

Meeting:	Executive
Meeting date:	3 March 2026
Report of:	Debbie Mitchell, Director of Finance
Portfolio of:	Councillor Lomas, Executive Member for Finance, Performance, Major Projects, Human Rights, Equality and Inclusion

Decision Report: Update on the Asset Management Strategy – 2026 to 2031

Subject of Report

1. This report sets out progress against the delivery of the Asset Management Strategy for the council for the period 2020-2025, as reported to Executive in November 2020. The report provides an update on the performance of the council's commercial portfolio of property, which provides a vital source of income in financing Council services. The report provides updates on work flows and sets out the Strategy for a further 5-year period to 2031, to benefit both social outcomes and financial performance, arising from the council's land and property assets.
2. The report sets out;
 - a. The key principles of the Asset Management Strategy
 - b. An update on those work flows as identified previously by the Asset Management Strategy split into;
 - (I) Commercial Portfolio (Paras 22 to 40)
 - (II) Operational Estate (Paras 41 to 48)
 - (III) Community Assets (Paras 49 to 90)
 - c. A number of property led proposals deliver strategic and financial benefits to the council, as set out within the main body of this report.

Benefits and Challenges

3. This report illustrates the benefits of the council's property portfolio both in terms of its revenue generation and its ability to aid the facilitation of regeneration.
4. The report provides an update on previously reported decisions, including disposals, bringing in the benefit of financial receipts to the council.
5. The report outlines a number of proposed property transactions whereby assets will be transferred to the community enhancing community involvement in the running of those facilities.

Policy Basis for Decision

6. The management of General Fund assets was set out by the previous Asset Management Strategy covered by the current Asset Management Plan 2020- 2025 and reported to Executive in November 2020. The principles of the Strategy were maintained in 2020 from the previous Strategy, with the addition to incorporate the impacts of the council's commitment to net carbon neutrality by 2030. The current Strategy sets out three objectives and a set of principles to drive future asset planning. The Objectives are;
 1. To use our assets to deliver policy goals;
 2. To operate our estate efficiently and dynamically to support the effective delivery of council services;
 3. To use council assets to generate maximum income in order to support the delivery of council priorities.
7. These objectives are broken down into more detailed principles which guide our activity planning and decision making, the principles are:
 - a. We will use our assets to maximise positive outcomes for our communities;
 - b. In order to protect direct services, we should reduce the overall cost of the estate through:
 - I. rationalisation of assets
 - II. disposal of poor-quality assets
 - III. exploiting commercial opportunities
 - IV. co-location of Council and other public sector services (including Health, care, police, education);
 - c. We will use our commercial assets to generate income to support service delivery;

- d. We will use our assets to create efficiencies and reduce service costs, for example to reduce reliance on out of city placements for people with complex needs;
 - e. Assets should support the council and its partners to achieve joined up services and improved outcomes - buildings should not be exclusive to one particular service and community spaces should where possible be flexible and adaptable to support a range of uses.
 - f. We will acquire or hold assets to drive economic development or regenerate an underperforming part of the city;
 - g. We will use assets to deliver and accelerate housing provision in the city.
 - h. To operate our estate sustainably, efficiently and dynamically to support the effective delivery of council services and achieve carbon neutrality by 2030 on our estate
 - i. Assets should be operated/managed by the community where a community group is best placed to deliver outcomes;
 - j. We should use assets to support area-based working. (This to ensure the outcomes of the Neighbourhood Model as approved by Executive in November 2025 are followed).
 - k. Where schools become academies, we will work to maximise the use of education land to the benefit of education and wider community use.
8. It is considered that the principles and objectives of the Asset Management Strategy (AMS) are fit for purpose and that they are retained going forwards. Through maintenance of this approach, the Asset Management Strategy will support the broad Council Plan aspirations as follows:

Equalities and Human Rights – utilise the council’s estate to support regeneration to overcome deprivation in the city

Affordability – create more affordable housing on land that we own whilst supporting regeneration that can lead to the creation of better paid jobs in York

Climate – via operating the estate more sustainably in alignment with our climate and carbon ambitions

Health – create a more connected health and community estate, coopting space to make a generate more efficient services for residents. As in “J” above, this again links to the York Neighbourhood Model and integrated neighbourhood teams.

In doing so, it aligns with priorities identified in the Council Plan, namely:

Health and wellbeing: a health generating city for children and adults through the utilisation of the council assets to create a more sustainable environment that benefits from better use of community space whilst co-locating with partners to drive and improve efficiency in service provision

Economy: a fair, thriving, green economy for all through regeneration opportunities and using our assets to drive economic opportunity

Housing: increasing the supply of affordable housing – through using our assets to increase the supply of affordable housing in York

Sustainability: cutting carbon, enhancing the environment of our future – via using our estate as an exemplar of creating efficient, sustainable services

9. More broadly, the AMS links into the aspirations of the York 2032 strategy and policy framework which sets out a vision for York to be a “vibrant, prosperous, welcoming and sustainable city, where everyone can share and take pride and share in its success.
10. We have been designated a One Public Estate (OPE) authority since 2014 which has attracted funding totalling £675k to develop exemplar projects to support the national programme of work designed to:
 - a. Create economic growth (homes and jobs)
 - b. Encourage more integrated and customer-focused services
 - c. Generate capital receipts
 - d. Reduce running costs.

This has included projects at; West Offices, Guildhall, Lowfields, Burnholme and Bootham Park Hospital. A further £2.64m has been received through the OPE’s brownfield land release fund which has contributed to work at Ordnance Lane and the former Tang Hall library.

11. The strategy reflects these ambitions and progress to date exemplifies progressive cross-public sector working and demonstrable success in delivering these objectives.
12. The Council owns a number of vacant sites which Executive have made decisions upon (July 2024 and October 2025 and which are referenced on the “Background Papers” section of this report). Updates have been provided with the emphasis upon delivering affordable housing provision

on these sites which include the former Manor School, Askham Bar and Willow House. Executive will be updated in the future through the housing delivery programme reporting updates, on progress regarding such.

Assessing future use of council assets

13. The city council's estate is extensive and varied and there are a number of scenarios that initiate a review of the current or future use of an asset. These include:
 - Service model shifts and requires different space use,
 - Current asset no longer fit for purpose
 - Asset requires significant maintenance investment
 - Budget reductions require a rationalisation
 - Potential for sharing an asset with another organisation or service
 - Inability to let a commercial property or commercial asset not performing well
 - Investment opportunity on the open market
14. The route to develop alternatives and proposals may vary depending on the above scenario but typically involves dialogue between a service, the Asset Management, City Development and Finance team, establishing the parameters for the decision, developing potentially multiple business cases that enable evaluation of the financial implications and the (more difficult to measure) social environment and economic impacts. The process for developing options and making recommendations is overseen by the Corporate Management Team who ensure that a comprehensive review of opportunities has been undertaken and that proposals made by services have strategic support.

Financial Strategy Implications

15. Depending on the scale of the proposals, decisions may be taken at different levels. The Financial Regulations set out the thresholds for decision making however the community impact/ sensitivity is less easy to calculate and therefore most asset disposals, acquisitions and significant changes of use decisions are taken by Executive or by the Executive Member for Finance, Performance, Major Projects, Human Rights, Equality and Inclusion.
16. There are a number of significant financial implications surrounding the recommendations in this report. These are considered by themes in the paragraphs within the report below.

