



## Notice of meeting of

### Executive

<b>To:</b>	Councillors Waller (Chair), Ayre, Steve Galloway, Moore, Morley, Reid and Runciman
<b>Date:</b>	Tuesday, 23 June 2009
<b>Time:</b>	2.00 pm
<b>Venue:</b>	The Guildhall

### AGENDA

#### Notice to Members - Calling In:

Members are reminded that, should they wish to call in any item on this agenda, notice must be given to Democracy Support Group by:

**10:00 am on Monday 22 June 2009**, if an item is called in *before* a decision is taken, *or*

**4:00 pm on Thursday 25 June 2009**, if an item is called in *after* a decision has been taken.

Items called in will be considered by the Scrutiny Management Committee.

#### 1. **Declarations of Interest**

At this point, Members are asked to declare any personal or prejudicial interest they may have in the business on this agenda.

## **2. Exclusion of Press and Public**

To consider the exclusion of the press and public from the meeting during consideration of the following:

- Annex 10 to Agenda Item 6 (Community Stadium – Outline Business Case) and Annex 1 to Agenda Item 7 (Improved Direct Communication with Residents), on the grounds that they contain information relating to the financial or business affairs of any particular person (including the authority holding that information).
- Agenda Item 10 (Equal Pay Update), on the grounds that it contains information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.

This information is classed as exempt under paragraphs 3 and 5 of Schedule 12A to Section 100A of the Local Government Act 1972 (as revised by The Local Government (Access to Information) (Variation) Order 2006).

## **3. Minutes** (Pages 3 - 8)

To approve and sign the minutes of the meeting of the Executive held on 9 June 2009.

## **4. Public Participation**

At this point in the meeting, members of the public who registered their wish to speak regarding an item on the agenda or an issue within the Executive's remit can do so. The deadline for registering is **5:00 pm on Monday 22 June 2009**.

## **5. Executive Forward Plan** (Pages 9 - 14)

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

## **6. Community Stadium - Outline Business Case** (Pages 15 - 132)

This report provides a high level analysis of the potential for a community stadium in York and seeks approval to pursue the project to the next key stage and undertake a detailed feasibility study.

**7. Improved Direct Communications with Residents** (Pages 133 - 144)

This report seeks approval to proceed with the production of a new bi-monthly Council publication designed to improve direct communications with residents.

**8. Year-end Performance and Financial Report for 2008/09** (Pages 145 - 186)

This report provides details of the Council's performance during the period April 2008 to March 2009 and presents requests to carry forward funds into 2009/10, together with a reserves position statement.

**9. Budget Process and Resource Alignment Arrangements for 2010/11** (Pages 187 - 198)

This report sets out the proposed arrangements to support the preparation of the 2010/11 budget and the alignment of resources based on the Council's strategic and corporate priorities.

**10. Equal Pay Update** (Pages 199 - 208)

This report provides a summary of the current position in City of York Council's equal pay litigation and seeks a mandate to extend the scope of the type of equal pay claims that can be settled and a decision on tactics around other types of equal pay claims.

**11. Urgent Business**

Any other business which the Chair considers urgent under the Local Government Act 1972.

Democracy Officer:

Name: Fiona Young

Contact details:

- Telephone – (01904) 551027
- E-mail – [fiona.young@york.gov.uk](mailto:fiona.young@york.gov.uk)

For more information about any of the following please contact the Democracy Officer responsible for servicing this meeting:

- Registering to speak
- Business of the meeting
- Any special arrangements
- Copies of reports

Contact details are set out above.

## About City of York Council Meetings

### Would you like to speak at this meeting?

If you would, you will need to:

- register by contacting the Democracy Officer (whose name and contact details can be found on the agenda for the meeting) **no later than 5.00 pm** on the last working day before the meeting;
- ensure that what you want to say speak relates to an item of business on the agenda or an issue which the committee has power to consider (speak to the Democracy Officer for advice on this);
- find out about the rules for public speaking from the Democracy Officer.

**A leaflet on public participation is available on the Council's website or from Democratic Services by telephoning York (01904) 551088**

### Further information about what's being discussed at this meeting

All the reports which Members will be considering are available for viewing online on the Council's website. Alternatively, copies of individual reports or the full agenda are available from Democratic Services. Contact the Democracy Officer whose name and contact details are given on the agenda for the meeting. **Please note a small charge may be made for full copies of the agenda requested to cover administration costs.**

### Access Arrangements

We will make every effort to make the meeting accessible to you. The meeting will usually be held in a wheelchair accessible venue with an induction hearing loop. We can provide the agenda or reports in large print, electronically (computer disk or by email), in Braille or on audio tape. Some formats will take longer than others so please give as much notice as possible (at least 48 hours for Braille or audio tape).

If you have any further access requirements such as parking close-by or a sign language interpreter then please let us know. Contact the Democracy Officer whose name and contact details are given on the order of business for the meeting.

Every effort will also be made to make information available in another language, either by providing translated information or an interpreter providing sufficient advance notice is given. Telephone York (01904) 551550 for this service.

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### **Holding the Executive to Account**

The majority of councillors are not appointed to the Executive (38 out of 47). Any 3 non-Executive councillors can 'call-in' an item of business from a published Executive (or Executive Member Advisory Panel (EMAP)) agenda. The Executive will still discuss the 'called in' business on the published date and will set out its views for consideration by a specially convened Scrutiny Management Committee (SMC). That SMC meeting will then make its recommendations to the next scheduled Executive meeting in the following week, where a final decision on the 'called-in' business will be made.

### **Scrutiny Committees**

The purpose of all scrutiny and ad-hoc scrutiny committees appointed by the Council is to:

- Monitor the performance and effectiveness of services;
- Review existing policies and assist in the development of new ones, as necessary; and
- Monitor best value continuous service improvement plans

### **Who Gets Agenda and Reports for our Meetings?**

- Councillors get copies of all agenda and reports for the committees to which they are appointed by the Council;
- Relevant Council Officers get copies of relevant agenda and reports for the committees which they report to;
- Public libraries get copies of **all** public agenda/reports.

City of York Council

Committee Minutes

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MEETING	EXECUTIVE
DATE	9 JUNE 2009
PRESENT	COUNCILLORS WALLER (CHAIR), AYRE, STEVE GALLOWAY, MOORE, REID AND RUNCIMAN
APOLOGIES	COUNCILLOR MORLEY

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**9. DECLARATIONS OF INTEREST**

Members were invited to declare at this point in the meeting any personal or prejudicial interests they might have in the business on the agenda. No interests were declared.

**10. MINUTES**

RESOLVED: That the minutes of the Executive (Calling In) meeting held on 19 May 2009 and the Executive meeting held on 26 May 2009 be approved and signed by the Chair as a correct record.

**11. PUBLIC PARTICIPATION**

It was reported that there had been one registration to speak at the meeting under the Council's Public Participation Scheme.

Denise Craghill spoke in relation to agenda item 6 (Update on the Sustainable Communities Act 2007: Public Consultation). She raised concerns regarding the 'sifting' process undertaken in relation to the proposals received, stating that, due to a misunderstanding of the Act, this had resulted in the mistaken exclusion of about 45 proposals on the basis that they related to national issues. It had also reduced the number of proposals available for public consideration, when the Council had a duty to ensure consultation on a broad range of suggestions. She asked that the list of proposals to be submitted for further consultation be amended accordingly.

**12. EXECUTIVE FORWARD PLAN**

Members received and noted details of those items that were currently listed on the Forward Plan for the next two Executive meetings.

**13. MINUTES OF WORKING GROUPS**

Members considered a report which presented the draft minutes of the meetings of the Young People's Working Group and the Social Inclusion Working Group held on 22 April 2009 and 13 May 2009 respectively. These were attached as Annexes A and B to the report.

Members were asked to decide whether they wished to respond to any of the advice offered by the Groups. In particular, they were asked to consider the recommendation of the Young People's Working Group that the membership of the Group be increased to 7 to include the Children and Young People's Champion (Minute 25 in Annex A refers).

Having noted the comments of the Shadow Executive on this item, it was

RESOLVED: (i) That the minutes attached as Annexes A and B to the report be noted.

(ii) That, in relation to the recommendation in Minute 25 of the Young People's Working Group, the Group be asked to consider the Executive's suggestion that the Young People's Champion be appointed as a non-voting, co-opted member, so as not to upset the political balance of the Group.<sup>1</sup>

REASON: In accordance with the requirements of the Council's Constitution in relation to the role of Working Groups.

Action Required

1. Refer this suggestion to next meeting of Young People's Working Group. GR

**14. UPDATE ON THE SUSTAINABLE COMMUNITIES ACT 2007 (PUBLIC CONSULTATION)**

Members considered a report which provided an update on the outcome of the public consultation on the Sustainable Communities Act (SCA) 2007 and details of the next steps in the consultation process.

In accordance with the motion approved by Full Council on 27 November 2008 and the process agreed by the Executive on 14 April 2009, the Neighbourhood Management Unit (NMU) had led a city-wide consultation using a variety of methods, including discussion at ward committees and a dedicated web page. As a result, 327 proposals for local sustainability had been received in total from individuals, community groups and parish councils. These had been reviewed by a cross-directorate Officer project group, the Corporate Management Team (CMT) and individual Directors, who had determined that 46 of the proposals fell within the scope of the SCA 2007.

The 46 proposals were detailed in Annex 1 to the report and Members were invited to advise which, if any, of these should *not* go forward to the next stage of consultation. The remainder would be discussed by the



Without Walls Executive Delivery Board on 15 June and by the Citizens' Panel on 18 June. Comments made at these meetings would be reported back to the Executive on 21 July, together with information on financial and legal implications relating to the proposals. The Executive would then have a final opportunity to select the proposals for submission to the Local Government Association (LGA) by the deadline of 31 July. Draft details of the information required by the LGA in respect of this submission were attached at Annex 2.

With reference to the comments made under Public Participation, Officers confirmed that they believed the consultation requirements of the Act had been fully complied with. There was a need to be selective with regard to the proposals put forward, not least because each proposal submitted to the LGA would require a 10 page form to be completed, and must be supported by additional information of up to 6,000 words. Members noted that there would be no objections to making all 327 proposals publicly available on the Council's website.

Having noted the comments of the Shadow Executive on this item, it was

RESOLVED: (i) That the information provided in paragraphs 4-11 of the report, concerning the outcome of the public consultation exercise undertaken, be noted.

REASON: For information, and to be clear that the consultation has complied with the requirements of the Council motion, with discussion on the topic at all ward committees across the City.

(ii) That the response to the consultation after Officer, CMT and Director screening, as detailed in Annex 1 to the report, be noted.

(iii) That the next steps in the consultation process, as detailed in paragraphs 12-14, be noted and approved and that, in addition, the Council's website be used to consult more widely on the shortlisted proposals.

REASON: For information, and to enable a wider section of the public to comment on the proposals.

(iv) That all of the proposals detailed in Annex 1, with the exception of no. 256, be taken forward to the next stage of consultation.<sup>1</sup>

REASON: In accordance with the screening process carried out by Officers and to commence dialogue on these proposals with the LSP and the Citizen's Panel, the results of which will be reported back to Executive on 21 July.

(v) That the proposals set out in the additional annex (Annex 3), which will be published on-line with the agenda for

this meeting, also be taken forward to the next stage of the consultation.<sup>2</sup>

REASON: The Executive considers that these issues are also worthy of public consultation under the Act.

(vi) That proposal no. 256 be referred to Haxby Town Council and Wigginton Parish Council for their consideration.<sup>3</sup>

REASON: To enable this proposal to be dealt with at an appropriate level.

(vii) That the suggestions for planting fruit and nut trees be referred to City Strategy department, so that consideration can be given to amending the appropriate planning guidance.<sup>4</sup>

(viii) That the suggestions for improved sustainable building methods be referred to City Strategy department, so that consideration can be given to amending the appropriate planning guidance.<sup>5</sup>

(ix) That the suggestions for a community orchard / market garden be referred to the department for Learning, Culture and Children's Services, so that Officers can carry out a feasibility study.<sup>6</sup>

REASON: To enable these suggestions to be considered under the Council's existing powers.

Action Required

- |                                                                                 |    |
|---------------------------------------------------------------------------------|----|
| 1. Take the proposals in Annex 1 (except no.256) to the next consultation stage | KS |
| 2. Take the proposals in Annex 2 to the next consultation stage                 | KS |
| 3. Refer proposal no. 256 to Haxby Town Council and Wigginton Parish Council    | KS |
| 4. Refer these suggestions to City Strategy                                     | KS |
| 5. Refer these suggestions to City Strategy                                     | KS |
| 6. Refer these suggestions to LCCS                                              | KS |

**15. WATER MANAGEMENT (INCLUDING LEGIONELLA)**

Members considered a report which outlined importance of managing the disease Legionella and the standards expected, and sought approval for a proposed structure and funding arrangements to enhance the water management framework at the Council.

A public enquiry held following an outbreak of Legionnaires' disease in Barrow-in-Furness in 2002 had identified the need for more effective water management, resulting in a number of new codes of practice and

directives. The legal duties in respect of Legionella were set out in '*Legionnaires' disease – The control of Legionella bacteria in water systems. Approved Code of practice and guidance*', commonly referred to as 'L8'. The Council had already acted positively to reduce the risk of Legionella but was still not fully compliant with L8. Action was needed to ensure that all 'priority one' actions identified through risk assessments were implemented, that monitoring checks were carried out consistently as required and that the appointed 'responsible person' had sufficient resources to fulfil the legal requirements.

It was proposed that the following actions be implemented to ensure compliance:

- Creating a new post of Assistant Compliance Officer *or* purchasing specialist expertise to support the compliance team;
- Recruiting an in-house team to manage and perform the monitoring checks *or* using a specialist contractor to do this (the latter being the recommended option as the contractors would have a trained, skilled and efficient resource available immediately);
- Ensuring that the responsible person has sufficient resources to fulfil the legal requirements.

Cost associated with compliance were detailed in Annex A to the report.

Having noted the comments of the Shadow Executive on this item, it was

RESOLVED: (i) That the importance of water management, and particularly the management of Legionella, be acknowledged.

(ii) That the management framework described in the report be approved, including:

- a) recruitment / procurement of the specialist support required to undertake works to fulfil the water management obligations of the 'Responsible Person' within Property Services;<sup>1</sup>
- b) employment of a specialist contractor to undertake all monitoring activities;<sup>2</sup>
- c) provision of sufficient resources, through re-prioritisation, to fulfil the Council's legal requirements.<sup>3</sup>

REASON: To ensure that the Council becomes compliant in its response to the risks associated with water management and particularly Legionella.

