prime Minister announced plans for ‘Network North’, which included Haxby Station as a named project to be

funded to delivery. Due to the delay in government decision, delivery of the station has now slipped beyond the 2024/25 year.

106. As such, a planning application for the station is anticipated to be submitted, with potential determination by the summer. In the meantime, Network Rail will be undertaking detailed design and procurement exercises to take on a contractor to construct the station. Expectations are now that site work will commence late in 2024, with full construction expected between January and Summer 2025. Target date for entry into service and the station open for passengers is now December 2025.
107. **York Central** - The project is now in the delivery phase with Homes England responsible for the access infrastructure contract IP2 – and the appointment of a Master Developer. The site will be opened up for development with the access infrastructure work scheduled for completion in summer 2026, and with construction of the first office development to happen in parallel. The council still has a significant role to play as the local planning / highway authority and as a funder with Enterprise Zone borrowing supported by increased revenues under the Devolution Deal. Work by the National Railway Museum on their new Central Hall is also underway, as part of a £50m Vision 2025 investment.
108. **Castle Gateway** - The delivery of the Castle Gateway project has been impacted by a number of factors – specifically construction cost inflation and delays to the announcement of potential Levelling up Funding by government. In November 2023 Executive agreed the way forward and work will now commence to revise designs for the Castle / Eye of York and the delivery of Affordable Housing. The strategic importance of St George's Field as a parking location is acknowledged and proposals for improving parking provision here with coach drop off facilities are being progressed.

Consultation Analysis

109. There has been widespread consultation over the budget process and this has been detailed within the Financial Strategy 2024/25 to 2028/29 report elsewhere on the agenda.

Organisational Impact and Implications

110. 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

111. 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.
112. 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

113. The schemes within the capital programme impact all wards across the council.

Contact details

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

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Service Area:	Finance
Telephone:	Ext 1633
Report approved:	Yes
Date:	15 January 2024

Annexes

Annex A – Capital Budget Growth 2024/25 to 2028/29

Annex B – Restated Capital Budget 2024/25 to 2028/29

Capital Budget Growth 2024/25 - 2028/29								
Growth Only		Growth above existing approved budget						
		5 year rolling programme						
Directorate	New Schemes - CYC Funded	24/25 £000	25/26 £000	26/27 £000	27/28 £000	28/29 £000	Total £000	Approximate Revenue cost £000
Corporate Services	Mansion House - conservation management	1,273	-	-	-	-	1,273	127
Place	Castle Mills Lock	-	300	-	-	-	300	30
Place	Askham Bar EV Charging (LEVI Match funding)	400	400	-	-	-	800	80
Place	West Offices Capital work to data centre	380	-	-	-	-	380	38
Place	Garden Bin Replacement	150	150	150	150	-	600	60
TOTAL - Funded by CYC Prudential Borrowing		2,203	850	150	150	-	3,353	335
Incremental Revenue Growth		220	85	15	15	0	335	
Directorate	Rolling Programme Schemes - Additional Years/Amendments	24/25 £000	25/26 £000	26/27 £000	27/28 £000	28/29 £000	Total £000	
Place	Structures (special Bridge Maintenance)	775	615	622	617	605	3,234	323
Place	Drainage	-	-	-	-	900	900	90
Place	Highways	-	-	-	-	5,070	5,070	507
Place	City Walls Maintenance	-	-	505	505	505	1,515	152
Place	Fleet Replacement - replace like for like	-	-	-	-	8,510	8,510	851
Place	Cycle Access Barrier Refresh	200	200	200	200	200	1,000	100
Place	Asset Maintenance	50	-	-	-	275	325	33
People	Disability Support budget	-	-	-	-	300	300	30
People	Major items of disability equipment	-	-	-	-	167	167	17
People	Telecare equipment	-	-	-	-	309	309	31
Place	Disabled Facilities Grant	-	-	-	-	475	475	48
COO	Project Support Fund	-	-	-	-	200	200	20
COO	Contingency	200	-	-	-	-	200	20
COO	ICT	-	-	-	-	2,820	2,820	282
TOTAL - Funded by CYC Prudential Borrowing		1,225	815	1,327	1,322	20,336	25,025	2,503
Incremental Revenue Growth		123	82	133	132	2,034	2,503	

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Directorate	New and Rolling Programme Schemes - Additional Years/Amendments Funded Externally (Grant)	24/25 £000	25/26 £000	26/27 £000	27/28 £000	28/29 £000	Total £000
Place	Highways	-	-	-	-	2,835	2,835
Place	LTP DfT	-	-	-	-	1,570	1,570
Place	Disabled Facilities Grant	-	-	-	-	1,625	1,625
Place	Askham Bar EV Charging (External funding)	622	621	-	-	-	1,243
HRA	Alex Lyon House - Renewable Heating Upgrade	1,051	-	-	-	-	1,051
HRA	Honeysuckle House - heat pump upgrade	844	-	-	-	-	844
Place	Street Lighting LED Conversion	352	-	-	-	-	352
Place	Commercial Buildings LED Renewal	354	-	-	-	-	354
TOTAL - Funded Externally		3,223	621	-	-	6,030	9,874
Incremental Revenue Growth		n/a	n/a	n/a	n/a	n/a	n/a

Directorate	HRA Schemes	£000	£000	£000	£000	£000	£000
HRA	Assistance to Older & Disabled Persons	-	-	-	-	680	680
HRA	Major repairs and modernisation	-	-	-	-	11,400	11,400
HRA	Housing Environment Improvement Programme	-	-	-	-	170	170
HRA	Glen Lodge Refurbishment	2,444	-	-	-	-	2,444
HRA	Bell Farm Modernisation	3,463	-	-	-	-	3,463
TOTAL - HRA Funded		5,907	-	-	-	12,250	18,157