17. The property portfolio provides a valuable income stream to the council which forms an integral part of its annual revenue in providing and funding its services. The performance of the portfolio is intrinsic to the delivery of its revenue targets and the recommendations outlined both note the performance of the asset base and provide opportunities to enhance its revenue profile whilst bringing forwards other strategic policy objectives.

Recommendation and Reasons

18. The Executive is asked to:
- a) Note:
 - (I) the performance of the council's property estate and the annual revenue it provides.
 - (II) the performance against the specific workflows, including disposals, as previously set out in the previous Strategy and the re-shaping of the operational estate at West Offices to provide additional annual revenue
 - (III) the performance and role the estate has played in helping to reduce the council's carbon footprint
 - b) Agree the principles of the Strategy which will form the Corporate Asset Strategy for the next 5 years, 2026-2031;
 - c) Agree to:
 - (I) the sale of 25/27 Coney Street and lease back of part on a 999-year lease;
 - (II) the grant of a lease renewal at 17-21 Piccadilly;
 - (III) lease the various City Council owned allotments, as detailed within the report to York Allotment Charitable Incorporated Organisation (YACIO) for 35 years at a peppercorn rental;
 - (IV) lease Bustardthorpe Allotments, Bishopthorpe Road, to Bustardthorpe Allotment Association for 35 years at a peppercorn rental;
 - (V) lease the store and outdoor space in Rowntree Park maintenance depot to York Canoe Club for 15 years at a peppercorn rental;
 - (VI) lease the garage in Rowntree Park to the Friends of Rowntree Park for 15 years at a peppercorn rental;
 - (VII) lease of the Rowntree Park Lodge Garden to the Friends of Rowntree Park for 99 years at a peppercorn rental subject to the Friends meeting the requirement of original lease for the upper floors;

- (VIII) lease the land at York Road, Strensall to Strensall and Towthorpe Parish Council for 70 years at a peppercorn rental; and
- (IX) lease the land in Hull Road Park to Choose 2 Youth for 10 years at a peppercorn rental,
- all on the terms and conditions outlined in the report;
- d) Delegate to the Director of Finance (in consultation with the Director of Governance) authority:
- (I) to take such steps as are necessary to agree and complete the above transactions as detailed in this report; and
- (II) to acquire and dispose of all interests in land for all future acquisitions and disposals.

19. **Reasons**

- a. To ensure work continues to accord with the clear principles as set out under the Asset Management Strategy, which will continue to guide and shape future use of the council's property portfolio.
- b. To continue to support the ongoing economic vibrancy of the city, to protect and increase the income from the council's commercial property portfolio.
- c. To dispose of surplus property with an emphasis on providing affordable accommodation within the city; reduce the council's financial obligations and encourage regeneration and community involvement through the use of its assets.

Background

Our Property Estate

20. The councils' property estate (excluding housing and housing garages) is large and extremely varied with c.1,300 assets with a value of c. £396m (including schools) and generating an annual income of c.£6.9m. The estate can generally be classified into four separate blocks as follows;

- Commercial Portfolio
- Operational Estate
- Community Assets
- Surplus land for housing delivery

21. Updates to housing delivery on surplus land were reported to Executive in October 2025 and hence do not form part of this report. The other three areas which are detailed within the next sections of this report along with a

further section summarising the work that has been undertaken in using its assets to help meet our climate change ambition.

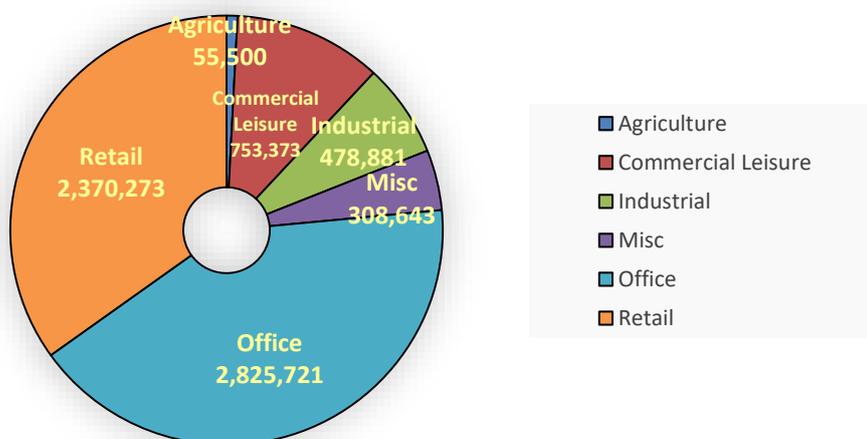
Options Analysis and Evidential Basis

A – The Commercial Portfolio

Composition of the Portfolio

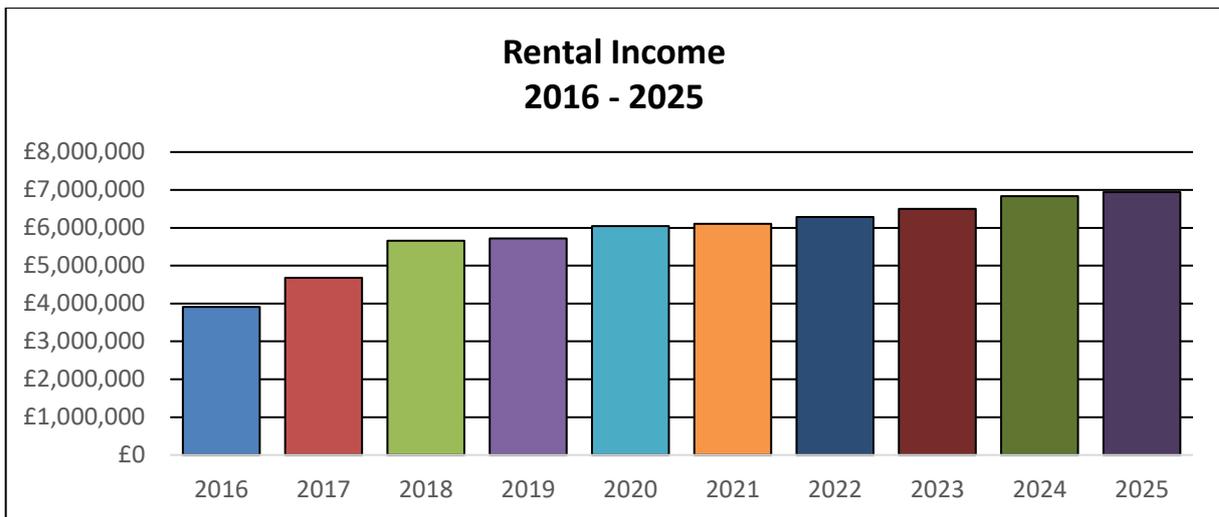
22. The council has c.1,100 commercial legal agreements governing its property portfolio. In total, the assets provide an annual rent roll of c.£6.9 million. The portfolio comprises retail, light industrial, office and agricultural properties as well as the commercial lettings at West Offices and leases of the land on the Coppergate Centre and York Racecourse operate upon. Over the last decade, the council has made a number of strategic acquisitions. This has included interests at Hospital Fields Road, which has enabled housing development to be planned; commercial property in Swinegate and Coney Street and by purchasing the head lease interest in the Eco Business Centre.
23. The council has always focussed its commercial estate in York in order to promote and support economic vibrancy and ensure the preservation of historic buildings. Through its ownership of the estate the council therefore, provides accommodation which helps in developing and maintain the city's economy, serving a broad role in meeting social economic and environmental objectives such as regeneration and ensuring the sustainability and vibrancy of the city centre.
24. The 2020 Asset Management Strategy was written during the Covid period. The council was able to support its tenants through the period by offering deferred rental payments and whilst the cost-of-living crisis has followed Covid bringing considerable economic challenges, the council's property portfolio has remained robust, with high levels of occupancy being achieved.
25. The graph below illustrates the composition of the assets which provide for the majority of the council's annual income generated from its asset base. These figures exclude minor agreements as well as operational property such as school and community lettings

Asset Type by Annual Income



Performance of the Portfolio

26. The council's estate was assembled over a long period of time, often to safeguard buildings at risk (the Shambles for example, from demolition) or to prepare for large capital schemes. For example, the council purchased a number of premises on Gillygate in the 1960's for an aborted inner ring road scheme. The city council's assets are well occupied and deliver a good financial return, with the portfolio providing a return of c.6.6%. This provides a considerable income which is an important part of the council's overall financial strategy.
27. The graph below shows the growth in commercial rental income since 2016, which has risen markedly over the period. The growth has been achieved through maximising revenue from its assets, the acquisition of assets as mentioned above, and through maximising the use of operational assets and driving revenue from areas not required. Particular success has been achieved at West Offices which is discussed later in this report.