Action Required

- |                                                                                                    |    |
|----------------------------------------------------------------------------------------------------|----|
| 1. Make arrangements for the recruitment / procurement of specialist support                       | SA |
| 2. Make arrangements to employ a specialist contractor                                             | SA |
| 3. Re-prioritise work to ensure the provision of sufficient resources to fulfil legal requirements | SA |

A Waller, Chair

[The meeting started at 2.00 pm and finished at 2.35 pm]

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EXECUTIVE FORWARD PLAN

<b>Table 1: Items scheduled on the Forward Plan for the Executive Meeting on 7 July 2009</b>		
<b>Title &amp; Description</b>	<b>Author</b>	<b>Portfolio Holder</b>
<p><b>Customer Strategy</b></p> <p><i>Purpose of Report: To present a revised Customer Strategy and Delivery Plan following previous consultation with the Executive in October 2008 and extensive internal and public consultation.</i></p> <p><i>Members are asked to: Approve the final strategy, new Customer First Standards and Customer Care Behaviours, agree the proposed governance arrangements and delivery plan and approve the draft customer leaflet.</i></p>	Jane Collingwood	Executive Member for Corporate Services
<p><b>The Annual Risk Management Report</b></p> <p><i>Purpose of report: To inform Members of identified strategic risks and actions taken to mitigate them. It is a regulatory requirement to report these to Members.</i></p> <p><i>Members are asked to: Note the actions taken to mitigate known risks.</i></p>	Claire Rogers	Executive Member for Corporate Services
<p><b>Libraries RFID Procurement</b></p> <p><i>Purpose of report: The library service is out to tender out for an RFID (self-issue) system. Tenders are due to be evaluated during the first two weeks of June. As we will be taking both quality and cost into account in the evaluation, there is the possibility that a supplier will be chosen which is not the lowest cost option. In these circumstances an Executive decision would be required. Should the chosen supplier be the lowest cost option, then this report will not be required. The outcome will be a contract which offers the best solution to our requirements for technology which will provide high quality customer services at the new York Library Explore Centre due to open in December.</i></p> <p><i>Members are asked to: Agree to contract with the chosen RFID supplier, if</i></p>	Helen Whitehead	Executive Member for Learning, Culture & Children's Services

<p><i>this is not the lowest cost option.</i></p>		
<p><b>The Efficiency Review</b></p> <p><i>Purpose of report: To report back on the outcomes of the 12 week Efficiency Review undertaken by the CYC Efficiency Partner, Northgate Kendrick Ash. The report will set out detailed findings of the review and proposals for establishing an efficiency programme to deliver £15m savings over three years.</i></p> <p><i>Members are asked to: Approve the proposals contained in the report.</i></p>	<p>Tracey Carter</p>	<p>Executive Member for Corporate Services</p>
<p><b>A New Vision for Street Level Services in York</b></p> <p><i>Purpose of report: Paper asks Executive to agree a new vision for street level services.</i></p> <p><i>Members are asked to: Agree a vision, and agree a 5 stage delivery programme.</i></p>	<p>Adam Wilkinson</p>	<p>Executive Member for Neighbourhood Services</p>
<p><b>Castle Piccadilly Regeneration Project</b></p> <p><i>Purpose of report: To note the outcome of the procurement process for this project.</i></p> <p><i>Members are asked to: Approve the next stages including proposed consultation.</i></p>	<p>Philip Callow</p>	<p>Executive Leader</p>

**Table 2: Items scheduled on the Forward Plan for the Executive Meeting on 21 July 2009**

Title & Description	Author	Portfolio Holder
<p><b>Year-End Capital Report</b></p> <p><i>Purpose of report: To report the final financial position on the council's xcapital programme for the financial year ending the 2008/09</i></p> <p><i>Members are asked to: Note overall performance and authorise relevant financial adjustments.</i></p>	<p>Louise Branford-White</p>	<p>Executive Member for Corporate Services</p>
<p><b>Sustainable Communities Act Final Update and Proposals</b></p> <p><i>Purpose of report: This report updates Executive on the consultation with Citizens Panel and the Without Walls Executive Board on proposals under the Sustainable Communities Act.</i></p> <p><i>Members are asked to: Indicate which proposals should be submitted to the Local Government Association for consideration.</i></p>	<p>Ian Floyd</p>	<p>Executive Member for Corporate Services</p>
<p><b>Treasury Management Annual Report</b></p> <p><i>Purpose of report: To report the final performance of the treasury management function for the financial year ending 2008/09.</i></p> <p><i>Members are asked to: Note the performance of the Treasury Management function and make recommendations as appropriate.</i></p>	<p>Louise Branford-White</p>	<p>Executive Member for Corporate Services</p>
<p><b>Accommodation Project – Update</b></p> <p><i>Purpose of report: To provide Members with a project update with a particular emphasis on the evaluation process for the submission of each of the developers detailed solutions due to be submitted in mid July. The feedback from the recent consultation process. The office of the future project and timetable for the completion of the procurement process and the overall project.</i></p> <p><i>Members are asked to: Note the contents of the report.</i></p>	<p>Maria Wood</p>	<p>Executive Leader</p>

<p><b>Revised Financial Regulations</b></p> <p><i>Purpose of report: Following a review of the Council's Financial &amp; Procurement Regulations.</i></p> <p><i>Members are asked to: Approve the Revised Financial Regulations.</i></p>	David Walker	Executive Member for Corporate Services
<p><b>Improvement Plan Key Actions and Milestones</b></p> <p><i>Purpose of report: To update Members on the key actions contained within the 2009/10 Improvement Plan (agreed at Executive 26 May 2009).</i></p> <p><i>Members are asked to: Note progress made against the key actions.</i></p>	Helena Nowell	Executive Member for Corporate Services
<p><b>Regional Funding Allocation Proposal</b></p> <p><i>Purpose of report: To request a decision from the Executive to confirm the schemes to be progressed using the additional funds from the Regional Funding Allocation in accordance with the 7 April Executive (Calling In) meeting.</i></p> <p><i>Members are asked to: Decide which schemes to progress using the additional funding from the Regional Funding Allocation.</i></p>	Tony Clarke	Executive Member for City Strategy
<p><b>Carbon and Energy Management Programme – Update</b></p> <p><i>Purpose of report: A progress report on how the authority is to achieve 25% carbon emission reductions by 2013.</i></p> <p><i>Members are asked to: Acknowledge the progress and achievements made and approve a future workplan.</i></p>	Neil Hindhaugh	Executive Leader



**Table 3: Items slipped on the Forward Plan with the agreement of the Group Leaders**

Title & Description	Author	Portfolio Holder	Original Date	Revised Date	Reason for Slippage
<p><b>The Efficiency Review</b></p> <p><i>Purpose of report: To report back on the outcomes of the 12 week Efficiency Review undertaken by the CYC Efficiency Partner, Northgate Kendrick Ash. Members are asked to: Approve the proposals contained in the report.</i></p>	Tracey Carter	Executive Member for Corporate Services	23 June 2009	7 July 2009	To allow further time for consultation and communication within the Council in advance of publication.
<p><b>Libraries RFID Procurement</b></p> <p><i>Purpose of report: The library service is out to tender out for an RFID (self-issue) system. Tenders are due to be evaluated during the first two weeks of June. If a supplier is chosen which is not the lowest cost option, an Executive decision will be required. Members are asked to: Agree to contract with the chosen RFID supplier, if this is not the lowest cost option.</i></p>	Helen Whitehead	Executive Member for Learning, Culture and Children's Services	23 June 2009	7 July 2009	To allow sufficient time to evaluate the tenders and determine whether a Member decision is required.

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## Executive

Report of the Director of City Strategy

### Community Stadium – Outline Business Case

#### 1.0 SUMMARY

- 1.1 This outline business case (OBC) provides a high level analysis of the potential for a community stadium in York. It draws on feasibility work undertaken by Five Lines Consulting, case studies and reports for other stadiums across the UK, the ARUP report 2006 (York Central), and other specialist advice provided for the City of York Council (CYC).
- 1.2 The purpose of this report is to identify the need for a stadium and provide a vision of what it might include. This is the first key stage of the project; the analysis, costings and findings remain at a high level. All costs, values and figures are provided as best estimates for illustrative purposes only. They rely on assumptions and evidence set out in the feasibility study. It provides an initial indication of the potential benefits, costs and viability of four main options to enable further discussion and move to the next key stage of the project: detailed feasibility.
- 1.3 Demand for a shared core stadium for York City FC and York Knights FC and the provision of a high quality athletics facility has been established. A range of community and ancillary commercial uses have also been identified that might support the 'core' making a positive contribution to the aims and objectives of the Strategic Partnership and Corporate Strategy. In particular the opportunity exists (subject to further discussions) for new health care provision and the creation of an 'Academy for Sport and Well-Being' for the city, bringing together education, health and sporting services.
- 1.4 Initial evidence suggests that it is possible to develop the community stadium as a highly sustainable facility. The opportunity exists to explore developing the project as the UK's first Eco-Stadium. This would require additional capital investment, however considerable carbon and revenue savings can be achieved. Opportunities for external funding and commercial sponsorship may exist, strengthening the fundability and financial case.
- 1.5 A long-list of six options was considered to help shape four principal options. Details regarding their component uses are summarised in Table 1 below:
  - **Option 1:** Shared football and rugby core stadium. £1M contribution to replacement Athletics not as part of stadium.

- **Option 2:** Shared football and rugby stadium plus community sports village including county standard athletics facility and sports pitches
- **Option 3:** Option 2 (above) plus extensive range of community facilities including educational, health and well being; and
- **Option 4:** Option 3 (above) plus a hotel / conference centre.

**Table 1: The short-listed options and their components**

Option	Component	Specifics
1	Core Stadium	<ul style="list-style-type: none"> <li>▪ 6,000 seat core stadium (with potential to be extended)</li> <li>▪ Shared between York City FC / York Knights RLFC</li> <li>▪ Hospitality / functioning facilities</li> <li>▪ 15 Executive Boxes</li> <li>▪ Car Parking / circulation space</li> </ul>
	Athletics	<ul style="list-style-type: none"> <li>▪ £1M contribution to the re provision of an athletics facility, elsewhere in the city (not necessarily on the same site as the stadium)</li> </ul>
2 (+1)	Community Sports	<ul style="list-style-type: none"> <li>▪ County Standard Athletics facility for example with changing / club / spectator and warm-up facilities</li> <li>▪ Synthetic sports pitches (1x 3G, 1 x 'tiger turf', 2x multi-use)</li> <li>▪ High quality grass pitches (x4)</li> <li>▪ Potential to create a 'Centre of Excellence' for hockey linked to the other sports uses.</li> </ul> <p>(NB. The precise mix to be the subject of further economic , demand and competitor analysis)</p>
3 (+2)	Other Community	<ul style="list-style-type: none"> <li>▪ Educational 'Academy of Sports &amp; Well-Being'</li> <li>▪ Health / well being provisions</li> <li>▪ Potential for other community uses (multi-functional office space as part replacement or in addition to above)</li> </ul>
4 (+3)	Ancillary Commercial	<ul style="list-style-type: none"> <li>▪ 120 bed 4* Hotel with extensive conference and leisure facilities – linked to the community stadium</li> </ul>

**Note:** The options and uses set out in this table are for illustrative purposes only. The components will change as the project develops. They are not final proposals, just a starting point for further feasibility work and discussion with potential partners.

- 1.6 A high level cost and benefits model has been created to provide an initial idea of potential costs, revenue streams, fundability and wider impact of each option. This is for illustrative purposes only, and is a starting point for more detailed and robust feasibility work.
- 1.7 At this early stage, the analysis identifies that there is a significant capital funding shortfall for three of the four options. Option 1 has a minimal shortfall (£100K) and appears deliverable, however, it may not be commercially robust (there is a high risk it would require on-going revenue subsidy). It would also make a minimal contribution to wider community and corporate objectives. Options 3 and 4 have the greatest potential for community benefit, however have significant funding requirements. Option 4 is the only option that demonstrates potential commercial robustness and wide community benefits.

- 1.8 It is estimated that in the region of £9M of capital contributions may be available (see table 9). There may be a small shortfall for option 1. There is scope to reduce the shortfall for each of the other options(2,3&4), if additional (external) funds are achieved linked to the extensive community benefits that each of these options brings. This would make a dramatic improvement to the commercial viability of options 2,3&4. This would not affect option 1, which would almost certainly not qualify due to the limited community benefits included in this option. The opportunity for external funding is stronger for options 3 & 4 as they also offer a multi-agency approach.
- 1.9 Option 4 has the greatest capital shortfall, however, it would be supported by a key commercial anchor and is commercially sustainable. It is more likely that this option could attract interest from commercial partners / developers. It is also possible that for the same level of capital investment as the other options, the risk associated with the development and long-term revenue support could be minimised (and in some cases transferred) from the council and its partners to the private sector. Table 2 below summarises the advantages and disadvantages of the four options:

**Table 2: Summary of key advantages and disadvantages**

	Advantages	Disadvantages
<b>Option 1</b>	<ul style="list-style-type: none"> <li>▪ Deliverable within illustrated budget identified</li> <li>▪ Simple development model</li> <li>▪ Minimal land take – more options for site selection</li> </ul>	<ul style="list-style-type: none"> <li>▪ Very limited scope for attracting additional funding (if illustrated funding not achieved)</li> <li>▪ Minimal wider community benefit</li> <li>▪ High risk would need ongoing revenue support</li> <li>▪ £1M unlikely to provide a county standard athletics facility</li> </ul>
<b>Option 2</b>	<ul style="list-style-type: none"> <li>▪ Provides wide range of community sports benefits local / regional significance – meets identified need</li> </ul>	<ul style="list-style-type: none"> <li>▪ Minimal scope of attracting external funding</li> <li>▪ Commercially unviable</li> <li>▪ High risk of ongoing revenue support</li> </ul>
<b>Option 3</b>	<ul style="list-style-type: none"> <li>▪ Wide range of community benefits</li> <li>▪ Major local &amp; regional contribution to strategic objectives</li> <li>▪ Scope for external funding</li> <li>▪ Potential for commercial viability if external funding achieved</li> <li>▪ Multi agency approach</li> </ul>	<ul style="list-style-type: none"> <li>▪ High risk of ongoing revenue support</li> <li>▪ Major funding gap</li> <li>▪ Commercially unviable unless external capital funding achieved</li> <li>▪ Complex partnership arrangements</li> <li>▪ Large land take (minimal sites available)</li> </ul>
<b>Option 4</b>	<ul style="list-style-type: none"> <li>▪ Commercially viable</li> <li>▪ Robust under many sensitivity scenarios</li> <li>▪ Wide range of community benefits</li> <li>▪ Major local &amp; regional contribution to strategic objectives</li> <li>▪ Scope for external funding</li> <li>▪ Scope for PPP capital / risk transfer</li> <li>▪ Multi agency approach</li> </ul>	<ul style="list-style-type: none"> <li>▪ Major funding gap requiring - ‘commercial partner’</li> <li>▪ Complex development project</li> <li>▪ Complex partnership arrangements</li> <li>▪ Large land take (minimal sites available)</li> </ul>

- 1.10 This is only an indicative options appraisal. However, this study has demonstrated a need for a community stadium, and the potential to further explore a wide range of community benefits for the city. There is scope to develop an option that is deliverable and commercially sustainable that meets the aspirations of the key partners and the wider community. The opportunity regarding wider community uses and partnerships needs to be tested and

further developed. Discussions with potential funding agencies and potential commercial development routes need to be initiated.