Funded Split	24/25 £000	25/26 £000	26/27 £000	27/28 £000	28/29 £000	Total £000
Total CYC Prudential Borrowing	3,428	1,665	1,477	1,472	20,336	28,378
Total External Funding	3,223	621	-	-	6,030	9,874
Total HRA Funding	5,907	-	-	-	12,250	18,157
Overall Increase in Capital Programme	12,558	2,286	1,477	1,472	38,616	56,409

Revenue Impact (following year)	25/26 £000	26/27 £000	27/28 £000	28/29 £000	29/230 £000	Total Revenue cost of bids £000
Incremental Revenue Growth of CYC Prudential Borrowing	343	167	148	147	2,034	2,838
Overall Revenue Impact (Cost to CYC)	343	167	148	147	2,034	

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Restated Capital Programme Including Growth						
	2024/25	2025/26	2026/27	2027/28	2028/29	Total Capital Programme
						2024/25-2028/29
	£000	£000	£000	£000	£000	£000
CHILDRENS SERVICES						
Basic Need	365	3,075	125	0	0	3,565
DfE Maintenance	1,600	700	700	0	0	3,000
SEND - St Paul's Nursery ERP Expansion	1,730	0	0	0	0	1,730
SEND - Applefields Extension (Phase 3)	1,120	470	0	0	0	1,590
St Oswalds Classrooms	1,400	0	0	0	0	1,400
Hob Moor Oaks Classrooms	1,100	0	0	0	0	1,100
Huntington Science Labs	1,100	0	0	0	0	1,100
SEND - Huntington School ERP	480	510	0	0	0	990
NDS Devolved Capital	220	220	220	0	0	660
Clifton Green Primary - Re-organisation and Security	650	0	0	0	0	650
Mainstream Schools SEND fund	300	300	0	0	0	600
Danesgate Outdoor Learning Area	600	0	0	0	0	600
Schools Essential Mechanical & Electrical Work	500	0	0	0	0	500
Schools Essential Building Work	400	0	0	0	0	400
Improving School Accessibility	242	0	0	0	0	242
Fulford School Expansion 2020 Phase 1 and 2	200	0	0	0	0	200
Expansion and Improvement of Facilities for Pupils with SEND	200	0	0	0	0	200
Family Hubs Capital Investment	167	0	0	0	0	167
ADULT SOCIAL CARE						
Telecare Equipment and Infrastructure	275	283	291	300	309	1,458
Disabled Support Grant	260	270	280	290	300	1,400
Major Items of Disability Equipment	147	152	157	162	167	785
HOUSING & COMMUNITY SAFETY (HRA & GF)						
Major Repairs & Modernisation of Local Authority Homes	11,919	10,847	11,027	11,243	11,400	56,436
LA Homes - Burnholme	9,600	6,966	0	0	0	16,566
Disabled Facilities Grant (Gfund)	2,375	2,375	2,565	2,565	2,100	11,980
Duncombe Barracks	4,539	0	0	0	0	4,539
Local Authority Homes - Phase 2	2,785	900	0	0	0	3,685
Bell Farm Modernisation	3,463	0	0	0	0	3,463
Assistance to Older & Disabled People	630	640	650	660	680	3,260
Local Authority Homes - Project Team	1,000	1,370	889	0	0	3,259
Glen Lodge Refurbishment	2,444	0	0	0	0	2,444
LA Homes - Hospital Fields/Ordnance Lane	1,790	0	0	0	0	1,790
Alex Lyon House - Renewable Heating Upgrade	1,051	0	0	0	0	1,051
Willow House Housing Development	1,000	0	0	0	0	1,000
Housing Environmental Improvement Programme	170	170	170	170	170	850
Honeysuckle House heat pump communal heating upgrade	844	0	0	0	0	844
LA Homes Energy Efficiency Programme	478	0	0	0	0	478
Water Mains Upgrade	360	50	0	0	0	410
Lowfield Housing	321	0	0	0	0	321
Extension to Marjorie Waite Court	90	0	0	0	0	90
Chaloner Road Site Enabling Works	31	0	0	0	0	31
Tang Hall Library Site Enabling Works (G/fund)	10	0	0	0	0	10
TRANSPORT, HIGHWAYS & ENVIRONMENT						
York Outer Ring Road - Dualling	22,644	23,952	11,282	0	0	57,878
Highway Schemes	8,265	7,905	7,905	7,905	7,905	39,885
Replacement Vehicles & Plant	7,726	169	3,392	7,323	8,510	27,120
WYTF - Station Frontage	6,945	4,283	0	0	0	11,228
Integrated Transport Schemes	3,317	1,570	1,570	1,570	1,570	9,597
Bus Service Improvement Plan	9,222	0	0	0	0	9,222
Innovative Flood Resilience	1,290	1,490	1,937	0	0	4,717
WYTF - Castle Gateway Development	4,448	50	0	0	0	4,498
Drainage Investigation & Renewal	700	900	900	900	900	4,300
Haxby Station	1,500	2,500	0	0	0	4,000
Flood Alleviation Schemes including Germany Beck	3,250	0	0	0	0	3,250
Special Bridge Maintenance (Struct maint)	775	615	622	617	605	3,234
York City Walls Restoration Programme	400	300	505	505	505	2,215
Askham Bar Hyperhub (Levi)	1,022	1,021	0	0	0	2,043
Essential Bridge Maintenance (Lendal Bridge)	1,950	0	0	0	0	1,950
Replacement of Unsound Lighting Columns	578	578	578	0	0	1,734
Flood Scheme Contributions	1,500	0	0	0	0	1,500
Access Barrier Review	200	200	200	200	200	1,000
Castle Mills Lock	600	300	0	0	0	900
Garden Bin Replacement	150	150	150	150	0	600
Smarter Travel Evolution Programme	461	0	0	0	0	461
Street Lighting LED Conversion	352	0	0	0	0	352
Highways Drainage Works	200	0	0	0	0	200
Waste Vehicle Replacement	175	0	0	0	0	175
River Bank repairs	148	0	0	0	0	148