28. The previous iteration of the Asset Management Strategy set out a number of opportunities for the commercial estate which have been progressed and have been reported to Scrutiny Committee previously in March 2024. A summary of those actions, along with property agreed to be disposed of by Executive in July 2024, are listed below which concern the commercial estate;

Action	Status
Agree to recommend to Full Council the establishment of a capital budget of approximately. £3.9 million, to fund the acquisition of the head leasehold interest of the Eco Centre, Amy Johnson Way.	Acquisition completed. Asset is well occupied and provides a financial return generally commensurate with the overall portfolio return.
Agree to lease 29 Castlegate as part of the commercial portfolio and agree to the use of the existing capital budget of £270,000 to undertake maintenance repairs to the property.	Lease granted in April 2022 and remains in situ to Work With York. Capital works carried out on budget
Agree to lease the Guildhall Business Centre to the University of York/York Science Park	Lease granted in April 2022 and remains in situ.
Agree that, were it to become available for sale within seven years of the transfer of Haxby Hall, to purchase the existing Haxby ambulance station site within the agreed budget.	Haxby Hall disposal completed. Ambulance station remains operational.

Action	Status
Agree to dispose of the council's shareholder interest in York Science Park Ltd for c. £500k.	Disposal completed.
To dispose of land at Lingcroft Lane, Naburn; and 2 former herdsman cottages (103 Heslington Road and 159 Mount View)	The herdsman's cottage leasehold disposal at Heslington Road has completed, whilst the other is under offer to leasehold purchasers. The land at Lingcroft Lane is under review.
Former Network Rail Building, Holgate Road	Disposal complete
Sale of 22 The Avenue	Under offer to buyer
Grant of 999-year leases for 5 No. 1 bed flats at 28 & 45/47 Shambles.	Under offer to leasehold purchasers

Opportunities for the Commercial Estate

Coney Street

29. Opportunities for the council to be pro-active in the York property market are considered as they arise and reported to Members in accordance with governance and delegations. One current opportunity which requires an Executive decision is in regard to 25/27 Coney Street (see location plan in Appendix).
30. The council received authority to purchase this asset from Executive in November 2019, subsequently purchasing the asset in January 2020. The property is let to retailer, Holland and Barrett. The rationale for purchasing this asset was to act as a strategic lever in future consideration of how the city centre would adapt to reflect the changing and challenging retail picture. At the time of reporting, acquiring ownership of the strategically placed asset in the centre of Coney Street was considered to provide the opportunity to the council to shape further discussions with neighbouring landowners and steer future direction, rather than simply relying on the council's powers as a statutory authority, in accordance with the council's "My City Centre" vision.

31. Since the purchase, other property located on Coney Street has been purchased by the Helmsley Group, whom have subsequently sought and attained planning permission for a significant redevelopment of Coney Street. This is envisaged to comprise of a multi-million pound development which will provide a mixed use scheme, comprising retail and upper floor leisure and student accommodation.
32. As landowner of 25 Coney Street, the council has made it clear of its desire to see a riverside path form part of the development. Helmsley have now attained planning consent for the scheme, planning reference 22/02525/FULM. An integral part of that scheme is to create a new riverside path linking the existing City infrastructure to such, for the benefit of residents and visitors.
33. We are advised that the Helmsley Group have spent in the region of c. £1 million in fees in attaining the planning consent. Whilst Helmsley are seeking development funding for the project, they hope to start development later in 2026 and they are confident in the delivery of such.
34. The financial offer of the deal is contained within the confidential appendix. The structure of the deal will see the council sell the entire property to the Helmsley Group for a capital payment, paid upon completion. In addition, the Helmsley Group will deliver the council, as part of the new development scheme, a newly refurbished ground floor retail unit, with a basement, situated on the existing property's ground floor footprint. Helmsley will be fully responsible for all costs associated with such and will lease the council this space back for 999 years at nil rent. The council will then be able to lease this space out for a commercial rent. The rationale for this capital and lease back arrangement is that with the multi million pounds of development costs invested in the street, it is anticipated that the value of assets in this location will increase. In retaining an asset in this location, as part of the new scheme, the council will benefit in having a retained interest in the new scheme and be able to benefit in the income.
35. The council has sought independent valuation advice upon this proposal, and it is considered that the deal represents Market Value and indeed represents a higher capital value than it paid for the asset in 2020.
36. Additionally, the Helmsley Group have agreed that in the legal transfer documentation there will be a positive obligation to deliver the riverside pathway. This is an example of the council using its assets in bringing about regeneration to the city.

17 – 21 Piccadilly

37. 17-21 Piccadilly (see site plan in Appendix) is the site of the former Reynard's Garage and is now the site of the hugely successful Spark:York, a temporary pop-up container development hosting many small, local, retail, food, and drink businesses. Spark have occupied the site since 2017.
38. In accordance with a decision made by Executive in March 2022, registered providers were approached to provide affordable housing on the site, and it was anticipated that the value of the site could provide £500,000 on a 999-year lease basis. Despite soft test marketing providing a reasonable response from registered providers to the opportunity, when expressions of interest were subsequently invited, only one expression of interest was made. Rising build costs and the small nature of the site were cited as challenging issues which had put would be bidders off. Spark York has proven to be popular and continues to bring vibrancy and activity to Piccadilly. 18 out of 19 units are currently occupied and the others are under offer, particularly appealing to start-up businesses. In addition, there are art studios, co working space and meeting rooms. Spark advise that 26 of their previous occupiers have moved on as part of those businesses' growth. They also estimate that there is a £5m turnover from current businesses providing 68 equivalent FTE jobs and attracting 400,000 visitors a year to the facility.
39. Spark currently pay a rental of £27,500 per annum and are not in any rental arrears. The lease was renewed until November 2026 in accordance with the Executive decision of November 2023. Spark have been looking for an alternative site in the city and have looked at York Central, but this will not be ready to cater for any possible provision prior to the expiry of their current lease. Given the success of Spark and the previous lack of interest by registered providers in the affordable housing proposition here, it is proposed that the current lease be extended until such time as Spark find an alternative location. The timeline will be controlled by limiting their tenure to the period in which they have secured planning consent for the site, for which was granted a 5-year extension under planning reference 25/01151/FULM in October 2025. Spark will continue to pay the market rental value for the site, which will be assessed at the time of any extension to their tenure. This will provide further time to continue to work with Spark to ascertain if an alternative venue within York could be suitable.
40. In line with previous decisions, any renewal of the tenancy will provide that Spark must abide by all statutory controls which will necessitate them in

applying for an extended planning consent. Furthermore, controls within the renewal lease, governing noise and issues of potential disturbance would mirror any requirements from the statutory authority permissions to ensure compliance to such given the close proximity of residential accommodation.