1.11 It is important that any option developed, does not open the council and its partners to future financial liability. It is therefore recommended that a prudent approach be taken. That detailed feasibility and site selection work be undertaken, developing the findings of this study. To develop a robust business case and funding appraisal for an option that best meets the project's success criteria and, in particular, is commercially sustainable and deliverable. To do this the following key actions will be required:

- Site selection and development of the planning case.
- Formalisation of partnerships and potential management / governance arrangements.
- Preparation of a detailed economic assessment.
- Master planning & architectural schematics.
- Detailed feasibility, cost and funding options.
- An environmental sustainability feasibility study.
- A detailed risk assessment.

## 2.0 REPORT STRUCTURE

**PART 1 - Demand Assessment:** Summarises the detailed analysis regarding demographic profile, strategic review, comparator exercise, and identifies the need for potential components for a community stadium.

**PART 2 - Assessment of Options :** Establishes a short-list of options for a community stadium. Summaries the detailed financial, economic analysis undertaken for each option. Considers its strategic alignment, options for funding and taking the project forward. Risk assessment, key corporate considerations, summary and recommendations.

### Appendices

More detailed information / evidence from the feasibility study is provided to support the report, set out in the following appendices:

1. Public sector policy framework
2. Stadium comparator analysis
3. Governance / management arrangements
4. Environmentally sustainable power sources (some options).
5. Development of the undercroft – Frank Whittle Partnership(FWP)
6. Attendance / stadium trends in the UK
7. Demand / need analysis
8. Long-list options appraisal

- 9. Planning Issues
- 10. Project Costs (confidential)

## **PART 1 DEMAND ASSESSMENT**

### **3.0 STRATEGIC REVIEW**

- 3.1 It is necessary to consider the strategic context that a community stadium will operate in with particular reference to York's demographic and economic profile / prospects and its strategic policy framework.

#### ***Population***

- 3.2 York has a population of 194,300. It has a predicted growth rate of 1.0% more than double the national average. It is a major commercial centre, so has a relatively large 'travel to work' catchment, which provides an additional population base (315,750 people) for any new facilities at the Community Stadium. In reality, York's appeal spreads further than this, particularly as a leisure and business visitor destination.

#### ***Economy***

- 3.3 York is a relatively strong city economically. It has recovered following the decline of its traditional manufacturing base (including confectionery), restructuring towards higher value services such as tourism, financial services, and science clusters. As identified in the Yorkshire and Humber Regional Economic Strategy, York's unique blend of superb heritage and its Science City status gives it excellent long-term growth prospects.
- 3.4 The relative economic prosperity and the favourable future prospects are attractive features from the point of view of any new stadium-led leisure and tourism development in the city, particularly in terms of those facilities which depend on consumers' discretionary income (including of course tickets for football and rugby league matches, and getting entry into sports and leisure facilities for 'active' pursuits such as health and fitness clubs or five a side football).
- 3.5 The city has two universities which are integral to its ongoing success. There is also York College, which offers further and higher education courses. The city has around 10,000 students. There is a potential role for the universities and the college as part of the new Community Stadium.
- 3.6 Although York's population may be regarded as reasonably wealthy and well-skilled, the overall picture masks some severe pockets of poverty in the city. Indeed, six of York's wards contain pockets of deprivation within the 20% most deprived in England (based on the Government's Index of Multiple Deprivation).

#### ***Tourism***

- 3.7 One of York's major sectors is its 'visitor economy'. As a sporting venue which could attract both day trippers and overnight tourists, the Community Stadium could become a key 'attractor' of visits to the city, particularly if the

football club and rugby league club achieve success on the pitch (attract large away crowds), and the athletics track hosts regional / national competitions. There is also the opportunity for new tourism facilities to form part of any facility mix at the new stadium in order to help plug current gaps in the city's tourism product. York is one of the UK's leading visitor destinations. Added to the appeal of its tourism product, York is centrally located within the UK and highly accessible, which further enhances its attractiveness to a variety of leisure and business tourists.

- 3.8 One of York's most economically valuable tourism market segments is the business, conference and corporate event sector. In general, business tourists spend more per day than leisure tourists (the ratio of a business tourist spending per day to a holiday-maker's is approximately 3:1), so the business tourism market is highly important to York, and the wider region.
- 3.9 York's continued success as a visitor destination – and the strong performance of the hotel sector - has led to a significant amount of private and public sector investment in its tourism offer, including new hotels and the refurbishment of existing hotels which can benefit from the city's success in attracting both leisure and business visitors throughout the year. Indeed, as will be discussed later there are a number of gaps - particularly in terms of additional higher quality hotel provision and new 'fit-for-purpose' conference space – which could complement the facilities provided within the Community Stadium.

### **Public Sector Strategy and Policy Context**

- 3.10 A variety of public sector bodies have been involved in the funding of other community stadiums, including the local authorities (primarily because of the local socio-economic and other community benefits which are created), Regional Development Agencies (because of the economic benefits), and the Sports Lottery Fund and Football Foundation (in light of the sporting benefits created such as widening of access and increased participation). Should the Community Stadium project align with the strategic objectives and priorities of these and other potential key public sector organisations, there is an opportunity for the project to attract grant funding support.
- 3.11 A review of the following key strategic bodies has been undertaken to assess the policy framework for the community stadium project. A summary of this review is included in Annex 1.
- City of York Council and the Local Strategic Partnership ('Without Walls'), in which the Council is a key player.
  - Sport England.
  - Football Foundation.
  - Yorkshire Forward, as the Regional Development Agency for Yorkshire and the Humber.



- Visit York.

#### 4.0 COMPARATOR ANALYSIS

4.1 A detailed study has been undertaken based on UK stadium led developments which have been selected due to their relevance to the issues facing York including: specific type of innovation, type / range of community facilities incorporated, commercial viability / sustainability, management / governance arrangements, build costs etc. It has also been used as a benchmark for the financial models used later and assists to identify key areas of risk that should be considered by the Council and its partners. Details of the case studies undertaken and general findings are provided in Annex 2.

##### ***The case for a new stadium***

4.2 Community stadiums provide a range of other community-based facilities and services on top of their 'core' sporting facilities. In terms of core sporting facilities, this often includes facilities which are made available for professional and community sports clubs, including football, rugby league, rugby union, and athletics clubs. Critical to the financial stability of these clubs is their ability to optimise both match day and non-match-day income, which can be grown when clubs move to newly developed stadiums. According to research undertaken by PriceWaterhouseCoopers, there are a variety of commercial benefits created by the development of new football stadiums<sup>1</sup>. These include the following:

- Increased average attendances due to (1) the improved safety and comfort offered by the new stadium, which enables the clubs to more effectively tap into particular groups of supporters such as families and women, and (2) the interest and goodwill generated by the new stadium development.
- Increased ticket prices through the improvements to the facilities on offer, such as better seating and improved sightlines. This includes the ability to enhance income through the sale of premium seats and executive boxes (which have access to high quality lounge and dining facilities).
- Increased visitor spending on catering and merchandising because of the increased visitor numbers using the stadium and the high quality of food and beverage, and retail, offers provided.
- Increased non-match day income due to the ability to use certain parts of the stadium on non-match days, including the main pitch for pop and rock concerts, or other parts of the ground (e.g., banqueting, conferences and exhibition facilities).

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<sup>1</sup> Source: PriceWaterhouseCoopers (2008) *From Dressing Rooms to Conference Rooms – The Risks and rewards in Funding Sports Stadia*.

- There has also been a recent trend of incorporating hotels (which have conference, banqueting and leisure facilities) into new stadiums. Adding hotels to a stadium's facility mix enables (1) the potential of the hotel and stadium to share certain facilities (e.g., meeting and function rooms), (2) the possibility for the stadium complex to more effectively target some attractive markets, including corporate hospitality, conference and banqueting markets, and (3) creating operating synergies, including the ability for the club/s to sell short break packages which include both the match ticket and a night in the hotel.

### **Summary of comparator findings**

- 4.3 Important lessons must be taken from the experiences elsewhere in the UK. Learning from both good and bad experiences will assist the development of this project. Of significant importance is the approach to management / governance arrangements.
- 4.4 The cost of modern stadiums varies greatly, this study includes a range from £850 per seat (Warrington) to £2,500 (Preston North End). Although cost per seat is widely used to compare costs, research suggests this approach is flawed. What is included, the design and quality of finish etc, varies hugely providing an inconsistent and dangerous benchmark. The safest approach is to identify the 'core stadium' cost, then add on all additional facilities / uses.
- 4.5 There have been a number of innovative new approaches to provide the 'community' element of the stadium. Healthcare and education provision have been used to generate an income stream and provided as part of the wider stadium complex. Successful examples of this are with the PCTs at both Preston and Warrington and with higher / further education colleges at Headingley and Hull. It also provides a new and innovative means of community provision and using a stadium as a focus of health, education and sport.
- 4.6 There is potential to generate commercial income streams via facilities such as offices, hotel and conferencing. Successful examples include Sheffield United and Reading. In terms of ancillary community facilities (e.g., outdoor and synthetic pitches), these may break even at operating profit level, although the likelihood of this would be dependent – at least partly – on the charging and programming policies adopted in relation to these facilities.
- 4.7 Although there are a host of possible governance and operating arrangements for community stadium, many of these leave the Council ultimately exposed to financial risk. For example, Doncaster Metropolitan Borough Council set up a separate stadium management company to operate the Keepmoat Stadium. However, the Council is still exposed to any operating losses generated by the stadium management company. Issues relating to governance and management arrangements are covered in detail in Annex 3.

- 4.8 The site required could range from 8 to 25 acres depending on the external facilities provided. The majority of the additional land take will be for uses such as athletics tracks and sports pitches. These have been developed in open or green belt sites.
- 4.9 Ground sharing creates both problems and opportunities. Heavy usage of pitches can create problems over the quality of playing surface. The use of the latest pitch technology will help address this, including the Desso System - which is used at Reading and Swansea – and is said to be more durable for pitches which are used intensively. There are also a number of commercial opportunities which could be exploited including reduced costs and increased utilisation.
- 4.10 The success of the focus on sustainability at Dartford’s Princes Way Stadium provides a new benchmark in environmentally friendly community stadiums. Although ‘sustainable design and build’ often increases the capital cost of projects, there is an opportunity for the new Community Stadium in York to take sustainability to a new level, building on the experiences and success of Dartford. This is examined as a case study in Annex 2. Sustainability issues are explored further in the report and in detail in Annex 4.
- 4.11 The design of the stadium and in particular the use of the undercroft can be used as a means of providing ancillary and commercial floorspace. This is a cost effective means of development and assists in maximising the land available, bring together services / uses with commonality and strengthening revenue streams whilst keeping capital costs down. Build costs can be reduced between 20-50%. The business case for innovative stadium design to maximise commercial uses is provided in Annex 5.
- 4.12 Where stadiums have been built and do not exploit other commercial revenue streams, they struggle financially. This can have an impact of the long term performance and viability of the teams and / or the financial risk for the council (where involved). Doncaster, Dartford and Leigh stadiums have required significant additional financial support from their respective councils.
- 4.13 There is a direct correlation between performance and attendances, as there is for new stadiums and the increase in attendances. Across the UK where new stadiums have been built there has been a significant impact on attendances. The study has identified a range between +17% and +302%, with an average of 48% for football and 42% for rugby league. In the majority of cases that increase is sustained and has slowly grown over the subsequent three years. (An analysis of attendance / stadium trends is provided in Annex 6).
- 4.14 Evidence undertaken in this study suggests that York has an untapped or dormant support for both rugby league and football. It is also evident that the city is of a size and demographic characteristic that if performance were to improve and / or new facilities be provided, attendances could significantly increase.

## **5.0 KEY COMPONENTS / FACILITY MIX**

- 5.1 One of the primary aims of the first part of this report is to examine the need or demand for a community stadium. Building on the previous sections (strategic review and comparator analysis) this section looks in more detail at the potential components for a community stadium in York. It is important to consider the essential requirements of the key partners and any gaps in community provision across the city. As one of the main aims is to develop a commercially sustainable stadium, consideration also is given to uses that can complement the stadium and bring a mix of capital and revenue to cross subsidise the core and community uses. Details of the need / demand analysis undertaken are contained in Annex 7. A summary of those findings are set out below:

### **Core Uses**

- 5.3 There is a demonstrable need for a community stadium in York. York City and York Knights are currently hampered by the current facilities and it is not cost effective to invest in to either of the existing facilities, if high quality facilities are to be provided.
- 5.4 There is a strong case to further examine the options for ground sharing between York Knights, a rugby league club and York City a football club. Games are played on different days and their seasons overlap, providing an ideal relationship for a ground share. There is no evidence to support the inclusion of an athletics track / facilities within the core stadium. This would be resisted by all core users and supporters.
- 5.5 Both clubs have a strong support base that will grow with a new stadium and / or progress to the next tier. They estimate that with a new stadium they can generate considerable revenue streams on match days and non-match days.
- 5.6 York has the potential to sustain significantly greater crowds for football and rugby leagues if the facilities were improved and performance of the teams improved. York FC has one of the highest attendances in the Blue Square Conference, 1.27% of the population. However, Cambridge (3.28%) and Oxford Utd (3.82%) achieve significantly higher attendances, yet have similar demographic / population catchments and characteristics. (A detailed analysis of attendance / stadium trends is provided in Annex 6).
- 5.7 The minimum requirement for a shared stadium would be 5,000 capacity with 2,000 seats. However, considering the potential support base of York and the wider region, and the potential for progression to a maximum of Tier 2 (the Championship) for the football team and the Super League for the rugby team consideration should be given to a stadium that has the potential to be extended / developed to have a maximum capacity of around 12,000.
- 5.8 Any new stadium would require investment in high quality hospitality and functioning facilities to support the core uses. These will be used for match-

day and non match-day use. There is a good demand for executive boxes and associated top-end entertainment as part of the development.

## **Community Uses**

5.9 There is a significant need / demand for a community focused facility in the city. There are a wide range of community sports, education and health uses that a new stadium could meet. In particular, these would align with key strategic aims of the Region Development Agency (Yorkshire Forward), the York's Strategic Partnership and Corporate Plan and objectives for the regional health authority / PCT.