	2024/25	2025/26	2026/27	2027/28	2028/29	Total Capital Programme
						2024/25-2028/29
	£000	£000	£000	£000	£000	£000
Flood Sign Renewal and Rainfall monitoring	135	0	0	0	0	135
Fleet & Workshop Compliance	91	0	0	0	0	91
National Cycle Network 65 Targeted Repairs	70	0	0	0	0	70
Knivesmire Culverts	50	0	0	0	0	50
REGEN, ECONOMY & PROPERTY SERVICES						
York Central Infrastructure	38,941	0	0	0	0	38,941
Castle Gateway (Piccadilly Regeneration)	3,991	0	0	0	0	3,991
Asset Maintenance + Critical H&S Repairs	456	275	275	275	275	1,556
Improvements to City Centre & High Streets (UKSPF)	675	0	0	0	0	675
West Offices Data Centre	380	0	0	0	0	380
Commercial Buildings LED Lighting Renewal	354	0	0	0	0	354
Rural Prosperity Fund	300	0	0	0	0	300
LCR Revolving Investment Fund	300	0	0	0	0	300
Removal of Asbestos	197	0	0	0	0	197
Hazel Court welfare facilities	95	0	0	0	0	95
Photovoltaic Energy Programme	81	0	0	0	0	81
Commercial Property Acquisition incl Swinegate	80	0	0	0	0	80
Fire Safety Regulations - Adaptations	77	0	0	0	0	77
Air Quality Monitoring (Gfund)	5	0	0	0	0	5
ICT						
IT Development plan	2,509	3,170	2,820	2,820	2,820	14,139
CUSTOMER & CORPORATE SERVICES						
Project Support Fund	200	200	200	200	200	1,000
Crematorium Waiting Room	227	0	0	0	0	227
Capital Contingency	200	0	0	0	0	200
COMMUNITIES & CULTURE						
Future Libraries Investment Programme	2,026	0	0	0	0	2,026
Mansion House	1,273	0	0	0	0	1,273
Westfield Multi Use Games Area	192	0	0	0	0	192
CLIMATE CHANGE						
Climate Change schemes including Northern Forest	1,450	250	0	0	0	1,700
GROSS EXPENDITURE BY DEPARTMENT						
PEOPLE DIRECTORATE						
CHILDRENS SERVICES	12,374	5,275	1,045	0	0	18,694
ADULT SOCIAL CARE	682	705	728	752	776	3,643
PLACE DIRECTORATE						
HOUSING & COMMUNITY SAFETY (HRA & GF)	44,900	23,318	15,301	14,638	14,350	112,507
TRANSPORT, HIGHWAYS & ENVIRONMENT	78,164	45,983	29,041	19,170	20,195	192,553
PROPERTY SERVICES	45,932	275	275	275	275	47,032
CHIEF OPERATING OFFICER						
ICT	2,509	3,170	2,820	2,820	2,820	14,139
CUSTOMER & CORPORATE SERVICES	627	200	200	200	200	1,427
COMMUNITIES & CULTURE	3,491	0	0	0	0	3,491
CLIMATE CHANGE	1,450	250	0	0	0	1,700
TOTAL BY DEPARTMENT	190,129	79,176	49,410	37,855	38,616	395,186
TOTAL GROSS EXPENDITURE	190,129	79,176	49,410	37,855	38,616	395,186
TOTAL EXTERNAL FUNDING	70,218	41,791	18,868	6,495	6,030	143,402
TOTAL INTERNAL FUNDING	119,911	37,385	30,542	31,360	32,586	251,784



Meeting:	Executive
Meeting date:	25 January 2024
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.

11. The broad strategy remains unchanged from the previous year and has been updated to reflect the new Council Plan.

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:

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Job Title:	Chief Finance Officer
Service Area:	Finance
Telephone:	01904 55 4161
Report approved:	Yes
Date:	14 January 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 2024/25

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.

Debt, borrowing and treasury management

The council produces a separate treasury management strategy statement, which is approved by Full Council as part of the annual budget setting process.

Pension fund guarantees

The council has entered in to a number of long term contracts for services that have involved the transfer of council staff to a new service provider. Employee's rights are protected under the provision in the Transfer of Undertakings (Protection of Employment) Regulations 2006, commonly referred to as TUPE. As a result, the council has given subsumption pension guarantees to a number of organisations.

Knowledge and Skills

The capital financing and investment strategy and the treasury management strategy are managed by a team of professionally qualified staff, with extensive local government experience. They all attend courses on a regular basis to keep abreast of new developments.

Internal training is offered to members of the Audit & Governance committee on an annual basis to ensure they have the necessary knowledge and understanding.

Where the council does have the knowledge and / or skills required use is made of external advisers that are specialists in their field. The council currently employs the Link Group as treasury management advisers.

Asset Management Strategy

The council has a range of property assets held for the following reasons:

- Operational – supporting core business and service delivery
- Investment – to provide a financial return to the council
- Regeneration / Commercial – enabling strategic place shaping and economic growth

In September 2017 the council agreed a refreshed and updated asset management strategy. 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 2023 income from property assets, excluding operational assets was c £6.7 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 valued, 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 too see the impact of investment on rent levels, shared ownership levels, capital financing and borrowing.