B – The Operational Estate

41. The comprehensive rationalisation of the council's administrative accommodation in 2012 culminated in the development of the council's headquarters at West Offices with its depot located at Hazel Court, James Street.
42. West Offices is the largest operational asset the council owns; valuable commercial income has been increased here through the pro-active rationalisation of operational space within the building. Prior to Covid, the council occupied the vast majority of the 4-storey building, utilised as its head-quarters, whilst leasing out the top floor to partner organisations. These were predominantly public sector based, such as the NHS, the council occupying 3 of the floors itself, with the ground floor in part, providing the customer centre and café as well as office space.
43. The council has operated on a hybrid office working basis historically and has maintained and increased this post Covid. This has enabled the council to reduce its required floor space requirement. Its occupation for office space has been reduced to one floor within the building plus use of meeting rooms located across the building, whilst retaining the customer centre and café at ground floor level.
44. The surplus space on the 2 floors has been let to both public and private sector organisations, such as the Mayoral Combined Authority and LNER. Income from West Offices has been increased to just short of £2 million per annum annually. Annual running costs excluding staff (but including security and cleaning), amount to c. £2.6m a year currently for the building, meaning that due to the success in leasing space, the cost of the building to the council has significantly reduced.
45. From an economic development perspective, in attracting occupational tenants to the building, the council has ensured that occupational tenants are retained within York city centre, where otherwise they may have located elsewhere, thus providing/ protecting jobs in the city.
46. Hazel Court is the council's logistics headquarters, providing space for its operational fleet. This has benefited through the provision of an EV

scheme constructed on site and which serves to power its electric vehicles. Hazel Court also provides office space used operationally.

47. Remodelling the operational asset base in our communities has been a long running theme of the portfolio. In recent years this has continued, and sales of assets progressed. The new library at Clifton has been developed by the Council and the old library site and building sold. The site of the former Haxby library has been sold and new library provision provided at Oaken Grove community centre. The former elderly person's home at Oakhaven has been sold to realise a capital receipt and the facility at Haxby Hall has been sold with a modern private owned facility replacing it.
48. Whilst the operational estate has seen considerable rationalisation in the past, thus providing the council with a slimmed down asset base, further rationalisation work is recognised as being required to ensure the council makes the best use of its assets with the resources it has. Future reports will be taken to Executive to detail work which will be undertaken on the remaining operational asset base for which the council has worked together using partnerships such as York Explore, GLL and York Museum Trust. The Council will utilise its property assets in support and have regard to the Heritage Programme as reported to the Combined Executive Member Decision Session dated 4th November 2025, given the importance of its heritage assets within the city.

C – Community Assets

49. The council own and directly operate only a handful of community facilities based in communities, including, Clifton Community Hall and Moor Lane Youth Centre. Over the years, considerable numbers of council owned community assets have been transferred to the community, where a community group are able to use the asset for improved community or social outcomes. This process is most effective when it is developed in partnership with communities, to develop shared visions and collaborative proposals. We ensure that groups taking on the responsibility for operating assets have the support and capability to do this successfully. Each case is considered on its own merits having regard to the business case and proposals submitted in support of such.
50. All the leases have transferred maintenance and repair responsibilities to the community groups concerned for the duration of the respective leases with associated revenue savings made by the council, if it were to otherwise retain management and responsibility of the assets.

51. The Community Asset Transfer Policy was adopted by the council in 2007 in response to the Quirk Review set up by central government in 2006 to investigate future options for the increased community management and ownership of assets, in particular looking at ways to overcome barriers, taking into account the need to manage risk. The Policy states that qualifying community groups must meet certain criteria, which are set out as follows;
- A. It must be the intention to open up the asset for the whole community to have access and for a variety of uses and not just be a specialist or single purpose group. There should also be a minimum time (measured in hours per year) when the land and/or building is open to the public.
 - B. The community group must show that it is properly constituted and is sustainable in economic and social terms. It needs to show it will have the capacity to manage and run the property that meets the terms of any agreement.
 - C. The aims of the group and its proposed use of the asset must support one or more of the council's priorities and objectives contained in the Corporate Strategy and match the council's strategic values.
 - D. Need for the project – including how the needs have been identified, the outcomes for the project and how these outcomes will meet the needs.
 - E. Partnership working – identify the partners, what each will bring to the project, the experience, skills and capacity of the partners to deliver the project.
52. Qualifying groups may be offered a lease for a term of up to 99 years, in order that the tenant can apply for funding to support the use of the asset, and any work needed to repair or refresh the property. The lease term is offered on a nil rent basis subject to the following conditions;
- A. The tenant has full responsibility for repairs and decoration and for payment of all outgoings relating to the premises including insurance business rates and utility costs
 - B. The premises must be open for the public to use for a minimum period each year
 - C. The tenant is restricted from transferring the lease
53. These conditions are included as specific covenants within the lease granted by the council, as landlord, which also include a community use agreement. The following community asset transfers have taken place

since 2017. All the leases have transferred maintenance and repair responsibilities to the community groups concerned;

54. The bowling greens at West Bank Park, Glen Gardens, and Clarence Gardens have been transferred to the respective clubs on 25-year leases. Scarcroft Bowling Club and the RI Bowling Club, Holgate have been transferred on 30-year leases. The Hut, Clarence Gardens has been transferred on a 99-year lease. Tang Hall Community Centre has been transferred on a 30-year lease. Seventeen of the Council's allotments across the authority have been transferred to The Officials of York Allotments Charitable Incorporated Organisation on 7-year leases and a 99 year lease granted to Rufforth and Knapton Parish Council for allotments.
55. Furthermore, Poppleton Community Centre has been transferred to Poppleton Community Trust on a lease of 99 years, whilst another 99-year lease was granted for land at Clifton Without to Clifton Without Parish Council. A lease of 25 years was granted to Rowntree Park tennis Club for the courts and pavilion and a lease of Mayfields South to Friends of York Railway Pond and Reserve was granted for 25 years.
56. In the case of transferred assets to community groups, it is worth noting this is often the starting point for a new relationship between the Council and the group. As matters progress Council officers may need to attend an AGM to monitor progress, offer support or hear about future ambitions, offer written support for a funding bid, help with constitution and good governance, or comment on non-legal matters. Legal advice can never be given. Maintaining such relationships is beneficial to both parties; giving reassurance and support, and in so doing, hopefully helping the group to thrive.
57. In relation to youth building assets, the 68 Youth and Community Centre closed just before Covid due to its poor condition and this site is now part of the Housing delivery programme. Moor Lane Youth Centre remains a Council run centre that is home to the Youth Justice Service, Choose 2 Youth and a variety of youth clubs that operate on an evening.
58. As was reported in the previous Asset Management Strategy, 153 acres of agricultural land had been purchased to create a community woodland, combining this with council assets in the adjacency to provide a site of c.180 acres. This land has now been leased to Forestry England who have paid for the planting of the woodland and pay for the costs of managing it in line with a management plan with the council, which is reviewed annually.