### ***Sports***

5.10 The current athletics facility is the only competition standard track in North Yorkshire. If the athletics track is to be moved, there is a clear need for a county standard track with associated warm up, changing, club and spectator facilities. The degree that this can be incorporated with the wider community stadium is dependent on a number of factors, particularly location and site size. If the stadium was to be developed as a wider sports / well-being hub, it would be the ideal environment for the athletics facilities.

5.11 A possible demand for the following community sports facilities has been identified: 3G synthetic pitch, water based or 'tiger turf' synthetic pitch for competition standard hockey, multi-use astro-turf pitches and 5/7-a-side pitches, high quality grass pitches, changing facilities and potential support / ancillary sports recreational uses (dependent on location and other facilities included in the development). Details are included in the community sports audit in the table in Annex 7.

5.12 The exact make up and extent of these facilities would need further detailed analysis and discussion with other providers in the city. This would ensure their was a commercially sustainable solution, that did not detrimentally impact existing facilities. This would offer the scope to develop a 'Centre of Excellence' for hockey (a growing sport in the city with no purpose built facilities) that could link in with other sports uses.

### ***Education***

5.13 There is a clear need for an educational focus to the new stadium. A sports / well-being institute could fulfil a number of educational / teaching / learning roles. It could be a focus for Higher York's achievements and strategically bring together a number of sports and well-being related needs. The educational need assessment set out in Annex 7 identifies a number of key roles an 'Academy of Sport and Well Being' could fulfil:

- Follow successful models at Headingley (Leeds Met) and Hull's KC Stadium (Hull College).
- Enable a new centre of excellence for 'Learning City' diploma courses focused around health and sport for up to 100 places per annum for new initiates to address needs for 16-19 year old NEETs.

- Provide facilities for and draw on the expertise of academic staff from YSJU, York University and other local education providers who have common interests in community based sport, exercise science, health related subjects and education.
- Support 'Science City' by providing an ideal location for specialist exhibitions, conferences and lectures etc., supporting the growing market of health and sports sciences.

***Health and well-being***

- 5.14 The PCT and Hospital Trust have identified the need for new and innovative ways of delivering a number of their existing services. Exciting opportunities exist, building on some of the models examined in the comparables chapter, to provide secondary, intermediary and community care facilities as part of a sports / well being hub.
- 5.15 There is also scope for drop-in style centres for new health MOTs and the provision of a hub for interventions of key national health issues such as heart disease, obesity etc. This structure would enable a wide range of community programmes and activities aimed at increasing physical activity, engaging in preventative healthcare and leading healthy lifestyles to be delivered in the stadium, as well as in other satellite venues. For example, the stadium might act as an information point regarding activities promoted throughout York (e.g. cycle/walk for life promotions etc).

**Ancillary commercial**

- 5.16 Following a market analysis exercise it was evident there is significant potential for the inclusion of a 3\* plus to 4\*plus hotel / conference facility as part of a community stadium complex in York. Soft market testing has identified a good demand that warrants further investigation.
- 5.17 There was limited demand shown in York for other more traditional supporting leisure uses such as cinemas, casinos, bowling alleys etc. The idea of a music arena was also considered but the competition from the proposed Leeds arena would pose a risk, furthermore it would complicate proposals for the refurbishment of the Barbican. Scope does exist to use the stadium for a large concerts / festivals. The majority of the risk of organising such events can be passed on to professional event companies. This should not be seen as a revenue stream, but a contribution to the wider attraction of the city. Additional capital investment would be required to ensure that the stadium design would cater for such events (in line with examples at Doncaster, Hull and Swansea).

**Environmental sustainability**

- 5.18 There is a strong case for the stadium to have an environmental sustainability focus and to pursue a more detailed business case on the cost / environmental benefits of developing one of the UK's first Eco-Stadiums. Details supporting this are set out in Annex 4.

- 5.19 Obviously the investment cost for many of these technologies is significant and often outweighs the revenue / carbon savings. Feasibility work would be required to assess the scope, commercial viability and cost. However, it is highly probable that the opportunity exists to attract external funding and sponsorship in pursuing an 'exemplar' project that would promote the city and region. If the stadium was the centre of a community / commercial hub with a wide range of other uses, the case for investment in a range of green technologies would be stronger.
- 5.20 From 2019 commercial buildings will have to be carbon neutral and not reliant on fossil fuels or the national grid. Though the community stadium is anticipated to be built and opened before 2019 it would be an excellent opportunity for York to build the very first Eco Stadium and potentially 'carbon neutral' stadium in the UK.

## **PART 2 ANALYSIS OF OPTIONS**

### **6.0 OPTIONS APPRAISAL**

- 6.1 Part 1 of this report assesses the strategic context and need / demand for a community stadium in York. There is sufficient evidence to suggest there is a strong demand for such a facility. Indeed there is a wide range of potential uses / components that could create an impressive / iconic stadium for the city.
- 6.2 The purpose of this part of the report (PART 2) is to assess the commercial case for such a stadium and assess the financial viability of a short list of options. To create and assess this short list it is important to consider the success criteria agreed by the partners and Executive, these are set out below:
- A stadium for York City and York Knights to meet minimum league requirements.
  - A replacement athletics facility to a minimum of county standards.\*
  - A location that maximises opportunity for access for the people of York and its visitors.
  - Maximises community use including sport, education and health / well-being.
  - A commercially sustainable, the project must result in a viable business venture.
  - Is an environmentally sustainable development.
- \*£1M of CYC capital to be contributed towards the provision of the athletics facility.
- 6.3 Obviously location is a critical issue, but as discussed in previous reports, it is essential to develop a vision of what the stadium will be, before a serious site selection exercise can begin.

- 6.4 Before a short list is developed and financial analysis undertaken, a long list of uses or components has been established drawing on the needs / demand assessment and comparator exercise. To enable the financial modelling an assumption has been made that the core stadium specification is based around a 6,000 all seater stadium with good standard of support facilities. This is not intended to be a final recommendation regarding design or capacity of the stadium.

**Table 3: Component uses for Long-List**

Component	Specifics
Core Stadium	<ul style="list-style-type: none"> <li>▪ 6,000 seat core stadium (with potential to be extended)</li> <li>▪ Shared between York City FC / York Knights RLFC</li> <li>▪ Hospitality / functioning facilities</li> <li>▪ 15 Executive Boxes</li> <li>▪ Car Parking / circulation space</li> </ul>
Community Sports	<ul style="list-style-type: none"> <li>▪ County standard Athletics facility (warm-up, changing, club and spectator facilities)</li> <li>▪ Synthetic sports pitches (1x 3G, 1 x water based, 2x multi-use)</li> <li>▪ High quality grass pitches (x4)</li> </ul>
Other Community	<ul style="list-style-type: none"> <li>▪ Educational sports / well being institute (2,500sq m)</li> <li>▪ Health / Clinical Care Centre (2,500sq m)</li> <li>▪ Potential for other community uses (multi-functional office space as part replacement or in addition to above)</li> </ul>
Ancillary Commercial	<ul style="list-style-type: none"> <li>▪ 120 bed 4* Hotel with extensive conference and leisure facilities.</li> <li>▪ Multi-purpose sporting, music and conference / exhibition arena.</li> </ul>

**Note:** The options and uses set out in this table are for illustrative purposes only. The components will change as the project develops.

### Long list – Facility Mix

- 6.5 The following 'long list' of possible facility options has been developed using the component uses set out in Table 3 above:

**Table 4: Long list of options**

Option	Description / components
A	Do nothing
B	Shared football and rugby 'core' stadium
C	Option B plus limited range of community facilities.
D	Option C plus extensive range of community facilities.
E	Option D but with hotel / conference centre
F	Option E but with a multi-purpose sporting, music & conference / exhibition arena.

- 6.6 At a strategic level, there are a variety of 'pros' and 'cons' associated with each of these, when considered against the success criteria for the project. Detailed consideration for each option is set out in the table in Annex 8. However, a summary of the uses not to be further considered is set out below:

- **Option A:** does not resolve the problems faced by the sports clubs in relation to their existing facilities. It is a corporate priority to deliver a community stadium.



- **Option B:** does not appear to meet the ambitions of the council, or the sporting clubs, for the creation of a new community hub for York. The justification for the project and the council's involvement has always been for a 'community stadium'. It would be unlikely that planning permission would be granted for the disposal of Huntington Stadium as the athletics facility would not be relocated. There would be a major funding gap with limited scope to bridge it. In light of this, Option B is also discounted.
- **Option F:** appears undeliverable in terms of potential funding sources (unless the council funds it directly), and would likely face severe competition from the new arena in Leeds. Also the option exists to stage large scale concerts / festivals using the stadium (as is). Because of this, it is suggested that Option F is discounted.

### Short List

- 6.7 This leaves a short list of Options C, D and E. However, it is felt that an option with a smaller land take is considered in more detail. Due to the limited range of community benefits provided by Option B, there is a sub-option that should be considered if Huntington Stadium is to be disposed of and the facilities there replaced (a planning requirement). Thus fourth option will be considered, which is a shared core stadium (Option B) plus the contribution of £1M towards the relocation of the athletics track elsewhere in the city (but not as part of the stadium). This would result in a core stadium with a minimal land take.
- 6.8 This provides four options which will now be subjected to more detailed financial analysis (set out below in Table 5). For the sake of clarity, they will be now known as Options 1 (B), 2 (C), 3 (D) & 4 (E). It must be stressed at this stage that these options are concepts based on only initial research, analysis and discussions. There are a variety of sub-options in relation to the types of community and commercial uses which could be included.

**Table 5: Final short-listed options**

Option	Description / components
1	Shared football and rugby core stadium. £1m contribution towards replacement athletics facility elsewhere in City (but not necessarily as part of the stadium).
2	Option (1) plus community sports facilities including and county standard athletics track and support uses.
3	Option (2) plus extensive range of community facilities (including health / educational uses)
4	Option (3), plus but hotel / conference centre

## 7.0 FINANCIAL ANALYSIS OF SHORT LISTED OPTIONS

- 7.1 An initial financial analysis of the short listed options has be undertaken in order to provide a high level indication of the potential costs, likely financial impact and risks of each of those short listed options. A bespoke and flexible

financial model has been developed to generate an indication of capital and revenue streams for each option. These are intended for illustrative purposes only, but provide an initial indication of the overall viability of each option. Detailed assumptions and mechanics support rest in the feasibility study.

- 7.2 It should be noted that this is an early stage analysis, in many areas the figures used are best estimates and remain indicative only. The logical next stage of this work; the development of a detailed business case for the most robust and deliverable option, should involve underpinning updated financial assumptions with initial design and master-planning work, site selection, quantity surveyor costings, and heads of terms between the parties involved. A summary of this work is provided below.

### Capital Model

- 7.3 These costs are primarily based on the comparator analysis undertaken (detail provided in the tables in Annex 2). No allowance made for taxation, land costs, highways works, other s106 / infrastructure payments and inflation (there are too many unknowns regarding these issues at this early stage). Thus the costs in this exercise will increase.
- 7.4 In previous reports (Executive 8<sup>th</sup> September 2008) a cost per seat benchmark has been used as an initial indication of the likely cost (£1400 - £2000 per seat). As identified earlier, this is not a safe mechanism. It is important to understand the cost of each component that is included. Therefore the cost has been broken down as follows: A core stadium cost of £1,000 per seat, other costs are added to this: e.g. community sports facilities, car parking, fees, contingency etc. For the sake of comparison this would result in a cost per seat for Option 1 of £1,641, Option 2 of £2,160 and Option 3 of £2,960. The Keepmoat Stadium at Doncaster cost (£2,038).

**Table 6: Summary of Capital Costs for Short-listed Options**

Cost item £'000	Option 1	Option 2	Option 3	Option 4
Cost of land (no site yet identified)	-	-	-	-
Core stadium build	6,000	6,000	6,000	6,000
Community & training facilities	-	3,250	3,250	3,250
Car parking	750	750	750	750
Athletics track	-	800	800	800
Office space (multi use space only options 2/3)	-	-	4,000	4,000
Hotel (only relevant to option 3)	-	-	-	12,000
Fees & contingency	1,350	2,160	2,960	5,360
Other costs (see text: costs not included at this stage)	-	-	-	-
<b>TOTAL</b>				

	<b>8,100</b>	<b>12,960</b>	<b>17,760</b>	<b>32,160</b>
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**Note:** The figures in this table are for illustrative purpose only. Figures & costs are based on best estimates as set out in the feasibility study. They will change as the project develops.

## Revenue Model

7.5 The revenue model (summarised in Table 7 below) has been developed using a wide range of evidence bases, set out in the feasibility study. These figures have been tested against other operational facilities. As it is too early to determine detailed funding arrangements for each option, for the sake of clarity and a means of fairly assessing the potential financial viability; debt has been used to make up any funding shortfall. All four options assume prudential borrowing over a 17 year period - this is for illustrative purposes only. This is not the proposed means of funding. The funding gap section later looks at options to bridge any resultant shortfall.

7.6 The income assumed for the hotel is based on a mid range 4\* 120 bed hotel with extensive conference facilities with a good performance.

**Table 7: Estimated annual income and expenditure account**

Income	Option 1 (£,000's)	Option 2 (£,000's)	Option 3 (£,000's)	Option 4 (£,000's)
Football match day tickets	607	607	607	607
Rugby match day tickets	237	237	237	237
Other match day income – football	229	229	229	229
Other match day income – rugby	71	71	71	71
Hospitality income – football	106	106	106	106
Hospitality income – rugby	56	56	56	56
Community facility income		200	200	200
Non match day box income	187	187	187	187
Rental income – office space	-	-	600	600
Hotel income	-	-	-	1,800
<i>Sub total</i>	<i>1,494</i>	<i>1,694</i>	<i>2,294</i>	<i>4,094</i>
Costs	Option 1 (£,000's)	Option 2 (£,000's)	Option 3 (£,000's)	Option 4 (£,000's)
Match day costs – football	122	122	122	122
Match day costs – rugby	71	71	71	71
Stadium running costs	335	535	535	535
Debt repayment	-	344	756	1,735
Net non match day costs – York City FC	850	850	850	850
Net non match day costs – York City Knights	70	70	70	70
<i>Sub total</i>	<i>1,448</i>	<i>1,992</i>	<i>2,404</i>	<i>3,640</i>
<b>Estimated annual surplus / (deficit)</b>	<b>47</b>	<b>(297)</b>	<b>(109)</b>	<b>455</b>

**Note:** The figures in this table are for illustrative purpose only. They are based on assumptions / evidence bases set out in the feasibility study. Figures / costs etc will change as the project develops.