In addition, the HRA continues to significantly invest in the structural maintenance of existing stock within its capital programme. Investment over the period 2024/25 to 2028/29 in this area totals c £563m.

The 30 year HRA Business Plan financial forecast sets out the financial implications of delivering the overall plan and providing assurance that the HRA will remain financially viable. The forecast shows that debt will increase to £152m following the appropriation of general fund sites for development. The latest full Business Plan agreed in February 2023 showed a significant reduction in the level of surplus anticipated across the HRA due to high inflationary pressures and limits to rent increases. This ultimately limits the amount of additional debt that could be take out. The rent increase proposed in 2023/24 and reduction in some energy prices will provide some additional headroom to support the housebuilding aspirations. The HRA business plan is a key part of the council's long term financial planning and sets out how we will deliver and finance services to tenants, and investment in their homes, over a 30-year period.



Meeting:	Executive
Meeting date:	25 January 2024
Report of:	Debbie Mitchell, Chief Finance Officer
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 2024/25 to 2028/29

Subject of Report

1. The purpose of this report is to seek the recommendation of Executive to Full Council for the approval of the treasury management strategy and prudential indicators for the 2024/25 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 2024/25. 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 2024/25 including the Annual Investment Strategy and the Minimum Revenue Provision policy statement.
 - The prudential indicators for 2024/25 to 2028/29 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.
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 Authority, 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.
 - 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 this capital strategy is to ensure that all elected members on the full Council fully understand the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite.

17. This capital strategy is reported separately from the Treasury Management Strategy Statement; non-treasury investments will be reported through the former. This ensures the separation of the core treasury function under security, liquidity and yield principles, and the policy and commercialism investments usually driven by expenditure on an asset. The capital strategy will show:
- The corporate governance arrangements for these types of activities;
 - Any service objectives relating to the investments;
 - The debt related to the activity and the associated interest costs;
 - The payback period (MRP policy);
 - The risks associated with each activity.
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 DLUHC 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 policies, estimates and actuals. The three reports are:
- **Treasury Management Strategy Statement and Prudential Indicators report** (this report) – which covers the capital plans including prudential indicators, the minimum revenue provision policy, the treasury management strategy and the annual investment strategy;
 - **Treasury Management Mid-year report** – updates members as to whether the treasury activities are meeting the strategy, whether any policies require revision, amending prudential indicators if necessary;

- **Treasury Management Annual report** – updates on treasury activity/ operations for the year and compares actual prudential indicators with estimates in 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 (end of June/end of December) is also required as part of the Council's general revenue and capital monitoring and should 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.

Training

24. 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 Strategy for 2024/25

25. The Treasury Management Strategy for 2024/25 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.
26. 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 Department of Levelling Up, Housing and Communities (DLUHC) Minimum Revenue Provision (MRP) guidance. ▸

Treasury Management Consultants

27. The Council uses the Link Group, Treasury solutions as its external treasury management advisors.
28. 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.
29. It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented and subjected to regular review.

The Capital Prudential Indicators 2024/25 – 2028/29

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.
 - 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	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m	2028/29 Estimate £m
General Fund (Non HRA)	87.9	147.6	58.2	36.7	25.8	26.4
Housing Revenue Account (HRA)	31.8	42.5	20.9	12.7	12.1	12.3
Sub Total	119.7	190.1	79.1	49.4	37.9	38.7
Other Long-Term Liabilities	0.0	3.2	0.5	0.5	0.5	0.5
Total	119.7	193.3	79.6	49.9	38.4	39.2

Table 1: Capital Expenditure

33. Table 1 details the Capital Expenditure of the Council, based on the Capital Programme Strategy 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 2024/25. On the 8th April 2022 the Financial Reporting Advisory Board approved CIPFA's deferral of the IFRS 16 standard until 1st April 2024 (which will form part of the 2024/25 Code). This means that for existing leases which were previously off balance sheet, these will be brought onto the balance sheet at 1st April 2024. The Prudential Indicators for the Capital Financing Requirement and External debt make an estimate within other long-term liabilities for this increase, 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 (e.g. PFI schemes, finance leases currently, 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 61 table 5 the projected level of debt is below the CFR over the 5 year period.
39. Table 2 below, shows the Capital Financing Requirement, including other long-term liabilities. Members are asked to approve the CFR forecasts as part of Treasury Management Strategy statement.

Capital Financing Requirement	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m	2028/29 Estimate £m
General Fund (Non HRA)	327.1	399.8	406.0	413.0	420.3	427.8
Housing Revenue Account (HRA)	145.9	149.3	149.3	149.3	149.3	149.3
Other Long-term Liabilities*	41.7	43.2	41.9	40.6	39.3	38.0
Total CFR	514.7	592.3	597.2	602.9	608.9	615.1