Opportunities for the Operational & Community Estate

A number of further opportunities are presented, and these are set out below;

a) York Allotments

59. In November 2017 York Allotment Charitable Incorporated Organisation (YACIO) took on the management of the city council allotments on a 7-year trial basis at a peppercorn rent (Bustardthorpe Allotments was omitted as it was already self-managed by tenants). The history of the transfer can be found in a report to the Executive 19th October 2017. A list of the allotments is contained within the appendix.
60. Over the last seven years YACIO have successfully managed 16 sites with over 1,500 tenants in occupation. This has been carried out through a voluntary board of trustees and a paid administrative function. Each trustee has taken on a specific responsibility e.g. legal matters, repair and maintenance, health and safety. The organisation has been very stable and of the original 5 trustees, all are still in that role with 3 new trustees joining the Board.
61. The organisation is governed by Charity Commission rules, holds an Annual General Meeting at which paid up tenants have a say on policy matters and elect Trustees. Day to day management is supported by volunteer site secretaries who show prospective tenants around plots and report repair and maintenance issues. YACIO's web site <https://yorkallotments.org/> provides more details on all the above as well as published minutes, their quarterly newsletter and news items, Tenants Handbook and gardening advice.
62. Administrative achievements include:
 - updated Tenancy Agreement to make it more effective and relevant.
 - improved administration including enabling annual invoice payment to be made online.
 - hired a part time administrator, soon to be replaced by two part time employees.
 - developed a dedicated website.
63. Development actions include:
 - carried out a programme of site improvements.
 - initiated a programme of clearing derelict plots.
 - began a programme of tree management.
 - organised several training sessions for tenants on specific topics.

- re-established the annual best plot competition.

64. Financially YACIO have:

- managed finances effectively running at a small surplus through most operating years.
- avoided rent increases to the allotment holders for the first six years.
- updated the concession policy.

65. Looking forwards YACIO, subject to the lease being agreed, will develop a longer-term strategic plan with tenants and other stakeholder to set priorities, provisional areas of focus are likely to include:

- enhance security and reduce vandalism and anti-social behaviour
- a programme of installing compost or similar non-mains toilet facilities at larger sites to make allotments more inclusive
- create more accessible plots
- a programme of installing communal tool stores that can be used by tenants instead of plot sheds.
- create more communal areas on sites for social activities and community building
- investment in better drainage and rainwater collection

66. In order to provide the YACIO with a longer-term security and given the success they have achieved, they have asked for new 35-year lease to be granted at peppercorn rental which is recommended to be entered into.

67. If the lease is not renewed the service would have return to in house management. This would require the appointment of an allotment officer and creation of administrative support to issue bills and tenancy agreements. When the service was transferred to YACIO income from rents did not cover the council's costs.

b) Bustardthorpe Allotments

68. Bustardthorpe allotments have been managed by Bustardthorpe Allotment Association (BAA) since they took on the self-management of the site some 23 years ago. (see location plan in Appendix). This was initially on a trial basis; at a time when the site was semi derelict and only a third occupied. BAA self-management arrangements predate the wider Council arrangement with YACIO by over a decade and the group wishes to retain their identity (this does not stop the two-organisations cooperating on matters such as waiting lists). Since then, BAA have operated under a series of leases, the most recent was granted in 2012 for a period of 25 years. BAA currently pay an annual rental of £835pa, albeit they have

been paying zero rent for the last few years as they have paid for re-piping of the water supply and hence the rent has been offset against such.

69. Until the end of 2024 oversight of the operation was provided by a board of trustees, with a management committee responsible for a day-to-day operation. In January 2025 the organisation became a registered charity (no: 1211930) and changed their name to Bustardthorpe Allotments Association CIO (BAACIO) with the site now managed by the charity trustees. The site has been fully occupied for several years and now has a waiting list
70. BAA have carried out numerous site improvements including fencing, tree maintenance, car parking and renewing the complete underground water supply across the whole site. They have also supported tenants through a new storage facility, replace the toilet, increased the size of the meeting / social space, development and management of therapeutic spaces such as the Russell Lupin Garden, Community Orchards and Nature Reserve benefitting not only the plot holders and their families but also residents and staff at Knavesmire School. BAACIO have also developed links with and actively supported the Collective Sharehouse. They arrange free provision of wood, manure and wood chip and the development of on-site cultivated plants for sale in shop. In 2025 BAACIO was successful in getting a grant from Micklegate Ward for an irrigation system for the polytunnels where these plants are grown.
71. BAACIOI have now asked for their current lease to be terminated, and for a new 35-year lease to be granted at peppercorn rental to bring them in line with recent Community Asset Transfers, given they are the only allotment management arrangement whom pay a rental.

Rowntree Park Assets

72. There are a number of Rowntree Park assets which are the subject of discussion in this section of the report (see location plan within the appendix). This covers York Canoe Club, Rowntree Park Lodge and a store/ garage on the eastern boundary of the park.
73. York Canoe Club (YCC) is a community adventure sports club drawing membership from York and the surrounding area and have used Rowntree Park as a base for their activities for the last 8 years. The club is focused on white water kayaking but supports all canoeing and kayaking disciplines. The club has regular membership of around 80 with a further 50 seasonal members. Further information can be found at <https://www.yorkcanoecub.co.uk/>.

74. YCC provides a structured coaching pathway which develops paddlers from absolute beginners to competent white-water kayakers. This includes: the beginner's course, introduction to white water, coaching on trips on flat and white water and a development and mentoring structure to become club coaches and leaders. The club holds a wide range of high-quality equipment to underpin this programme which come with storage needs.
75. Currently YCC use both the tennis pavilion and part of the Lodge basement for equipment storage within the park. Both locations have limitations for equipment which can be both heavy to move and wet from use. Working with officer's, options to use part of the existing park maintenance depot have been developed and a 15-year lease is sought for this space at a peppercorn rental. A location plan is provided in the appendix and includes internal space of some 25m² in what is an unused mess room / store (parks staff have not been site based for several years) and some 35m² of external space in the adjacent yard. In both areas the club wish to install racking and storage facilities which will be fully funded by the club and work carried out by its members.
76. The club has lacked a permanent home since inception and has been saving for an opportunity like this for over 20 years in the knowledge that any permanent base would need investment, internal and external racking for example. YCC have sufficient funds to cover such expenses as well as being able to draw on professional and technical expertise from within its membership.

Store/ Garage

77. The Rowntree Park Friends (Friends) whom the council work with in providing a voluntary service to maintain the park, wish to take on a 15-year lease for a park "store/ garage", this building is situated next to the Parks toilets near the Terry Avenue main entrance. Historically it was used as a store and is no longer needed by the council's public realm team. The appeal for the Friends is that although closer to the river it is considerably higher than the Lodge basement store currently in use. This means garden tools, wheelbarrows etc, which have suffered from flood damage most years, will be better protected. It is also closer to the areas the Friends care for including the Central Avenue planting beds.
78. A location plan is provided in the appendices. The building has an internal space of some 18m². The Friends plan to repaint the interior, install shelving and work benches; all at their cost.

1st & 2nd Floors of the Lodge

79. In March 2021 the Executive agreed to “agree in principle a 99-year lease of the upper floors of Rowntree Park Lodge, a former park keeper’s residence, to the Friends of Rowntree Park and to delegate the final decision to grant that lease to the Executive Member for Finance and Performance subject to the agreement of a funded business case at an Executive Member Decision Session in the next 12 months, or at a date agreed by the Executive Member for Finance and Performance”
80. Following this offer the Friends set about seeking funding for the project and where successful in obtaining several small grants to support their aims of creating a community space and have progress as far as obtaining planning permission for the re-development of the upper floors ref 24/00583/FUL. Work continues seeking the larger grants required to deliver the project and in parallel both parties are working on the draft documentation.
81. In the interim the Friends wish to use a couple of the rooms on the upper floors of the Lodge as a store for their educational material, events and promotional literature, and archive. It is proposed this progresses under an annual licence arrangement whilst the long-term future of the property is resolved.