## Risk and sensitivity analysis

7.7 As noted above, the financial models are dependent on a number of key assumptions and best estimates (set out in the feasibility study). In order to illustrate the risk and sensitivity attached to each of above forecast annual income and expenditure statements, a number of alternative scenarios have been modelled. These are not intended to be exhaustive, but provide an initial indication of the potential robustness of the options if some of the key assumptions change. Table 8 below summarises these scenarios. Each line is considered in isolation, i.e. the figures are not cumulative. However, it is possible than more than one scenario could occur – thus making the position worse. It should be noted that the baseline (row 1) includes assumptions that attendances will increase significantly (and all associated income streams). Row 2 represents an illustration of existing attendance figures at a new stadium.

**Table 8: Sensitivity analysis**

Scenario Surplus / (Deficit)	Option 1 £'000	Option 2 £'000	Option 3 £'000	Option 4 £'000
Baseline (as in bottom line of table7 above)	47	(297)	(109)	455
Current attendance levels (attendances do not increase with new stadium operational)	(466)	(713)	(525)	38
Only 20% rise in attendance levels	(535)	(348)	(216)	216
Debt repaid over 10 years (based on 17yr repayment in baseline)	(96)	(460)	(469)	(495)
£nil income on community sports facilities	(56)	(494)	(306)	258
20% reduction in hotel income (Option 3 affected only)	(46)	(297)	(109)	98
20% increase in stadium running costs	(113)	(401)	(213)	351
25% increase in net non match-day costs	(276)	(524)	(336)	228
£3M additional capital contribution (baseline)	47	(41)	147	711

**Note:** The figures in this table are for illustrative purpose only. Each line provides a potential scenario that will affect each option in a different way. Figures / revenue estimations will change as the project develops.

7.8 The analysis illustrates how vulnerable each option is to fluctuations in performance of key income streams and costs. Obviously the impact of each of the individual scenarios (rows in the table) has a different impact on each option. This is demonstrated in row two – current attendance levels. The impact is severe on all options, but option 4 has a more diverse revenue base and thus manages to remain in surplus. The current attendance line is an important marker as there is a risk that the assumptions made regarding increases in attendance will not be fully achieved, thus there is a risk it may be the baseline. That would make option 1-3 unviable.

- 7.9 With regards to funding, a council capital contribution of £4M is assumed, plus £5M of other contributions. Issues relating to funding and the scope for accessing external funds is covered later. However, row 2 considers the impact of £3M additional capital funding being raised. This has a dramatic positive impact on the commercial viability of options 2, 3 and 4. As option 1 only has a small funding shortfall, there is only a minor impact, as with option.
- 7.10 It is clear from the analysis that options 1,2 and 3 struggle to maintain financial sustainability. There is a high risk they would make an operational loss. Analysis undertaken in the comparator section confirms that stadiums with limited income generation streams, have often failed to maintain viability and councils in those areas have been asked for additional contributions and on-going revenue support. However, with its stronger commercial focus, Option 4 is more robust, but has a significantly higher capital cost. Although option 1 has the lowest capital cost, it does carry a high risk of making a significant revenue loss.

### Sources of funding

- 7.11 At this early stage of the project and in particular due to the economic climate, it is very difficult to accurately estimate the capital funding that will be available. Funding from the Football Foundation (FF) is subject to the approval of an application which must be made prior to May 2012. This is an agreement between the FF and York City FC and is subject to a complex loan agreement. York City FC have pledged to make an additional contribution, which they estimate to be in the region of £3M. It is too early to assess the robustness of this figure.
- 7.12 Disposals will be subject planning policies, debt payments, S106 contributions etc. The property market is currently in a slump, and many developers will not even consider bidding for sites that would have been considered highly attractive two years ago. To this end no detailed valuation has been undertaken of either existing stadiums. Furthermore, the situation is likely to change and the disposals would probably take place in years not months.

**Table 9: Potential sources of capital funding**

Source of funding	Estimated amount £'000	Source / comments
City of York Council capital budget	4,000	<i>CYC capital programme. Based on disposal of Huntington Stadium</i>
York City FC Contribution	3,000	<i>Discussion with football club</i>
Football Foundation Grant to YCFC (Existing loan to be converted grant subject to approval)	2,000	<i>Discussions with football club &amp; Football Foundation</i>
<b>Total</b>	<b>9,000</b>	

**Note:** The figures in this table are for illustrative purpose only. Figures and values are based on best estimates and discussions with potential partners. These have a high risk attached to them – particularly in light of the economic climate.

## 8.0 FINANCIAL / VIABILITY GAP ANALYSIS

8.1 Due to the nature of the economy and numerous other factors (some outlined above) which are difficult to anticipate, the extent of any funding gap is speculative. However, for high level feasibility purposes, a capital contribution of £9M has been assumed. Consideration is now given to how and to what extent the funding gap may be reduced.

**Table 10: Viability Gap**

Option	Estimated cost (£' m)	Estimated funding availability (£' m)	Estimated viability gap (£' m)
Option 1	8.1	8.0*	0.1
Option 2	13.0	9.0	4.0
Option 3	17.8	9.0	8.8
Option 4	32.2	9.0	23.2

**Note:** The figures in this table are for illustrative purpose only. Funding estimates are best estimates for this early stage. The table is intended to give an indication of the viability gap of each option.

\* An additional £1M will be contributed towards the provision of a replacement athletics facility. The total Council contribution will be £4M

8.2 The financial model uses prudential borrowing (over 17 years) as a means of funding any shortfall, to illustrate clearly the commercial viability of each option. This is not the proposed means of funding. The key objective is to develop a model that is commercially sustainable whilst having a 'community' focus. It is essential any chosen option can exist notwithstanding the fluctuations of performance of the sporting partners. There is a relationship between the wider impact of each option (how they contribute to the strategic objectives of the city / region), their commercial viability, the funding gap and the likelihood of them successfully attracting external funds and / or enabling development. The greater the community outputs and contribution to strategic aims, the more chance of accessing external funds.

8.3 Obviously if the funding gap can be reduced, the more scope there is to generate profit, resulting in a more commercially robust model. A number of options exist to reduce the capital funding gap. However, the possibility of accessing such funds will differ from option to option. More detailed work is required as part of the next stage of the project to assess the potential for funding streams, engage with relevant funding agencies and market test commercial opportunities. A short summary of the analysis undertaken is provided below:

### **Cross subsidy / enabling development**

8.4 The principle of using value from commercial development to cross-subsidise a community facility is commonplace. In many cases, development that would not normally be permitted, has been approved as part of a wider

scheme to enable it. This has been the case with a number of stadiums in the UK, more recently particularly those with a 'community' focus.

- 8.5 Offices, residential and in particular retail development have all formed parts of schemes to assist the funding of community stadiums. Food retail is very popular as it has a high yield and can maintain a good operational relationship with a stadium. Warrington, Southend and Chesterfield are all examples of major retail development where special circumstances have been demonstrated as part of sequential planning test.
- 8.6 A detailed analysis of the potential for enabling development to support a community stadium project in York has been undertaken as part of the feasibility. In brief the findings are as follows:

**Offices:** The market is in a slump at the moment and there is a large number of empty sites / buildings across the city. Rents of approximately £10 to £16 per foot can be achieved, but it is unlikely that a major office development would be an appropriate use to support a stadium (however this is obviously very dependent on location). It is more likely that scope exists for smaller / incubation units / public sector uses that are ancillary to the stadium (as covered in the ancillary commercial uses section earlier in this report).

**Retail:** Food retail has high land values. There is limited scope for a major retail enabling development based on the study undertaken by Grimleys for CYC. Any gaps in provision are encouraged to be in more central locations. Although demand will grow in the future, it is likely that very special circumstances would need to be demonstrated if to support a community stadium development (particular if out-of-town). It is believed that values of up to £27.5M have been paid for large supermarket sites in the City.

**Residential:** A number of developments have been supported by residential development, often as larger stadium complex developments. A major capital receipt was achieved as part of Oxford United's new stadium. Again, these would be very site specific as residential amenity / provision of local services are very important. There is a clear housing need in York. Furthermore, proposals for an urban extension to the city, may offer potential to encompass a stadium as part of the community facilities.

### **External Funding / sponsorship**

- 8.7 The policy framework was considered earlier in the report. Agencies such as Yorkshire Forward and Sport England will only have interest in making contributions to the project where there is a clear and direct benefit to strategic objectives. Consideration is given to the wider impact of the options in the next section of this report. Table 11 (in the next section) illustrates the potential economic impact. Annex 1 provides a summary of the project's potential outputs and their alignment with key policies. In all cases Option 1 would likely have little chance of acting external funds or commercial interest. It is predominantly a commercial sports stadium the scope for some

community use. The other options offer more scope, however, this would be subject to further feasibility work and discussion with relevant agencies.

***Regional Development Agency – Yorkshire Forward***

- 8.8 In the case of Yorkshire Forward this relates to the RES and 3 cross cutting themes. If summary tables 11 (below) and Annex 1 are considered, Option 3 and in particular Option 4 could make significant regional impact. Furthermore, if the option to exploit the green technologies and strive to make this an environmentally sustainable hub, the appetite of the RDA to become involved with the project will certainly increase.

***Sport England – Community Investment Fund***

- 8.9 With regards to Sport England, the multi-agency approach, focus on a centre of sport, well-being and education aligns closely with the recent guidance set out in their Developing Sustainable Community Facilities Toolkit. Funding could be sought towards the community sports facilities, however, the links with health / well-being and education would deliver more strategic outputs, adopting a multi-agency approach. Thus it is likely that options 3/4 may offer a stronger case for funding. Efforts to incorporate a Centre of Excellence for hockey may also strengthen the case.

***Big Lottery***

- 8.10 There are a number of initiatives that the stadium project might be aligned with. In particular the Reaching Communities programme contributes to projects which demonstrate:

- People having better chances in life, including being able to get better access to training and development to improve their life skills.
- Strong communities, with more active citizens, working together to tackle their problems.
- Improved rural and urban environments, which communities are better able to access and enjoy.
- Healthier and more active people and communities.

- 8.11 In summary there is a strong case to open discussions the relevant external funding bodies, particularly if a multi-agency approach is considered which might incorporate an environmentally sustainable development of regional significance.

**Additional public sector contributions**

- 8.12 Where wider community benefits can be demonstrated there will be a case to seek S106 and infrastructure levy contributions. These are very much dependent on the location of the development and pressure from other potential beneficiaries.

**Procurement / development approach**

- 8.13 Commercial development partnerships and Public Private Partnerships (PPPs / PFIs) are ways in which funding gaps can be reduced as part of a



major development agreement. Leigh Sports Village was delivered through a partnership with a developer. As part of a complex development agreement, a new stadium was built 'upfront' with the developer bearing the risk of all the commercial elements. This is generally only feasible if there is significant commercial value in the overall scheme, or a unitary charge (revenue payment) is made as a long-term financial commitment (often in return for a fully managed / maintained facility).

- 8.14 There appears to be scope to further develop this approach particularly with option 4. The opportunity to transfer risk and reduce the capital contribution required (from the council) may offer a route to deliver the more ambitious and expensive options identified but at no additional cost or risk to the council and its partners.

## **9.0 ECONOMIC AND SOCIAL IMPACT**

9.1 As a community-based project, it is hoped that the proposed stadium will have a positive impact which will benefit local people, businesses and visitors, as well as potentially the wider regional economy. As many aspects of the project still need to be determined (including the actual facility mix and levels of investment, etc.), this can only be regarded as an initial view of the possible benefits that the potential options could generate. This is important as it demonstrates the council is fulfilling its role as a community enabler, but also heightens the chance of accessing external funds. The strategic, economic and tourism benefits which would be created by this overall project include the following:

- Increase community involvement and build a sense of pride.
- Directly created jobs that support the local and wider economy.
- Direct and indirect jobs associated with support functions of the stadium. There would be significant construction related work, that would also offer educational potential for the city's colleges.
- Wider positive economic impact, from conferences, hotel visits, visiting fans, concerts etc.
- Increases York's visitor attraction and diversity.
- The project could become a national benchmark for sustainable development and in particular be the country's first fully Eco-Stadium. This would bring positive publicity to the city / region and sponsorship opportunities.
- Improve opportunities of skills training in specialist fields, particularly making the links between well-being, sport and education. The option for an Institute for Sports and Well-Being would make a positive educational contribution to the city.

- Funded wholly or partly by the public sector, it would address an identified market failure, as the financial returns generated by community projects such as this are typically insufficient to attract significant levels of private sector investment.

9.2 In conclusion this project has the potential to make a significant impact on the objectives of the Corporate Strategy, the Regional Economic Strategy and the city Strategic Partnership.

9.3 Table 11 below summarises the initial economic impact assessment undertaken. It must be stressed that this is a preliminary assessment. Some of the jobs created will be 'displaced' particularly those associated with the relocation of health provision from elsewhere in the City. A more detailed assessment will be undertaken as the project progresses as part of the detailed feasibility work.

**Table 11: Illustrative initial economic impact assessment on all Options**

Item	Option 1	Option 2	Option 3	Option 4
<b>GROSS DIRECT EFFECTS (£ million)</b>	<b>4.00</b>	<b>4.25</b>	<b>4.50</b>	<b>10.70</b>
(less leakage) (£ million)	3.80	4.04	4.28	10.17
(less deadweight) (£ million)	3.80	4.04	4.28	10.17
(less displacement / substitution) (£ million)	2.85	3.03	3.21	7.62
Plus multiplier (£ million)	4.28	4.54	4.81	11.44
<b>TOTAL NET ADDITIONAL EFFECTS (£ million)</b>	<b>4.28</b>	<b>4.54</b>	<b>4.81</b>	<b>11.44</b>
Direct employment	45	55	555	651
Indirect employment	60	64	67	160
<b>TOTAL FULL-TIME EQUIVALENT JOBS CREATED / SUPPORTED</b>	<b>105</b>	<b>119</b>	<b>622</b>	<b>811</b>

**Note:** The figures in this table are for illustrative purpose only, to provide an indicator of the potential impact each option in its current form may be capable of achieving.

### **Areas of strategic alignment with public sector strategy and policy**

9.4 An in-depth analysis was undertaken of the policy framework and strategic alignment with external funding bodies earlier in this report (summary provided in the table in Annex 1).

9.5 Consideration is also given to the objectives of the city Strategic Partnership and the council's Corporate Strategy 2009 – 2012. As already mentioned the project is identified as a corporate priority under the Cultural City theme. However, Table 12 below attempts to provide an initial indication of the impact or contribution the three different options will have on the aims, objectives and general purpose of the seven themes.

9.6 The scores range from 0-5, 5 representing an excellent contribution to the aims and objective of the theme, 3 making a good contribution and 1 making

a minor contribution. This table is only used as high level guide, but gives a feel for the potential impact each option could make.