*Other Long-term is for PFI/PPP & Leases

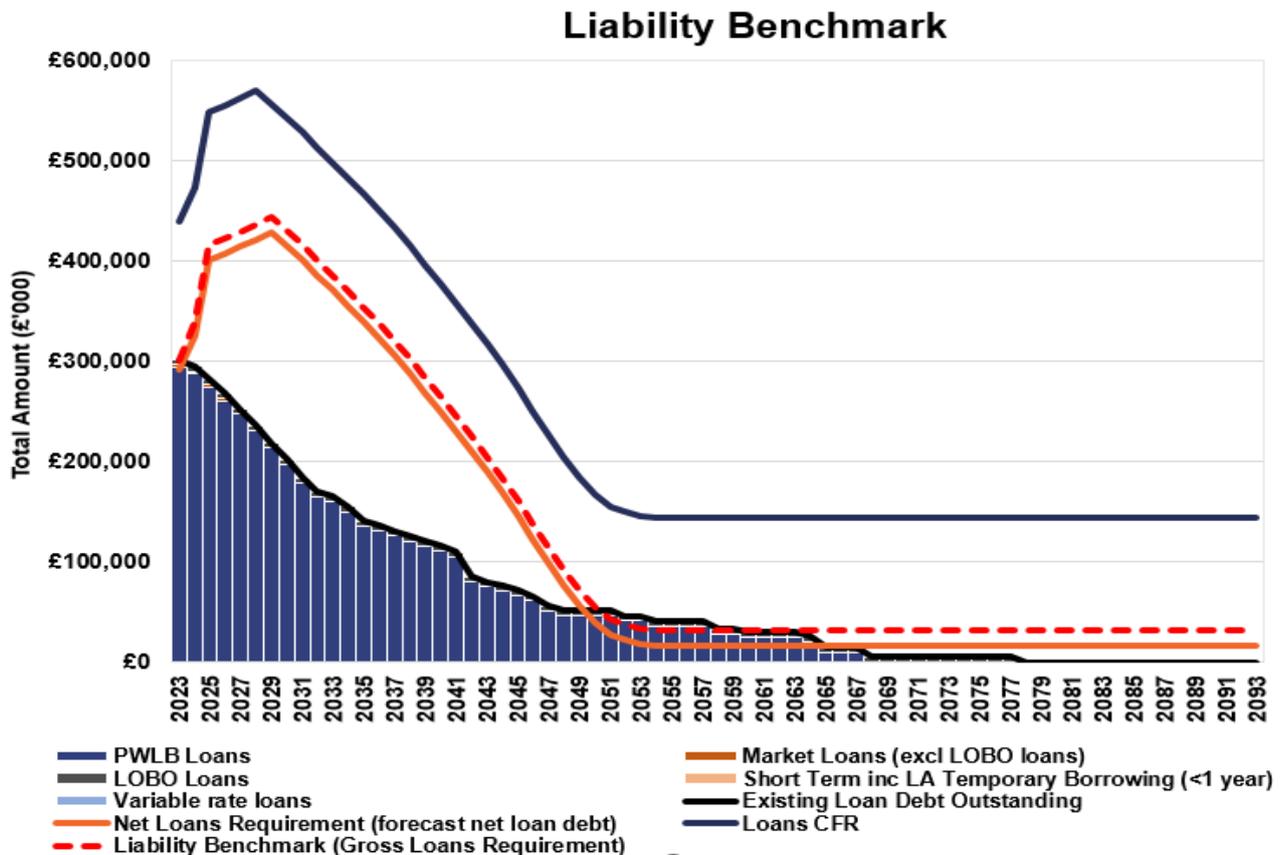
Table 2: Capital financing requirement (CFR)

Minimum Revenue Provision (MRP) Policy Statement

40. 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).
41. 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 2018. 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.
42. The Council is also allowed to undertake additional voluntary payments (Voluntary Revenue Provision - VRP) should the Council wish to do so.
43. DLUHC 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.
44. 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.
45. Full Council is recommended to approve the following MRP statement for the 2024/25 financial year as part of Treasury Management Strategy statement:
 - i. For supported borrowing MRP will be calculated using an Asset Life annuity basis on the remaining average life of the overall asset base.
 - ii. For all unsupported borrowing MRP will be calculated using an Asset Life annuity basis. Estimated asset life periods will be determined under delegated powers.
 - iii. 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.
 - iv. MRP in respect of finance leases will equal the repayment amount for the year.

- v. 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.
 - vi. 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 2023/24 so far, no VRP has been made and none is expected to be made. No VRP is planned for 2024/25. However, VRP will be kept under review, and should it be deemed prudent to make any VRP this will be the decision of the S.151 Officer and reported to Executive and Audit & Governance Committee at the next available opportunity.
 - vii. 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.
 - viii. 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.
46. **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 Council's 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.

47. 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

48. 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 2023 we see the Council's current under borrowed position. In the next 5 years the CFR increases in line with prudential borrowing expectations 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. Existing loans start to decrease as maturities occur and loans are paid back.

49. 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.
50. 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.

Affordability Prudential Indicators

51. 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.
52. **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	2023/24 Estimate %	2024/25 Estimate %	2025/26 Estimate %	2026/27 Estimate %	2027/28 Estimate %	2028/29 Estimate %
General Fund (Non HRA)	11.54	16.22	17.81	17.92	18.04	19.04
Housing Revenue Account (HRA)	13.10	12.57	12.29	12.02	11.74	11.74
Total	11.84	15.52	16.75	16.82	16.88	17.70

Table 3: Ratio of financing costs to net revenue stream

53. The estimates of financing costs include current commitments and the proposals in the capital budget report considered elsewhere on this agenda.

54. 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.
55. 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 Portfolio Position

56. The Council's treasury portfolio position at 31st December 2023 is detailed below in table 4:

Institution Type	Principal	Average Rate
<u>Public Works Loan Board</u> PWLB (58) – Money borrowed from the Debt Management Office (HM Treasury)	£289.9m	3.17%
<u>Market Loans</u> LOBO Loans (1) – Lender Option Borrower Option	£5.0m	3.88%
<u>West Yorkshire Combined Authority</u> WYCA (4) – Zero interest loans the purpose of which are to help to fund York Central infrastructure projects.	£2.4m	0.00%
Total Borrowing (GF & HRA)	£297.3m	3.16%
Total Investments	£0.0m	4.82%
Net Treasury Position	£297.3m	

Table 4: Current position at 31st December 2023

57. The Council had £297.265m of fixed interest rate debt, of which £146.359m was HRA (£121.550m self-financing debt) and £150.906m General Fund. The cash balance available for investment was £0.0m. 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 using previously held balances to fund the programme.
58. 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 held compared with this time

last year has decreased due to the timing of these cash flows and the cash balances are therefore only available on a temporary basis.