Lodge Garden

82. The original Executive decision in March 2021 to lease the upper floors of the Lodge to the Friends omitted the Lodge Garden from the approved space. The garden is primarily used by the Friends to support their horticultural activities by growing on plants for transplant into the park, overwintering plants which would be damaged if the park flooded, and for the storage of equipment and materials. In doing so their activities have been supported by Environment and Community Officers.
83. The planning application for the Lodge also includes potential outbuildings. It is therefore proposed to add the garden to the area leased to the Friends subject to the same conditions being met to proceed with the Lodge lease. A location plan is provided in the appendix.

Land at York Road, Strensall

84. York Road is an area of approximately 750 m² open space of set back from the main road into village. A location plan is provided within the appendix. Strensall Parish Council aspire to develop the area as a community garden and wish to formalise their involvement in the area with a long-term lease of 70 years at a peppercorn rental which would match the remainder of the term of another lease of land which Strensall Parish Council already hold.
85. The land is owned by the council by virtue of a transfer of the land from the residential developer, who developed the adjacent residential housing. The council's public realm team maintain this area. There is a covenant on the title to the property restricting the land for being used as public open space. This covenant will transfer to the Parish, controlling the use.

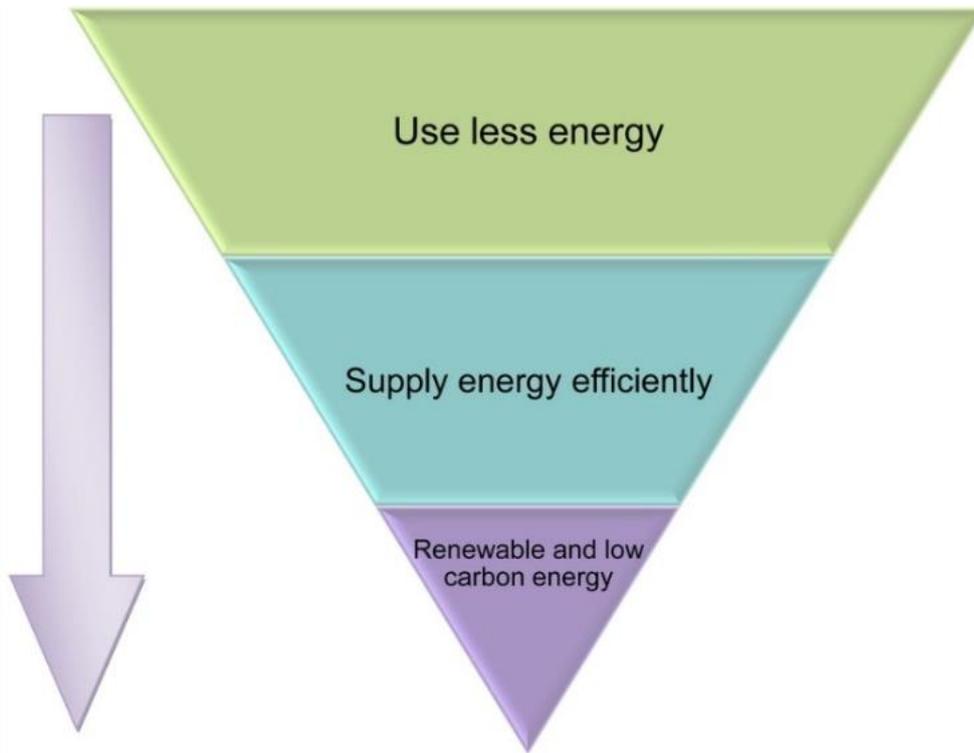
Lease of Land to Choose-2, Hull Road Park

86. Choose-2 are a not-for-profit social enterprise "*working with and supporting children, young people and adults with disabilities and additional needs in York and North Yorkshire*", see <https://choose2.co.uk/about/> .
87. Since 2017 Choose 2 have run a café from a modular building in Hull Road Park. Originally the modular building was rented on a trial basis by the council from a local supplier with funds provided by Hull Road Ward Committee. At the end of the three-year trial Choose-2 were able to secure on going use direct from the building's supplier.
88. Choose 2 have temporary planning permission for the building until November 2025 and have now commenced the process of seeking a renewal of such.
89. To formalise the position, we propose to grant a lease of the footprint of the site where the modular building is situated. The lease will be for a term of 10 years at a peppercorn rental, reflecting the modular style of building and Choose 2 will be fully responsible for the building and its upkeep. This arrangement will be subject to Choose 2 securing planning permission. A location plan is provided within the appendix.
90. In October 2025, Executive agreed a £750k park fund that will be utilised to improve parks across the city. It is anticipated that s106 money will take the Parks Investment Programme budget to around £925k. The key ambitions of the programme are to improve play opportunities,

accessibility and inclusivity to the Council parks and open spaces. The value that park building play was also recognised in this programme, and when combined with the actions set out in this report, will ensure these community assets remain places that encourage and support healthy, sustainable lives and communities.