**Table 12: Contribution options make to aims of Corporate Strategy & Strategic Partnership**

Corporate Strategy Theme	Option 1	Option 2	Option 3	Option 4
Thriving City	1	1	3	5
Inclusive City	0	1	2	2
Sustainable City	2	2	3	5
City of Culture	1	2	3	4
Safer City	1	2	2	2
Healthy City	2	3	5	5
Learning City	0	1	4	4
<b>Total (Maximum score 35)</b>	<b>7</b>	<b>12</b>	<b>22</b>	<b>27</b>

**Note:** The figures in this table are for illustrative purpose only, to provide an indication of the potential impact each option in its current form is capable of achieving.

- 9.7 It is not often that the council considers a project that has such a wide ranging impact and contribution to the different strands of the Strategic Partnership and Corporate Strategy. The council could act as an enabler to drive forward a project that has significant impact at many levels across the city at a time when confidence is low.
- 9.8 There is scope to develop a proposal that makes a significant social and economic impact. At a regional level the contribution to, and alignment with, Yorkshire Forward's RES and the three 'cross cutting themes' could be considerable, particularly if the option to consider an Eco-Stadium is pursued.

## 10.0 Planning Considerations

- 10.1 A review of planning issues relevant to this stage of the project has been undertaken, this is set out in Annex 9. The key planning issues that have been identified are: the need to adopt a sequential approach to site selection; the need for good access by public transport; and the need to safeguard the historic character and environmental capacity of the city. The stadium should preferably be taken forward through the emerging Local Development Framework and the preferred site evaluated in terms of these key planning issues in the context of the wider spatial strategy for the next 20 years. When a site/alternative sites have been identified, these can be incorporated into the LDF Allocations Preferred Options document and subject to public consultation in Autumn 2009.
- 10.2 A methodology has been developed to search for the most appropriate location for the stadium. This process is dependant on the preferred model for the stadium. The methodology for identifying areas of York potentially suitable for the stadium follows a 'sieving' approach of removing areas of constraint. The primary constraints are the areas of highest green belt quality (from the Green Belt Review, 2003), nature conservation sites, the functional flood plain and public transport accessibility. Potential sites can then be

identified in these areas and a scorecard approach can then assess the quality of each site against a series of constraints. The methodology will also assess the appropriateness of the enabling / ancillary component of the business model for each site against the LDF Evidence Base.

## 11.0 Risk

- 11.1 There are a significant number of risks associated with this project due to the high level nature of the work undertaken so far. The purpose of this exercise is to identify whether there is a need for the project and if so, provide some options for what might be included, identify the potential costs, benefits and risks. This report has achieved that aim. This report is not intended to provide a means of mitigating any of the key risk, but to identify them and recommend further work be undertaken through a detailed feasibility study to develop options that will minimise the risks, and provide a robust, sustainable and deliverable option. The key risks at this stage are as follows:
- 11.2 **Financial:** The figures, costs and values used in this report are only intended for illustrative purposes to provide an idea of the potential capital and revenue costs of the options. As stated throughout the report they are based on assumptions and evidence set out in the feasibility study undertaken by Five Lines Consulting and other key documents / reports. These figures will change as the project progress. The sensitivity analysis set out above deals with some issues regarding revenue streams.
- 11.3 **Funding:** The figures and values identified as capital contributions are based on best estimates. Where partner contributions are mentioned – these are based on discussions with the relevant bodies, no formal due diligence has been undertaken. Disposal values are currently difficult to estimate due to market conditions. As the project progress more detailed planning briefs will be prepared to inform valuations.
- 11.4 The scope exists to open discussions with external funding agencies. The mechanisms / amounts available will totally reliant on the specific nature of the options pursued and the contribution they make to relevant objectives. Any reliance on external funds has a high risk associated with it.
- 11.5 **Planning:** This is an early stage in the project. Issues relating to site selection, enabling development, planning permissions, disposals and S106 / other development contributions etc will emerge as the project develops. This will become a major workstream as part of the next key stage. Planning will remain a high risk for the funding and delivery of this project.
- 11.6 **Partnerships:** Many of the concepts that make up the options are based on high-level and initial discussions with potential partners. There is a significant risk that as the project progresses the position of these bodies may change. This will impact on the nature and make-up of the options. As the next stage of the project begins, detailed discussions will need to begin with all potential partners and heads of terms / memorandums of understanding should be prepared to firm-up potential opportunities.

- 11.7 **Legal:** There are numerous issues and risks that affect the council, its role and powers. Detailed consideration needs to be given to this, as the project progresses. In particular, the issue regarding overall responsibility if revenue targets / commercial performance is not achieved must be considered and addressed.

## 12.0 CORPORATE CONSIDERATIONS

### **Financial Implications**

- 12.1 The funding of £100k required to further develop this scheme is outside the current budget framework approved by Council on the 26th February. Approval to commit expenditure beyond this framework can only be given by Council and would need to be funded by General Reserves unless it can be contained within existing budgets.

### **Legal**

- 12.2 At this stage there are no significant legal implications associated with this report. Legal advice will be provided to officers as the project develops, and detailed legal implications will be included in the report to the Executive on the detailed business case.
- 12.3 Under Section 2 of the Local Government Act 2000 the Council has the power to do anything which it considers is likely to achieve the promotion or improvement of the economic, environmental or social well-being of its area. This is a wide ranging power and can cover financial assistance to organisations.
- 12.4 Section 3 of the Local Authorities (Land) Act 1963 also gives local authorities the power to advance money to any person for the purpose of enabling him to acquire land, erect buildings, or carry-out work on land, provided this is for the benefit or improvement of the area.
- 12.5 In situations where a public authority provides financial support for a private body, this will potentially constitute state aid under Article 87 of the EC Treaty and may be unlawful. However, certain exemptions apply, such as the "de minimis" exemption, which provides that aid below £158,000 over a three year rolling period would not be considered as state aid.
- 12.5 Detail legal advice will be provided to Officers as the project develops.

### **Property**

- 12.6 Before potential sites are identified and considered the scope of the proposed stadium development needs to be agreed so that potential sites can then be assessed against these criteria, the most important of which will be - size and layout of site, proximity to public transport and access links, planning issues, legal title on the land to be used, suitability of the site to meet the requirements. This process should be carried out in liaison with the Corporate Landlord through the Corporate Asset Management Group and

should link to the Service and Area Asset Management Programme currently being undertaken.

- 12.7 Before a value can be placed for the disposal of the Huntingdon Stadium site there needs to be an assessment of legal title, consideration of suitable uses in accordance with a planning brief, review of Council and partner service needs which could be met on this site and a view of the current and future market conditions

**Human Resources** – There are no implications.

**Crime and Disorder** – There are no implications

**Information Technology** – There are no implications

### 13.0 CONCLUSION

- 13.1 The Outline Business Case demonstrates that there is scope to deliver a community stadium in York. Table 13 below summarises the key costs and benefits each for each option. The analysis is based on high level indicative data. However, there is sufficient evidence to show that an option could be developed that is deliverable and commercially robust. This is an early stage in the feasibility process and many of the potential partnerships need further investigation. The financial and economic assumptions need more robust and detailed assessment. Potential funding streams need further exploration.

**Table 13: Summary of costs and benefits**

	Option 1	Option 2	Option 3	Option 4
Capital Costs (£ 000s)	8,100	12,960	17,760	32,160
Capital available (£ 000s)	8,000*	9,000	9,000	9,000
Commercial Investment / External Funding Required (£ 000s)	100	3,960	8,760	23,160
Revenue Surplus / (Deficit) £ 000s Baseline before risk / sensitivity analysis	47	(297)	(109)	455
Jobs created / supported	105	119	622	811
Economic value (£ 000's)	4,280	4,540	4,810	11,440
Strategic contribution (scale 0 – 35)	7	12	22	27

**Note:** The figures in this table are for illustrative purpose only. Figures / costs / values and outputs will change as the project develops.

\* £1M additional contribution towards athletics facilities elsewhere. Total Council Contribution £4M.

- 13.2 A prudent approach is recommended in developing a preferred option. No final commitment is required at this stage. Detailed feasibility should be undertaken in a way that examines the scope for delivering an affordable option that provides a wide range of community benefits, limiting the risk to the council. The scope to maximise commercial viability should be further explored. Thus a full business case will be developed for the most robust and deliverable option as it emerges.

### **Next Steps & Project Management Costs**

13.3 To develop a full business case, detailed feasibility work will be need to be undertaken. This will involve in-depth analysis and the use of specialist resources. There will be a number of strands to the work that will involve dedicated external resources, these are as follows:

- Site selection and development of the planning case.
- Formalisation of partnerships and potential management / governance arrangements.
- Preparation of a detailed economic assessment.
- Master planning & architectural schematics.
- Detailed feasibility, cost and funding options.
- An environmental sustainability feasibility study.
- A detailed risk assessment.

13.4 If the site selection process and development of the project is to continue to align with the LDF process, a great deal of this work will need to take place before the end of the year (December 2009). The council do not have the resources to deliver this from the existing project resources. A budget of £200K was established for initial project management costs. Approximately £125K has been committed (up to the end of this financial year).

13.5 A project costing exercise has been undertaken (summarised in Annex 10). It is estimated that (in addition to the £125K committed) the total feasibility and project management costs to take the project to the next key and final feasibility stage (April / July 2010) will be £175K (£300K in total). This will represent an additional £100K to the budget already identified.

### **RECOMMENDATIONS**

1. Note the findings of this report and pursue the project to the next key stage. To undertake a detailed feasibility study that will develop a full business case for a robust and deliverable community stadium in York. To report back to this Executive in two key stages a) findings from site selection and initial feasibility (November 2009 to align with LDF process) b) between April – July 2010 for the final findings.
2. That the Executive recommend to Council to agree the approach set out and allocate £100k from General Reserves in 2009/10 to provide funds for the delivery of this work. This will include specialist external advice to ensure this work is delivered within the next 12 months.
3. That the following strands of work are undertaken as part of the feasibility study to enable the development of a business case for a preferred option:

- Confirm the specific requirements of York City, York City Knights and the Athletics Club. This could be formalised in some form a Memorandum of Understanding in relation to potential capital contributions, governance, operating arrangements, and facility usage.
- Pursue detailed discussions / negotiations with relevant educational and health sector partners to exhaust options for a well-being / educational hub. Exhaust the opportunities for other public sector stakeholders / partners and develop a business plan / development plan of how the uses could effectively co-habit a community stadium.
- Undertake a detailed financial and economic assessment. Initiate discussions with potential funding agencies. Undertake a detailed examination of development / procurement options as part of the wider financial appraisal.
- Initiate the site selection process for a preferred site or sites and begin the preparation of a high-level planning case. Examine the scope for enabling development linked to the funding / financial appraisal.
- Undertake master-planning / design work to assist the site selection process, identify land take requirements. Provide schematics to enable the feasibility work and specific stadium / partner requirements.
- Develop a high level business case of developing an eco-stadium that maximises the potential of environmental sustainability and green energy sources / technologies. This will cover a range of options, benefits, capital / revenue costs / savings, CO2 savings and funding potential.
- Identify officer for key corporate disciplines (in particular finance, legal, property, leisure and planning) who will work as part of an internal team to support the feasibility work and ensure the interests of the council are secured at all stages as the project proceeds.



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**Report Approved**

**Date** 12/6/09

**Specialist Implications Officer(s) :**

None

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

**All**

**For further information please contact the author of the report**

**Background Papers:**

- Community Stadium Report to Staffing and Urgency Committee 21<sup>st</sup> May 2008
- Staffing and Urgency Committee Minutes 21<sup>st</sup> May 2008
- Deloitte report on community stadium for CYC 20<sup>th</sup> June 2008
- Active York's Sport and Leisure Strategy
- Executive Report 15<sup>th</sup> July 2008
- Executive Report 9<sup>th</sup> September 2008
- Executive Report 20<sup>th</sup> January 2009
- Executive Report 28<sup>th</sup> April 2009

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## **ANNEX 1**

### **Public Sector Strategy and Policy Context**

A variety of public sector bodies have been involved in the funding of other community stadiums, including the local authorities (primarily because of the local socio-economic and other community benefits which are created), Regional Development Agencies (because of the economic benefits), and the Sports Lottery Fund and Football Foundation (in light of the sporting benefits created such as widening of access and increased participation). Should the Community Stadium project align with the strategic objectives and priorities of these and other potential key public sector organisations, there is an opportunity for the project to attract grant funding support.

Given the project is at an early stage of its evolution, in the following section we focus only on strategic and policy framework involving the following organisations:

- City of York Council and the Local Strategic Partnership ('Without Walls'), in which the Council is a key player.
- Sport England.
- Football Foundation.
- Yorkshire Forward, as the Regional Development Agency for Yorkshire and the Humber.
- Visit York.

#### ***City of York Council and the Local Strategic Partnership ('Without Walls')***

The Council's Corporate Strategy (2009 to 2012) details its corporate goals, priorities and commitments. The provision of a new Community Stadium has been identified as a priority in this strategy. It outlines the council's commitment as follows: "we will develop proposals to complete the building of a Community Stadium for the city that will provide high quality sport, recreation and other community focused opportunities". This commitment sits within the broader following objective of the Council: "we want to inspire residents and visitors to free their creative talents and make York the most active city in the country. We will achieve this by providing high quality cultural and sporting activities for all".

'Without Walls' is York's Local Strategic Partnership and is the umbrella partnership. It is a strategic level body that brings together key organisations, agencies and partnerships from the public, private, voluntary and community sectors within York. In addition to the council, the partners include North Yorkshire and York Primary Care Trust, North Yorkshire Police, York University, Higher York, York Council for Voluntary Service, the Chamber of Commerce, and Jobcentre Plus. Support to the Without Walls Partnership is provided through Council officers and is funded by the Council. No other funding is currently provided by partners.

Without Walls works to develop and deliver the Community Strategy (called 'York - A City Making History'). It brings together partners on the basis of a shared common purpose, which is to work together for the benefit of the city. The Community Strategy is structured around the following seven themes:

- The Thriving City - continue to support York's successful economy to make sure that employment rates remain high and that local people benefit from new job opportunities.
- The Learning City - make sure that local people have access to 'world class' education and training facilities and provision. This will help them to develop the skills and aspirations they need to play an active part in society and contribute to the life of the city.
- A City of Culture - inspire residents and visitors to free their creative talents and make York the most active city in the country. We will achieve this by providing high quality cultural and sporting activities for all.
- The Safer City - a safer city with low crime rates and high opinions of the city's safety record.
- The Sustainable City - reduce our impact on the environment while maintaining York's special qualities and enabling the city and its communities to grow and thrive.
- The Healthy City - be a city where residents enjoy long healthy and independent lives. For this to happen we will make sure that people are supported to make healthy lifestyle choices and that health and social care services are quick to respond for those that need them.
- The Inclusive City - make sure that all citizens feel included in the life of York. We will help improve prospects for all, tackle poverty and exclusion and make services and facilities easy to access.