59. The level of average cash balances has also decreased compared to a year ago due to cash being used to support the Council's capital programme spending and, at the time of writing, no additional borrowing for capital being taken in 2023/24. This is in line with the continuing policy of delaying new borrowing by running down cash balances to fund the capital programme. 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 2024/25.
60. 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.
61. **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.

	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m	2028/29 Estimate £m
Gross Projected Debt*	385.4	470.3	485.4	502.1	519.9	538.6
Total CFR	514.7	592.3	597.2	602.9	608.9	615.1
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

62. 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 on borrowing rates and levels of cash balances.

63. 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 2024/25 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.
64. 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

65. **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.

66. Members are asked to approve the following Authorised Limit for 2024/25 as part of Treasury Management Strategy statement.

Authorised Limit	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m
Gross Projected Debt	385.4	470.3	485.4	502.1	519.9	538.6
Total CFR	514.7	592.3	597.2	602.9	608.9	615.1
Operational Boundary	590.9 (£590.0m set at 2023/24 Strategy)	602.3 (Based on current CFR projection)	607.2 (Based on current CFR projection)	612.9 (Based on current CFR projection)	618.9 (Based on current CFR projection)	625.1 (Based on current CFR projection)
Other Long-term liabilities	30.0	30.0	30.0	30.0	30.0	30.0
Total	620.9 (£590.0m set at 2023/24 Strategy)	632.3 (Based on current CFR projection)	637.2 (Based on current CFR projection)	642.9 (Based on current CFR projection)	648.9 (Based on current CFR projection)	655.1 (Based on current CFR projection)

Table 6: Authorised Borrowing Limit

67. **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	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m	2028/29 Estimate £m
Gross Projected Debt	385.4	470.3	485.4	502.1	519.9	538.6
Total CFR	514.7	592.3	597.2	602.9	608.9	615.1
Short term liquidity	76.2	10.0	10.0	10.0	10.0	10.0
Total	590.9 (£590.0m set at 2023/24 Strategy)	602.3 (Based on current CFR projection)	607.2 (Based on current CFR projection)	612.9 (Based on current CFR projection)	618.9 (Based on current CFR projection)	625.1 (Based on current CFR projection)

Table 7: Operational Boundary

Prospects for Interest Rates

68. 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
Mar 2024	5.25	4.50	4.70	5.20	5.00
Jun 2024	5.25	4.40	4.50	5.10	4.90
Sep 2024	4.75	4.30	4.40	4.90	4.70
Dec 2024	4.25	4.20	4.30	4.80	4.60
Mar 2025	3.75	4.10	4.20	4.60	4.40
Jun 2025	3.25	4.00	4.10	4.40	4.20
Sep 2025	3.00	3.80	4.00	4.30	4.10
Dec 2025	3.00	3.70	3.90	4.20	4.00
Mar 2026	3.00	3.70	3.80	4.20	4.00
Jun 2026	3.00	3.60	3.70	4.10	3.90
Sep 2026	3.00	3.50	3.70	4.10	3.90
Dec 2026	3.00	3.50	3.70	4.10	3.90
Mar 2027	3.00	3.50	3.70	4.10	3.90

Table 8 – Link's interest rate forecast as at 8th January 2024

69. Market expectations are currently that Bank Rate has reached its peak at 5.25% and the Bank of England Monetary Policy Committee (MPC) have held rates at 5.25% at the last three meetings (21st September 2023, 2nd November 2023 and 14th December 2023). Inflation has started to fall but there are still on-going inflationary and wage pressures with recent data suggestive of an on-going robustness in the economy. Markets views are that Bank Rate in the near term will remain higher for longer while starting to decrease from 5.25% in the second half of 2024. This in turn will mean a falling back of Gilt yields and PWLB rates.
70. The overall balance of risks to economic growth in the UK is even. Downside risks for UK gilt yields and PWLB rates include; labour and supply shortages proving more enduring and disruptive; the impact of interest rates rises having occurred too quickly or going too far over the course of the last year bringing about a deeper and longer UK

recession than the mild one markets expect; and geopolitical risks. Upside risks include, interest rate rises not going far enough allowing inflationary pressures to remain for longer within the UK economy; lack of confidence in the UK governments fiscal policies; and a weaker pound. As there are many variables at this time, caution must be exercised in respect of all interest rate forecasts.

Investment Rates

71. Investment returns have improved in 2023/24 due to the increases in the Bank of England Base Rate. With interest rates expected to have peaked it looks likely that longer dated fixed term investments would help to keep investment earnings higher in 2024/25 with investment earnings predicted to decrease in line with Bank Rate forecasts. However, pursuing a policy of placing longer term fixed investments, where treasury balances allow, is dependent on the level of cash held for investment purposes, cash backed reserves and cash flow requirements (see paragraphs 56 - 59).
72. It is anticipated that the Council will continue to hold liquid or short-term investments in 2024/25 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

73. Link's long-term (beyond 10 years) forecast for Bank Rate is 3.00%. Currently all PWLB certainty rates are significantly above this level. Best 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 whilst the market waits for inflation, and therein gilt yields, to drop back later in 2024. Longer-term borrowing could also be undertaken for the purpose of certainty, where that is desirable, or for flattening the profile of a heavily unbalanced maturity profile.