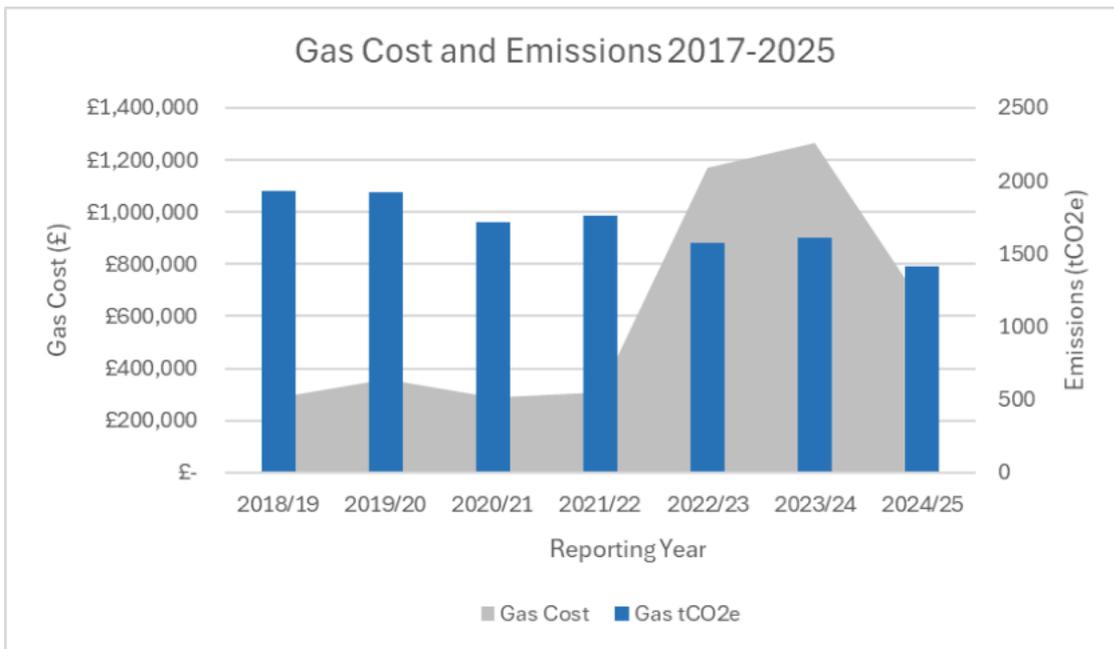
D – Carbon Reduction

91. The council has set an ambition to be net zero carbon by 2030. This is set out in the York Climate Change Strategy Strategy approved by Full Council in December 2022. The operational estate accounts for over half of our direct carbon emissions, primarily through the use of fossil fuels to heat buildings.
92. Principle 'h' of this Strategy makes a commitment to operate our estate sustainably, efficiently and dynamically to support the effective delivery of council services and achieve net zero carbon by 2030 on our estate.
93. We will do this by:
 - Ongoing monitoring and metering to better understand and manage our resource use
 - Changes to the building fabric to improve thermal efficiency and reduce energy usage
 - Replace fossil fuel heating with renewable alternatives where it is economical to do so
 - Install renewable energy generation to reduce our reliance on the grid
 - Switch to low carbon grid supplied energy where required
 - Offset emissions through delivery of local and high quality, nature-based solutions
94. Our approach will follow the energy hierarchy of:
 - Be lean – reduce the amount of energy required through behaviour change and building design and fabric improvements
 - Be clean – use efficient appliances and low carbon energy sources where possible
 - Be green – generate renewable energy where we can and ensure that our energy supply is as low carbon as possible



Monitoring:

95. Energy usage across the corporate estate is reported annually as part of the council’s Corporate Emissions Reporting. Emissions associated with gas consumption across our corporate estate have reduced by 26% since 2019.



Fabric improvements:

96. Improvements to building fabric and appliances contribute to reducing demand and efficient use of energy across our estate.
97. We have undertaken a comprehensive LED lighting improvement programme at West Offices and Hazel Court, with both council investment and funding from the York and North Yorkshire Combined Authority Net Zero Fund.

Replace fossil fuels:

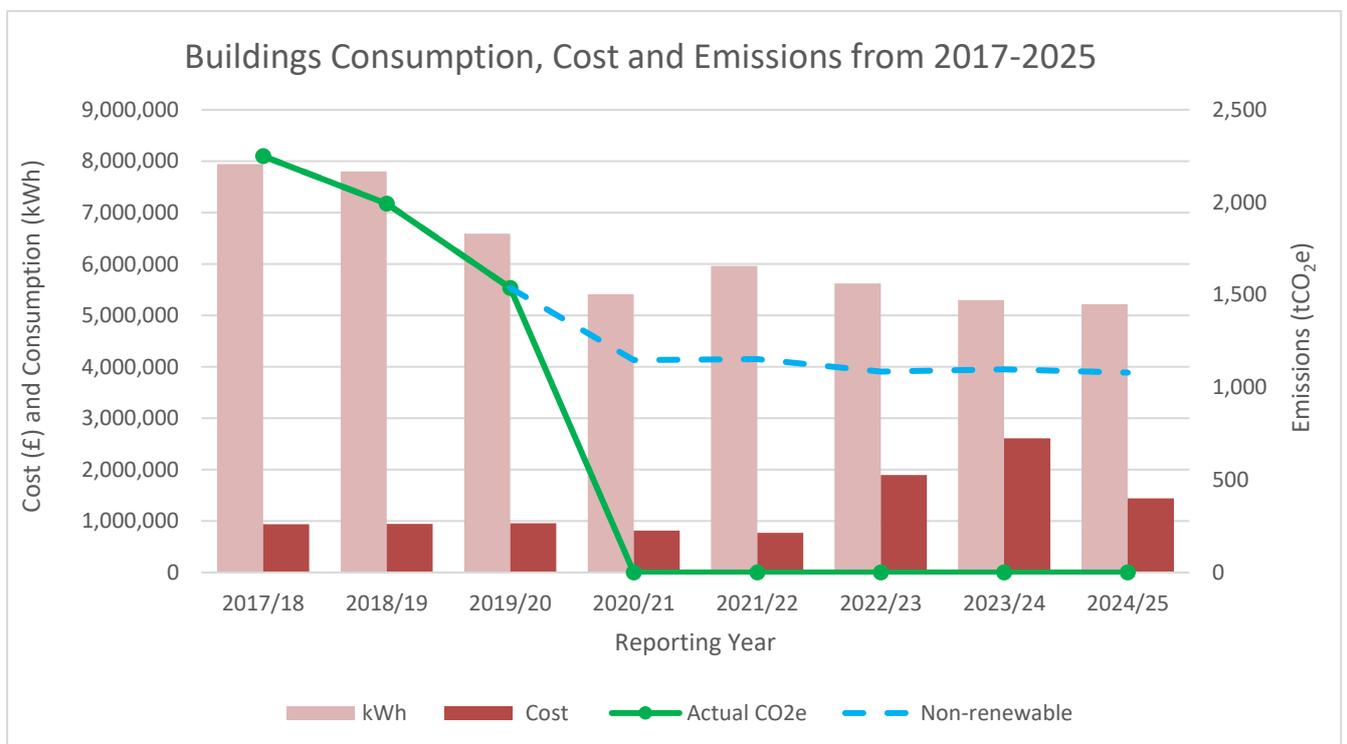
98. With support from the Heat Network Delivery Unit at the Department of Energy Security and Net Zero, the council has carried out a heat network zoning map, with the potential to designate areas of the city for future heat network deployment. These networks could provide low carbon heat to council buildings, replacing existing fossil fuel systems.

Renewable energy generation:

99. The council have partnered with Solar for Schools (SfS), which is an organisation providing renewable energy and energy education to schools on their own school site. SfS design, develop, install, and take care of operations and maintenance for the lifecycle of the system (25 years) at no cost to the school or the council. In York there are currently 11 schools that have been provided solar arrays through SfS with a mix of council maintained, academies and private schools. In total, over 1.2MW of new rooftop solar has been installed through the partnership.
100. The council is investigating the potential to utilise the capped landfill site at Harewood Whin to generate renewable energy. An outline business case for up to 28MW of ground mounted solar has been approved, with the full business case scheduled for 2027 for consideration. If delivered, the renewable energy generated could supply council operations through a power purchase agreement.
101. The council is utilising grant funding awarded from the Mayoral Renewable Fund and Great British Energy to install rooftop solar at sites across our portfolio. This includes Yearsley Swimming Pool, Pine Trees, Elvington School, St Mary's School, Carr Infants School and the Knavesmire Pavillion.

Green electricity:

102. Since April 2020, the council have purchased 100% renewable electricity, reducing the council's emissions by 2,102 tCO₂e this year. This energy is certified by Renewable Energy Guarantees of Origin (REGO) certificates, which provide evidence that a specific amount of electricity has been generated from renewable sources.
103. Whilst electricity prices have risen nationally over the past three years due to international circumstances, the council's electricity consumption has been gradually decreasing, due to estate rationalisation and improvements to our buildings, see graph below.



Offset:

104. The council has used its assets to create a new woodland, which opened in 2024. The planting of nearly 200,000 trees at the site are expected to generate 18,500 carbon credits over the next 50 years. These credits can be used to offset emissions from the council's corporate activities.
105. Other opportunities to generate carbon credits and enhance biodiversity across our corporate estate are being explored through the national demonstrator Local Investment in Natural Capital project, funded by the Department for Environment, Food and Rural Affairs.