There are a few projects considered by the city that have the potential to make a significant impact on the aims and objectives of all key themes. The Community Stadium project has that potential.

Active York is accountable to the Without Walls partnership with the primary aim of delivering on a range of associated increased participation targets. Active York also functions as a strategic planning, consultative, and implementation body for sport and active leisure in the city. Active York has undertaken analysis of current and anticipated future community sport and leisure provision across York, the outputs of which are discussed as part of our appraisal of the Community Stadium's possible facility mix, discussed later.

***Sport England***

Sport England is the government agency responsible for developing England's community sports network. It is one of the bodies responsible for distributing National Lottery funds, so could be a potential grant funder of the proposed new Community Stadium in York. Sport England focuses its investment on organisations and projects that will grow and sustain participation in grassroots sport and create opportunities for people to excel at their chosen sport.

The new Community Stadium could provide a new, safe and affordable 'hub' for sport, leisure, learning and well-being in York, and therefore create significant opportunities for the increased participation in sport. In addition to new high quality sports facilities, the stadium could provide a base for sports development activities which target specific groups which exhibit lowest levels of participation. The facilities could also support Sport England's talent development agenda through the provision of high quality training pitches, facilities and services.

Sport England have recently published a toolkit for the Developing Sustainable Community Facilities (May 2009). It focuses on seeking commercially sustainable facilities and strongly encourages multi-agency approaches and the development of sport and well-being hubs. The approach proposed is highly consistent with the thinking and options set out in this report and thus adopts the new thinking of Sport England.

#### ***The Football Foundation***

The Football Foundation is funded by the Premier League, the Football Association and the Government. Each year, the Premier League, the Football Association and the Government invest £40 million into the Football Foundation. As mentioned in the introductory chapter, the Football Foundation have already provided a £2 million loan to York City FC, which is convertible into a grant for the development of a new stadium in York, providing an application is received (and approved) by the Football Foundation by May 2012.

#### ***Yorkshire Forward***

Regional Development Agencies have been shown to support other community stadia in England, primarily because of the economic benefits which can be generated (e.g., additional jobs created and supported). For example, the East of England Development Agency provided a £1 million contribution towards the £14 million capital costs associated with the development of the Colchester Stadium. Because of this, it is necessary to reflect upon the strategic agenda of Yorkshire Forward, as the Regional Development Agency for Yorkshire and the Humber.

It is important therefore to highlight the strategic framework provided by the Regional Economic Strategy (sometimes referred to as the 'RES'), as this guides Yorkshire Forward's intervention and investment in projects. The RES provides a ten year blue print to improve Yorkshire and the Humber's economy. Its over-arching goal is to seek high quality, sustainable growth which will maximise the long-term benefits to businesses, people, and the

environment. The RES has the creation of 'great places' at its heart, and identifies six strategic objectives, as follows:

- More businesses (because higher levels of enterprise are important).
- Competitive businesses (making indigenous businesses more productive because they innovate and invest).
- Skilled people (with talents that employers value and which offer due reward).
- To connect people to good jobs (because levels of employment make a big difference to people and the economy, and we need more people in jobs in deprived areas).
- Enhanced transport, infrastructure and the environment (a strong economy needs good sustainable transport connections and to make the best of the environment and infrastructure).
- Stronger cities, towns and rural communities (to ensure they are attractive places to live, work and invest).

In addition to the above objectives, the RES details three 'cross-cutting themes' which underpin the entire strategy, which are:

- Sustainable development (growing businesses through a long-term approach that benefits the environment).
- Diversity (ensuring all people and businesses realise their potential and contribute to a better economy).
- Leadership and ambition (the region raises its sights and promote a culture where people, businesses and agencies aim high and drive change).

Focusing on the first of these cross-cutting themes, modern stadia are increasingly looking to optimise their environmental sustainability, with Dartford's Princes Way Stadium being a useful example of this (as will be discussed later in this report). Also, the City of York Council have been clear in their commitment to ensuring that any new Community Stadium in York should be environmentally sustainable. This suggests that a project which both maximises the economic outputs of additional skilled employment created and supported, as well as being developed sustainably would align with the strategic objectives and priorities of Yorkshire Forward.

### ***Visit York***

Visit York is the destination management organisation that is responsible for strengthening the promotion and development of tourism in York. One of Visit York's funding partners is Yorkshire Forward, so it forms part of the regional

network of organisations which helps deliver the Visitor Economy Strategy for Yorkshire and the Humber. In light of this, it is necessary to assess Visit York's strategic agenda for developing York's tourism sector further, and the possible role the new Community Stadium could play in supporting this strategic agenda.

In 2007, a 'Tourism Strategy and Action Plan' for York was published, which includes a variety of strategic objectives and priorities for growing City's tourism sector (which align with the broader regional objectives as detailed in the regional Visitor Economy Strategy). The key priorities include strategic, long-term investment which will enhance York's visitor offer and encourage high spending, long stay visitors by adding value to their trip. Specific areas of priorities for investment include the following:

- Investment in the quality of place, corridors and linkages between the key attractions.
- Supporting major investment propositions that benefit tourism.
- High quality, innovative visitor information centre provision.
- Support for events and festivals as a means of bringing new, and returning longer stay, visitors to York.
- Attracting high quality hotel development.
- Developing York as a Gateway to the rest of Yorkshire (which is particularly important given that York already attracts high numbers of the ABC1 socio-economic groups from areas such as London, the South East, and the Midlands, which are core target markets for Yorkshire and the Humber as a whole).

Because of the strength and prospects of its holiday and business tourism markets, York is currently the focus of a great deal of interest from potential hotel developers and operators. However, most of the expressions of interest have been in relation to budget and mid market (three-star) provision, which whilst an important offer for certain tourism market segments, is not a strategic priority for York as a tourism destination. As per the Tourism Strategy's priorities above, discussions with Visit York (undertaken for this preliminary feasibility study) confirm that a particular strategic priority is to attract high quality (4-star plus) hotel provision to York. Visit York is particularly keen to see new hotels that are distinctive. Also, there is a market gap for new hotels that offer high quality conference facilities, including a range of different sized conference and meeting rooms, and break-out rooms. In terms of potential locations, Visit York has a preference for sites close to the city centre (with good access from the railway station).

**Table : Areas of strategic alignment with public sector strategy and policy**

Possible outcomes / outputs	Alignment with public sector strategy / policy
Jobs safeguarded / created directly / supported indirectly	<ul style="list-style-type: none"> <li>Yorkshire Forward (e.g., the creation of additional skilled employment). CYC Corporate Strategy – Thriving City.</li> </ul>
Skills development (e.g., adults achieving vocational qualifications, work-based training, etc.)	<ul style="list-style-type: none"> <li>Yorkshire Forward (as per the above point). CYC Corporate Strategy - Thriving City and Learning City; Sport England – Developing Sustainable Community Facilities</li> </ul>
Brownfield land reclaimed or developed (should such a site be used for the Community Stadium)	<ul style="list-style-type: none"> <li>Yorkshire Forward (as one of their aims is to help bring brown-field sites back into economic use). CYC Corporate Strategy – Sustainable City and Thriving City, Sport England – Developing Sustainable Community Facilities</li> </ul>
Businesses linked with the education sector	<ul style="list-style-type: none"> <li>Yorkshire Forward (as they are keen to help forge productive links between businesses and the education sector, particularly in areas such as R&amp;D). CYC Corporate Strategy – Learning City and Thriving City</li> </ul>
Creation of new quality hotel and conference facilities (as part of a new ‘visitor destination’ for York)	<ul style="list-style-type: none"> <li>This outcome would align with the strategic agenda of a number of key agencies, including Yorkshire Forward, City of York Council, and Visit York. For example, Yorkshire Forward is keen to support initiatives which will create new destinations to grow the region’s economy and are focused on raising the quality of the region’s tourism offer in general. Allied to this, Visit York (as Yorkshire Forward’s sub-regional tourism delivery partner) has identified a need for additional, high quality hotel provision in York.</li> <li>As tourism is so important to the Gross Domestic Product of York, the Council is keen to see new developments which will enhance the sectors contribution to the wider economy, as long as they are sensitive to the environment.</li> <li>CYC Corporate Strategy - Thriving City and City of Culture.</li> </ul>
Creation of new sports and leisure facilities which will be accessible to all members of the local	<ul style="list-style-type: none"> <li>Sport England and the Football Foundation - both organisations are focused on increasing participation in sporting and active leisure, particularly in terms of (1) encouraging greater levels of participation within the 16-plus age group, and (2) enabling the identification and nurturing of elite sports people.</li> </ul>



community	CYC Corporate Strategy - Healthy City and Inclusive City
Development of a new, high quality sport, recreation and other community facilities which will help improve participation in sports and leisure to assist with the improvement of levels of health across the city	<ul style="list-style-type: none"> <li>• This outcome would align with the strategic agenda of many organisations, including the City of York Council, 'Without Walls' (the Local Strategic Partnership), and the Football Foundation.</li> <li>• For example, the local strategic partnership is committed to improving the health of York's residents, as there are instances of poor health, obesity and low levels of participation in sport and physical activity in some of the more deprived wards.</li> <li>• CYC Corporate Strategy – Healthy City, Inclusive City and Safer City.</li> <li>• Sport England – Developing Sustainable Community Facilities</li> </ul>
The creation of a wide range of learning opportunities for local people within the education facilities which could be provided at the Community Stadium	<ul style="list-style-type: none"> <li>• Without Walls, as one of the local strategic partnership's over-arching goals is to make sure that local people have access to 'world class' education and training facilities and provision.</li> <li>• Option to create an Institute for sports sciences and well being. CYC Corporate Strategy – Learning City, Healthy City, Thriving City.</li> </ul>
A sustainable stadium  Potential to create the UK's first Eco-Stadium	<ul style="list-style-type: none"> <li>• Sustainability is one of the cross-cutting themes of the Regional Economic Strategy (which is delivered by Yorkshire Forward and its local, sub-regional and regional partners). It is also a key theme of the Without Walls partnership.</li> <li>• We are aware of other projects in the UK where Regional Development Agency investment has been provided to help fund sustainable capital projects (e.g., to assist in ensuring that projects meet the tightest standards of environmental.</li> <li>• CYC Corporate Strategy – Sustainable City and City of Culture</li> <li>• Sport England – Developing Sustainable Community Facilities</li> </ul>



## APPENDIX 2 – COMPARATOR ANALYSIS

**Table a) Summary of selected stadium case studies**

Case study	Key learning points for City of York Council
Liberty Stadium, Swansea	<ul style="list-style-type: none"> <li>• The stadium build was financed principally through land receipts from an out of town retail park development – together with a small amount of Sports Lottery Funding.</li> <li>• The stadium is owned by the City and County of Swansea.</li> <li>• The stadium is operated by a commercial operator ('FMC'), which is overseen by a stadium management company.</li> <li>• The Council, the Football Club and the Rugby Club each have two Directors on the Board of the stadium management company.</li> <li>• The Council holds a 'golden share' on certain issues. This relates to a long list of detailed points, but covers issues such as appointing a Chief Executive, the ability to hold events, and the treatment of the stadium sinking fund.</li> <li>• Income is apportioned via a complex formula, which holds some relationship with attendances.</li> <li>• The Council is not under that arrangement obliged to financially support the stadium on a revenue basis, nor do they generate significant annual income as a result.</li> <li>• Our consultations suggest that a tripartite arrangement may not be recommended in York. It was noted that the different sporting clubs operate to very different business models (for instance with different regulations, income streams, and variable costs) which make the tripartite approach difficult to maintain in practice. It was also noted that the clubs will always have more in common with each other – in terms of interests and priorities – than they will have with the Council.</li> <li>• The Council has numerous learning points with regards to predictions on business plans, the importance of design, and establishing proper project management. They are happy to continue to share these as the York project develops, but by way of example, this includes giving proper consideration to the impact of items such as test events, fixing an appropriate rental agreement on club shops, 'park and ride', production and design of match day tickets, pouring rights deals, and marketing of premium seats (recommended to sell boxes before selling premier club seats).</li> <li>• The Council noted that their experience of hosting concerts has been mixed. It is possible to make some money on concerts, but the negotiations are typically lengthy and complex.</li> </ul>

	<ul style="list-style-type: none"> <li>• It is recommended that York think long and hard about the question "do we want to do this with these partners?" before entering into a Community Stadium development, given the typically political and unstable nature of sporting clubs (in particular football clubs).</li> <li>• It was also recommended that York should seek to arrive at an arrangement whereby (1) all responsibility for match day operations (including post match clean up) is passed to the clubs under a lease arrangement, with flexible income share arrangements put in place as appropriate, and (2) all responsibility for non match day income and expenditure is retained by the Council.</li> </ul>
Keepmoat Stadium, Doncaster	<ul style="list-style-type: none"> <li>• The total cost of the development was £32 million (c. £2,038 / seat). We understand that Doncaster Metropolitan Borough Council provided £30 million of the funding (some of which was raised via land sales), and the Football Foundation provided £2 million.</li> <li>• The stadium is managed by a 'not for profit' stadium management company (a LLP). The facility is leased to the stadium management company – via a long-term / rent free – by the Council.</li> <li>• Keepmoat plc (a local regeneration and social housing company) paid a reported £1 million for the naming rights of the stadium, suggesting that naming rights could be an important element of the York Community Stadium's funding mix.</li> <li>• The stadium is home to Doncaster Rovers FC (25 year lease to use the stadium), Doncaster Belles, Doncaster Lakers rugby club (also a 25 year lease), and Doncaster Athletics Club. All tenants had their requirements considered during the consultations during the planning stage of the project.</li> <li>• The stadium management company acts as ticket issuer to all tenants – passing 100% of gate money to the clubs, as well as providing all services in exchange for rent. The shared stadium does create some conflicts, but tenants can see the benefits of cross-marketing apparently.</li> <li>• The stadium has a capacity of 20,000 for pop and rock concerts. Vomitories (entrances) are in place to allow bands get their equipment in and out of the stadium easily.</li> <li>• The stadium management company's main revenue streams are: (1) rents from occupier licenses granted to the clubs, (2) the 5 and 7 a side soccer centre and athletics track, (3) the health and fitness suite, (4) sponsorship, car parking and conference facilities, and (5) sponsorship and advertising</li> <li>• However, in October 2007 it was reported that the Council had been asked to double the overdraft it guarantees for the stadium with its bankers, taking its commitment from £500,000 to £1 million. It was reported that the stadium had lost nearly £1 million within six months of opening, primarily due to an over-optimistic business plan – e.g., the five and seven-a-side football pitches, and the health and fitness centre, had failed to attract projected visitors ("although use was increasing"). Also, two major events held at the stadium during the summer of 2007 (i.e., Bryan Adams and Ronan Keating / McFly) lost money due to below expected attendances. In light of this, consideration should be given to merely renting out the York Community Stadium for any similar events to a concert</li> </ul>