74. 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

75. The borrowing strategy takes into account the borrowing requirement, the current economic and market environments and is also influenced by the interest rate forecast. The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This can be seen on the Liability Benchmark graph as shown by the gap between the loans outstanding and CFR (See paragraphs 47-50 and graph 1 Liability Benchmark).
76. 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 tighter near-term monetary policy and Bank Rate not expected to fall until the second half of 2024.
77. 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.
78. 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.

79. 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

80. 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.
81. 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.
82. 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	2023/24 Debt (%)	2023/24 Debt (£)
Under 12 months	0%	30%	4%	£12.2m
12 months to 2 years	0%	30%	2%	£12.4m
2 years to 5 years	0%	40%	13%	£44.3m
5 years to 10 years	0%	40%	28%	£78.4m
10 years and above	30%	90%	53%	£150.0m
Total Borrowing			100%	£297.3m

Table 9: Maturity structure of borrowing at 31st December 2023

Policy on Borrowing in Advance of Need

83. 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.
84. 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

85. 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.
86. If rescheduling was done, it will be reported to the Executive / Audit & Governance Committee at the earliest meeting following its action.

PWLB and Other Borrowing Sources

87. 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 purchase of investment assets for yield in its three year capital programme.

88. 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.
89. Consideration may still need to be given to sourcing funding from other sources such as Local Authorities, Banks and other Financial Institutions. Our advisors will keep us informed as to the relative merits of each of these alternative funding sources.

Municipal Bond Agency

90. 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

91. The Department of Levelling Up, Housing and Communities (DLUHC) 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).
92. The Council’s investment policy has regard to the following:
 - DLUHC’s 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.

93. 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.
94. The above guidance from the DLUHC 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 27 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 has been agreed by Government.).
95. 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 108). 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. In line with the Council's current treasury policy of delaying long-term borrowing and using cash 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

96. 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.
97. 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.*
98. 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.
99. 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.

100. 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 downgrade of an institution or removal from the Councils lending list.
101. 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.
102. Whilst the Council has determined that it will not limit investments to UK banks, due care will be taken to consider the country, group and sector exposure of the Council's investments. The Council has determined that it will only use approved counterparties from countries with a minimum sovereign rating of AA- (excluding the UK) from Fitch (or equivalent). The list of countries that qualify using this credit criteria as at the date of this report are shown in Annex C. This list will be added to or deducted from by officers should ratings change in accordance with this policy.

Investment Strategy

103. 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.
104. 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 currently obtainable, for longer periods.

105. 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 investment will be undertaken in accordance with the creditworthiness policy set out above.
106. **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:

	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m	2028/29 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 31/12/23 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

107. The Council will use an investment benchmark to assess the performance of its investment portfolio of 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 92 - 95.
108. At the end of the financial year, the Council will report on its investment activity as part of its annual treasury outturn report. It should be noted that the Investment Policy, Creditworthiness Policy and Investment Strategy are applicable to the Council's overall surplus funds and are also applicable to the HRA.

Consultation Analysis

109. 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

110. 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.
111. 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 Council's 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

112. 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 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

113. 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
CYC	City of York Council
DLUHC	Department for Levelling Up, Housing and Communities
GF	General Fund
HRA	Housing Revenue Account
MPC	Monetary Policy Committee
MRP	Minimum Revenue Provision
PWLB	Public Works Loan Board
SONIA	Sterling Overnight Index Average

Interest Rate Forecasts 2024 – 2027.

ANNEX A

PWLB forecasts shown below have taken into account the 20 basis point certainty rate reduction effective as of the 1st November 2012.

Link Group Interest Rate View 08.01.24		Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27
BANK RATE		5.25	5.25	4.75	4.25	3.75	3.25	3.00						
3 month ave earnings		5.30	5.30	5.00	4.50	4.00	3.50	3.30	3.00	3.00	3.00	3.00	3.00	3.00
6 month ave earnings		5.20	5.10	4.80	4.30	3.80	3.30	3.20	3.10	3.10	3.10	3.10	3.10	3.10
12 month ave earnings		5.00	4.90	4.60	4.10	3.70	3.20	3.20	3.10	3.10	3.10	3.10	3.20	3.20
5 yr PWLB		4.50	4.40	4.30	4.20	4.10	4.00	3.80	3.70	3.60	3.60	3.50	3.50	3.50
10 yr PWLB		4.70	4.50	4.40	4.30	4.20	4.10	4.00	3.90	3.80	3.70	3.70	3.70	3.70
25 yr PWLB		5.20	5.10	4.90	4.80	4.60	4.40	4.30	4.20	4.20	4.10	4.10	4.10	4.10
50 yr PWLB		5.00	4.90	4.70	4.60	4.40	4.20	4.10	4.00	4.00	3.90	3.90	3.90	3.90

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Specified and Non-Specified Investments Categories

A variety of investment instruments will be used, subject to the credit quality of the institution, to place the council's surplus funds. The criteria, time limits and monetary limits applying to institutions or investment vehicles are listed in the tables below.

Investments are split into two categories of specified investments and non-specified Investments. Specified investments are relatively high security and high liquidity investments, which must be sterling denominated and with a maturity of no more than a year. Non-specified investments are those investments with a maturity period of greater than one year or are still regarded as prudent but may require more detailed scrutiny and assessment procedures.

Accounting treatment of investments. The accounting treatment may differ from the underlying cash transactions arising from investment decisions made by this council. To ensure that the council is protected from any adverse revenue impact, which may arise from these differences, treasury officers will review the accounting implications of new transactions before they are undertaken.