Future workflows

106. In September 2025, the City of York Council was awarded £216,000 for the provision of rooftop solar at specific locations across its estate. The sites selected that were deemed the most viable for delivery in the timescales:
 - Yearsley Swimming Pool
 - Joseph Rowntree School
 - Acomb Explore Library
107. Collectively, these three projects are projected to generate over 408,000 kWh of renewable energy annually, saving approximately 85 tCO₂e and saving up to £100,000 from energy bills each year.
108. The council continue to identify decarbonisation priorities through the creation of Heat Decarbonisation Plans (HDP) for individual sites. Using funding from the Low Carbon Skills Fund (LCSF) and North-East and Yorkshire Public Estate Decarbonisation Programme (NEYPED). The council have produced heat decarbonisation plans across 37 corporate sites. These sites include 22 schools and 5 leisure facilities.
109. The purpose of a HDP is to provide an organisation with a pathway to reducing greenhouse gas emissions from building use to net-zero. This typically means reducing or eliminating the use of fossil fuels on site, which are typically associated with providing heating and hot water. The HDPs may also suggest improvements to use electricity more efficiently onsite for instance through LED lighting upgrades and Solar PV.
110. Working with the Climate Change team, work is underway to establish a project proposal to focus on the development of an estate-wide decarbonisation strategy and spend-to-save decarbonisation model. The proposed project would consider all assets within the Commercial, Operational and Community estates, including land, defining a strategy to prioritise assets and technologies to deliver the most decarbonisation impact.
111. The strategy will consider and define suitable methodologies to determine project viability, priority, and progression, considering applicability for several decarbonisation technologies to maximise individual sites energy savings that could be derived from capital investment. The project is proposed as an initial 12-month timeline, with £100k funding to determine the Estate Decarbonisation Strategy.

Consultation Analysis

112. The Coney Street regeneration has planning consent under reference 22/02525FULM. Spark CIC have obtained planning consent in October 2026 for 5 years the Spark facility on the site under reference 25/01151/FULM.
113. The disposals involving property at Rowntree Park; York Road Strensall and Hull Road Park involve a loss of open space and will have to be advertised in accordance with the advice contained within the legal implications section of this report. Any objections to the loss of open space will be reported to the Executive Member for Finance, Performance, Major Projects, Human Rights, Equality & Inclusion for further consideration.
114. The leases being offered have all be discussed with the applicants and their comments reflected in the report.
115. This paper was taken to Place Scrutiny meeting on 26th January 2026. Additional information regarding the financial confidential appendix has been added following the request of the Scrutiny Committee. Further, an additional paragraph (para 56) has been added in respect of leases to community groups. Lastly the reported deal within the Scrutiny paper to Deep Green at the Community Stadium has fallen through (as was relayed to the Scrutiny Panel) and hence details of this have been removed from this paper.

Organisational Impact and Implications

116. Financial

There are several key financial implications arising from the recommendations in this report. These are summarised as follows:

Commercial Estate

The recommended sale of 25 Coney Street will generate a capital receipt that is estimated in the confidential annex. General fund capital receipts will be used to minimise the need to borrow against future capital programme spend and thereby reducing the impact on the revenue budget from the cost of borrowing. This will therefore support the revenue budget and limit revenue savings.

For 17-21 Picadilly, the extension of the current lease will result in rental receipts that support the Council's revenue budget. The option to sell and

realise a capital receipt can be revisited at a future date when the market has refreshed.

Community Assets

The peppercorn rent proposals limit financial risk to CYC, in particular the two allotments leases. The operation of the allotments by an external provider results in an ongoing service to local residents without cost to the Council. As further opportunities arise over the life of this Asset Strategy, finance will review and consider the financial implications at each stage.

117. **Human Resources (HR)**

None

118. **Legal**

The various transactions and projects covered in this Asset Management Strategy will have various legal implications for the council which will need to be reviewed, considered and advised upon in detail by the legal team on a case-by-case basis as and when they are brought forward.

With regard to the loss of public open space proposed within this Asset Management Strategy, section 123 of the Local Government Act 1972 gives the council power to dispose (including by granting a lease) of land/property (including for less than open market value/best consideration) without needing specific consent from the Secretary of State for Housing, Communities and Local Government provided that the Council is satisfied that:

- (i) the purpose of the disposal will facilitate the improvement of the economic, environmental or social well-being of the council's area and
- (ii) the difference between the price/rent being obtained by the council and open market value/best consideration is less than £2 million

Even where a specific proposal to dispose of land for less than the best consideration falls within the terms of the general consent, the council should comply with usual and prudent commercial practices, including obtaining the view of a professionally qualified valuer as to the likely amount of the undervalue.

For the purposes of Section 123 of that Act 'open space' is usually land which falls into any of the following three categories:

- (a) used by the general public for recreation
- (b) land laid out as a park/pleasure ground

(c) disused burial ground

The disposals involving property at Rowntree Park, York Road Strensall and Hull Road Park involve a loss of open space and will be subject to this process.

119. Procurement

Whilst there are no direct procurement implications relating to the report itself, should any areas following the strategy require procurement, all works and/or services must be procured via a compliant, open, transparent, and fair process in accordance with the council's Contract Procedure Rules and where applicable, the Procurement Act 2023. Further advice regarding the procurement process and development of procurement strategies must be sought from the Commercial Procurement team.

120. Health and Wellbeing, Environment and Climate

The work undertaken and analysis of such is contained within the report.

121. Affordability

The use of Indices of Multiple Deprivation (IMD) as the primary driver for selecting projects should help towards providing improving life chances. Many community assets provide facilities, some free of charge such as libraries which gives access to facilities and services locally reducing other costs e.g., travel and digital support.

122. Equalities and Human Rights

No implications. See EIA in Appendix.

123. Data Protection and Privacy

As there is no personal data, special categories of personal data or criminal offence data being processed, there is no requirement to complete a data protection impact assessment (DPIA).

124. Communications

The actions set out within this strategy help to demonstrate the council's focus on financial sustainability and climate, which are part of the core focus of the council's communications strategy (subject to

ratification). Communications work may be required to support new commercial opportunities or to engage with relevant communities around the future of some sites and agreed approaches.

125. **Economy**

The property portfolio plays both a key role in providing commercial accommodation to businesses in the local economy and provides opportunities to bring about regeneration within the city. Assets have been and will continue to be managed in attaining such

Risks and Mitigations

126. The report details a number of proposed transactions. There is a risk that these transactions may not ultimately come to fruition as negotiations to formalise them is a requirement. The council's in house legal and property advisors will undertake the necessary due diligence in furthering these negotiations, in consultation with the relevant Directors, with a view to successful conclusion of such.

Wards Impacted

All

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Report Approved



Appendices

- A – Location Plan 25/27 Coney Street
- B – Location Plan 17-21 Piccadilly
- C – List of Allotments
- D – Location Plan Bustardthorpe Allotments
- E – Location Plan Land at Rowntree Park
- F – Location Plan Land at York Road, Strensall
- G – Location Plan Land at Hull Road Park
- H – Equalities Impact Assessment

Confidential Appendix

- A – Financial Analysis & Market Valuation Report – 25/27 Coney Street

List of Abbreviations

None

Background Papers

Executive November 2025 – Neighbourhood Model, Implementation Phase

Executive Combined Member Decision session 4th November 2025 – Heritage Programme

Executive October 2025 Delivering More Affordable Housing in York – Update on the Housing Delivery Programme

Executive 18 July 2024 Update on the Housing Delivery Programme and the Disposal of Surplus Sites

Executive 26 November 2020 – Update on the Asset Management Strategy

Executive 28 November 2019 – Establishing an investment budget for a strategic commercial property acquisition

Executive 19th October 2017 – Future Management of Allotments

Scrutiny Place Committee – January 2026 – Update on the Asset Management Strategy – 2026 to 2031