Specified Investments:

Counterparty type	Minimum 'high' credit criteria/colour band	Maximum investment limit per counterparty institution	Maximum maturity period
<i>DMADF – UK Government</i>	<i>UK sovereign rating Yellow</i>	<i>£15m</i>	<i>6 months*</i>
<i>UK Government Treasury Bills</i>	<i>UK sovereign rating Yellow</i>	<i>£15m</i>	<i>364 days*</i>
<i>UK Government Gilts</i>	<i>UK sovereign rating Yellow</i>	<i>£15m</i>	<i>1 year</i>
<i>Term deposits - local authorities</i>	<i>UK sovereign rating Yellow</i>	<i>£15m</i>	<i>1 year</i>
<i>Part-nationalised UK Banks</i>	<i>Blue</i>	<i>£15m</i>	<i>1 year</i>
<i>Term Deposits - UK Banks and Building Societies</i>	<i>Orange Red Green</i>	<i>£15m £15m £8m</i>	<i>1 year 6 months 100 days</i>
<i>Term Deposits - Non-UK Banks</i>	<i>Sovereign rating of AA- Orange Red Green</i>	<i>£15m £15m £8m</i>	<i>1 year 6 months 100 days</i>

<i>Certificates of Deposits issued by Banks and Building Societies</i>	<i>Blue</i> <i>Orange</i> <i>Red</i> <i>Green</i>	<i>£15m</i> <i>£15m</i> <i>£15m</i> <i>£8m</i>	<i>1 year</i> <i>1 year</i> <i>6 months</i> <i>100 days</i>
<i>Collective investment schemes structured as open ended investment companies (OEICs) as below:-</i>			
<i>1. Money Market Funds (CNAV**)</i>	<i>AAA</i>	<i>£15m</i>	<i>Liquid</i>
<i>2. Money Market Funds (LVNAV**)</i>	<i>AAA</i>	<i>£15m</i>	<i>Liquid</i>
<i>3. Money Market Funds (VNAV**)</i>	<i>AAA</i>	<i>£15m</i>	<i>Liquid</i>
<i>4. Ultra-Short Dated Bond Funds</i>	<i>AAA</i>	<i>£15m</i>	<i>Liquid</i>
<i>5. Bond Funds</i>	<i>AAA</i>	<i>£15m</i>	<i>Liquid</i>
<i>6. Gilt Funds</i>	<i>UK sovereign rating</i>	<i>£15m</i>	<i>Liquid</i>

* 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
<i>Fixed term deposits with variable rate and variable maturities: - Structured deposits</i>	<i>UK sovereign rating or Sovereign rating of AA- Yellow Purple Blue Orange Red Green</i>	<i>£15m</i> <i>£15m</i> <i>£15m</i> <i>£15m</i> <i>£15m</i> <i>£8m</i>	<i>5 year</i> <i>2 year</i> <i>1 year</i> <i>1 year</i> <i>6 months</i> <i>100 days</i>
<i>Certificates of Deposits issued by Banks and Building Societies</i>	<i>UK sovereign rating or Sovereign rating of AA- Yellow Purple Blue Orange Red Green</i>	<i>£15m</i> <i>£15m</i> <i>£15m</i> <i>£15m</i> <i>£15m</i> <i>£8m</i>	<i>5 year</i> <i>2 year</i> <i>1 year</i> <i>1 year</i> <i>6 months</i> <i>100 days</i>

<i>Floating Rate Notes</i>	<i>Long-term AAA</i>	<i>£15m</i>	<i>1 year</i>
<i>Collective investment schemes structured as open ended investment companies (OEICs) as below:-</i>			
<i>Property Funds: the use of these investments may constitute capital expenditure</i>	<i>AAA-rated</i>	<i>£15m</i>	<i>5 years</i>

2. Maturities in excess of 1 year.

<i>Term Deposits– local authorities</i>	<i>UK Sovereign Rating</i>	<i>£15m</i>	<i>> 1 year & < 5 years</i>
<i>Term deposits – Banks and Building Societies</i>	<i>UK sovereign rating or Sovereign rating of AA-</i> <i>Yellow</i> <i>Purple</i> <i>Blue</i> <i>Orange</i> <i>Red</i> <i>Green</i>	<i>£15m</i> <i>£15m</i> <i>£15m</i> <i>£15m</i> <i>£15m</i> <i>£8m</i>	<i>5 year</i> <i>2 year</i> <i>1 year</i> <i>1 year</i> <i>6 months</i> <i>100 days</i>
<i>Certificates of Deposits issued by Banks and Building Societies not covered by UK Government guarantee</i>	<i>UK sovereign rating or Sovereign rating of AA-</i> <i>Yellow</i> <i>Purple</i> <i>Blue</i> <i>Orange</i> <i>Red</i> <i>Green</i>	<i>£15m</i> <i>£15m</i> <i>£15m</i> <i>£15m</i> <i>£15m</i> <i>£8m</i>	<i>5 year</i> <i>2 year</i> <i>1 year</i> <i>1 year</i> <i>6 months</i> <i>100 days</i>
<i>UK Government Gilts</i>	<i>UK sovereign rating</i>	<i>£15m</i>	<i>> 1 year & < 5 years</i>
<i>Collective investment schemes structured as open ended investment companies (OEICs) as below:-</i>			
<i>1. Bond Funds</i>	<i>Long-term AAA</i>	<i>£15m</i>	<i>> 1 year & < 5 years</i>
<i>2. Gilt funds</i>	<i>UK sovereign rating</i>	<i>£15m</i>	<i>> 1 year & < 5 years</i>

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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 31/12/23

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.

(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.*