	<p>promoter, who then takes on the risk of any loss on the event.</p> <ul style="list-style-type: none"> <li>• The recent trading performance of the stadium also illustrates that even though an arm's length stadium management company was set up to operate the stadium, the Council is still exposed to any operating losses incurred by that company.</li> <li>• A Council report published in 2007 said that the stadium management company would make losses until 2009, then break-even. In October 2007, the Council also enacted other actions to help the stadium management company (in addition to the extension of the overdraft limit), namely interim management support to the stadium management company, strengthened the Council's interface with the stadium management company and monitoring arrangements, help address any areas of non-profitable trading, changes in board membership, and examined the operating costs of the stadium.</li> <li>• The performance of the stadium has improved significantly since 2007. The 2008/9 revenue budget forecasts a loss for the year of £107,000, which is far better than the early years of trading. In light of this, the Council agreed to extend the £1 million overdraft facility until 31<sup>st</sup> March 2010.</li> </ul>
<p>Crawley Broadfield Stadium</p>	<ul style="list-style-type: none"> <li>• The Football Club has had a presence in the town for 100 years and was previously based on a town centre site – on which it paid a peppercorn rent of c £2,000 each year.</li> <li>• There is a long history – up to the 1990s – of various loans from the Council to the Club, which have eventually been written off as bad debts.</li> <li>• A development consortium led by Frogmore came to the Council in 1993 with a proposal for a leisure complex, which necessitated relocation of the Football Club.</li> <li>• Note that the leisure complex has been considered highly successful as a civic resource and attracts in the region of 2 million to 3 million visits per annum.</li> <li>• The stadium development was financed through a capital receipt associated with the development of the leisure complex.</li> <li>• The Taylor report was a factor in influencing the scale and specification of the stadium – although it is noted that an upgrade of 1,000 seats and upgraded floodlighting would be required in the event of promotion to the Football League.</li> <li>• The stadium has income generating facilities – in particular a function suite and 5-a-side pitch.</li> <li>• The stadium is owned by the Council and leased to the Football Club.</li> <li>• The detail of those arrangements has varied on a regular basis since the stadium was built – in which time the Football Club has had four owners and gone into administration several times. Under certain arrangements the Council has entirely managed the stadium</li> </ul>

	<p>and charged the Football Club a rent plus a contribution to cover running costs. Under other arrangements, the operation of the stadium has been handed back to the Football Club – typically once the Council trusted the owners to maintain and manage to an appropriate standard.</p> <ul style="list-style-type: none"> <li>As a result of instability and administrations at the Football Club, the Council has several times lost out on rent payments. York were advised to note the trend amongst Blue Square Premier League clubs for running up financial deficits, going into administration, accepting a points penalty at the beginning of the season and repeating the cycle – three or four Blue Square Premier League clubs are currently believed to be on the verge of administration.</li> </ul>
Princes Park Stadium, Dartford	<ul style="list-style-type: none"> <li>The stadium cost c. £7.5 million, which included the cost of the full size 3G synthetic pitch (which alone had a cost of £605,000 before site preparation and ground works). The stadium has a capacity of 4,100, of which 642 is seated.</li> <li>The capital cost of the stadium was funded by Dartford Borough Council (out of their reserves).</li> <li>There was a major focus on sustainable design. The stadium is described as one of the most sustainable sports stadia in the UK – e.g., it has solar panels, green roof, under floor heating, high levels of insulation, low energy lighting, etc.</li> <li>The Council managed the stadium procurement process themselves (i.e., they produced the development brief, went out via OJEU for the design team, employed the project manager, worked with the architects who drew up the planning application, went out to tender for the building contractor, etc.). The project was procured under a design and build contract.</li> <li>The Council leases the stadium to Dartford Football Club on a 25 year lease where the football club is responsible for repairs and maintenance, and insurance. The lease includes responsibility for the 3G community pitch. The football club therefore receives all income from the stadium and pitch.</li> </ul>

Table b) Summary of findings from comparator exercise

Stadium	Capacity	Sports teams	Facilities and services provided	Original Capital cost (£ m)	Cost / seat	Funding sources
Pirelli Stadium, Burton	6,068 (of which 2,034 seated)	Burton Albion Football Club (Blue Square Premier League during 2008/9)	<ul style="list-style-type: none"> <li>▪ One main (seated) stand and three stands of terraces</li> <li>▪ 9 executive boxes</li> <li>▪ 300 capacity function room</li> <li>▪ Youth training facilities</li> <li>▪ Activity centre for children</li> </ul>	£6.5	£1,071	<ul style="list-style-type: none"> <li>▪ Part funded by Burton Albion Football Club's sale of Eton Park (their previous ground) - c. £6 million was raised from the sale of that site (the Eton Park site was then used for residential development)</li> <li>▪ Grants from the Football Foundation and other sporting bodies</li> </ul>
Colchester Community Stadium	10,000	Colchester United Football Club (Coca Cola League 1 during 2008/9)	<ul style="list-style-type: none"> <li>▪ 24 executive boxes</li> <li>▪ Two 5-a-side pitches</li> <li>▪ Training and conference centre (400 delegate capacity)</li> <li>▪ Office accommodation (for Colchester United Football Community Trust)</li> </ul>	£14.0	£1,400	<ul style="list-style-type: none"> <li>▪ Colchester Borough Council (£10m via prudential borrowing)</li> <li>▪ Football Foundation Stadia Improvement Fund (£2m)</li> <li>▪ East of England Development Agency (£1m)</li> <li>▪ Department for Communities and Local Government (£1m)</li> </ul>
Liberty Stadium, Swansea	20,520	Swansea City Football Club  Ospreys Rugby Union Club	<ul style="list-style-type: none"> <li>▪ 9 conference and function rooms (with dedicated conference reception area)</li> <li>▪ 29 executive boxes</li> <li>▪ 780 car parking spaces</li> </ul>	£32.0	£1,580	<ul style="list-style-type: none"> <li>▪ Financed primarily by the City and County of Swansea Council through land receipts from an (355,000 sq. ft.) out of town retail park development</li> <li>▪ Small amount of Sports Lottery funding</li> </ul>

Keepmoat Stadium, Doncaster	15,700	Doncaster Rovers Football Club  Doncaster Belles Ladies Football Club  Doncaster Rugby League Club  Doncaster Athletics Club	<ul style="list-style-type: none"> <li>▪ 8 conference and banquet rooms</li> <li>▪ 16 executive boxes</li> <li>▪ 'Soccer Centre' (with 8 five a side pitches, 3 seven a side pitches, and 1 third sized pitch; all floodlit)</li> <li>▪ Private health &amp; fitness club</li> <li>▪ Six-lane athletics track and 500 seat stand (located adjacent to the main stadium)</li> <li>▪ Car parking for 1,000 cars (£5 charge on match days)</li> </ul>	£32.0	£2,038	<ul style="list-style-type: none"> <li>▪ Doncaster Metropolitan Borough Council provided £30m (some of which was raised via land sales)</li> <li>▪ Football Foundation Stadia Improvement Fund (£2m)</li> </ul>
Halliwel Jones Stadium, Warrington	14,000 (of which 7,000 seated)	Warrington Wolves Rugby League Club (Super League during 2009)	<ul style="list-style-type: none"> <li>▪ Conference and banquet suite (500 capacity)</li> <li>▪ 10 executive boxes</li> <li>▪ Primary Care Trust facility (focused on poor health prevention, and promoting healthier lifestyles)</li> </ul>	£12.0	£857	<ul style="list-style-type: none"> <li>▪ Commercial development involving a Tesco food store on the previous Carlsberg-Tetley Brewery site</li> </ul>
Princes Park Stadium, Dartford	4,100	Dartford Football Club (Rymans Football League Premier Division during 2008/9)	<ul style="list-style-type: none"> <li>▪ 2 conference and banquet rooms (200 capacity in total)</li> <li>▪ Full size Astro turf pitch is located adjacent to the main stadium (available for community use)</li> <li>▪ Focus on the environmental sustainability of the building (e.g., solar panels, reclaiming rainwater, etc.)</li> </ul>	£7.5	£1,829	<ul style="list-style-type: none"> <li>▪ Financed by Dartford Borough Council (out of their existing reserves)</li> </ul>
Crawley Broadfield Stadium	4,800 (of which 1,000 seated in the main stand)	Crawley Town Football Club (Blue Square Premier League during 2008/9)	<ul style="list-style-type: none"> <li>▪ Function suite (160 capacity)</li> <li>▪ 4 catering kiosks for spectators</li> <li>▪ 7-a-side all-weather pitch ('Sporturf' brand)</li> </ul>	£5.2	£1,083	<ul style="list-style-type: none"> <li>▪ Financed by Crawley Borough Council via a capital receipt associated with a new leisure development</li> </ul>



## Case Studies Innovative Approaches

### **Preston North End: Cost effective stadium design and PCT Partnership**

There are of course many other examples of stadia which incorporate the types of community facilities included in the above table. These include Deepdale Stadium (the home of Preston North End Football Club). Preston North End Football Club currently plays in the Football League Championship. The present capacity of Deepdale is 24,000. The average gate in 2007/8 was 12,647 (i.e., 53% of capacity). This compared to an average gate in the whole FLC during 2007/8 of 17,024). The stadium is owned and operated by Preston North End FC.

The stadium has undergone significant redevelopment since the mid-1990s. Each of the 'old' stands has since been replaced, the most recent of which – 'the Invincibles Pavilion' (with 4,000 seats and 24 corporate boxes) cost c. £10 million to build (i.e., £2,500 per seat), but this included the cost of the Primary Care Trust health centre which is housed within the stand. The Invincibles Pavilion opened in 2008. The Invincibles Pavilion has a 24,000 sq. ft. Primary Care Trust health centre for local residents needing continuous or long-term care within it (called 'the Minerva Health Centre'). The Centre is located on two floors within the stand. The PCT has a 25 year lease from the football club. The total rent per year is £368,200 (or £15 per sq. ft). For this, the Centre also gets use of 256 car parking spaces until 5pm each day, but when matches are on they have access to 15 spaces. The PCT's rationale for the health centre was based on its desire for a long term conditions centre in Preston, as Preston has above national average levels of diabetes, coronary heart disease and respiratory disease, and health needs analysis identified the incidence of long-term conditions as one of Preston's major health inequalities. On the ground floor, there is a Lifestyle Centre and cafe open to everyone not just patients. It is envisaged that 800 patients each week will attend the centre, and that c. 130 staff will operate from it.

Deepdale Stadium is also home to the National Football Museum. This was developed by and is operated by a charity. Following a development cost of c. £15 million (of which Heritage Lottery Fund provided £9.3 million), the attraction opened in 2001. The attraction had financial challenges during its early years of trading. In 2003, NWDA gave a grant of £2 million to the museum to allow it to acquire its lease from the football club. The attraction also benefited from £300,000 of revenue funding from the Football Foundation, on the basis that the museum made access 'free for all'. In 2006/7, the museum attracted 105,000 visits. It is a DCMS sponsored museum receiving a £100,000 revenue grant each year from the DCMS. Although a football themed museum / visitor attraction clearly adds to the 'destination appeal' of stadia (e.g., generating additional footfall and generally raising the profile of the stadium), care should be given before considering a football based museum at the new Community Stadium in York, primarily

because of the likely capital costs and the apparent need for on-going revenue funding, particularly if the attraction is operated as a charitable trust (as in the case of the National Football Museum in Preston).

Sheffield United, Bramhall Lane: Business Centre and hotel:

An example of a football club which has generated additional income streams within a relatively tight land area around an existing ground is Sheffield United. Sheffield United's Bramall Lane ground has also incorporated a range of ancillary facilities which have been developed to generate non-match day income, including serviced business accommodation centre ('Blades Enterprise Centre') and a new hotel, as discussed previously in this chapter. The Blades Enterprise Centre opened in 2002. It provides 40,000 sq. ft. of serviced office space and conference rooms to local businesses. Room sizes range from 100 sq. ft. to 2,000 sq. ft.

***Dartford ( Prince's Park):Sustainable Development***

The stadium cost c. £7.5 million, which included the cost of the full size 3G synthetic pitch (which alone had a cost of £605,000 before site preparation and ground works). The stadium has a capacity of 4,100, of which 642 is seated. The capital cost of the stadium was funded by Dartford Borough Council (out of their reserves).

There was a major focus on sustainable design. The stadium is described as one of the most sustainable sports stadia in the UK – e.g., it has solar panels, green roof, under floor heating, high levels of insulation, low energy lighting, etc. The Council managed the stadium procurement process themselves (i.e., they produced the development brief, went out via OJEU for the design team, employed the project manager, worked with the architects who drew up the planning application, went out to tender for the building contractor, etc.). The project was procured under a design and build contract.

The Council leases the stadium to Dartford Football Club on a 25 year lease where the football club is responsible for repairs and maintenance, and insurance. The lease includes responsibility for the 3G community pitch. The football club therefore receives all income from the stadium and pitch.

***Swansea (Liberty Stadium): Management arrangements***

The stadium build was financed principally through land receipts from an out of town retail park development – together with a small amount of Sports Lottery Funding. The stadium is owned by the City and County of Swansea.

The stadium is operated by a commercial operator ('FMC'), which is overseen by a stadium management company. The Council, the Football Club and the Rugby Club each have two Directors on the Board of the stadium management company. The Council

holds a 'golden share' on certain issues. This relates to a long list of detailed points, but covers issues such as appointing a Chief Executive, the ability to hold events, and the treatment of the stadium sinking fund. Income is apportioned via a complex formula, which holds some relationship with attendances. The Council is not under that arrangement obliged to financially support the stadium on a revenue basis, nor do they generate significant annual income as a result.

Our consultations suggest that a tripartite arrangement created complications. It was noted that the different sporting clubs operate to very different business models (for instance with different regulations, income streams, and variable costs) which make the tripartite approach difficult to maintain in practice. It was also noted that the clubs will always have more in common with each other – in terms of interests and priorities – than they will have with the Council. More detailed analysis of the management and governance issues relating to the project are set out in the appropriate Annex.

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## ANNEX 3

### ANALYSIS OF GOVERNANCE / MANAGEMENT ISSUES

As with all major capital projects which involve local authorities, there are a variety of different options available to City of York Council and its partners in relation to the management and operating arrangements for the proposed Community Stadium. Drawing on the comparable analysis, this chapter investigates the different options through an appraisal of general 'pros' and 'cons' (from the perspective of the Council).

#### ***Delivery and operating options***

The delivery and operating options are as follows:

- **Option 1:** The City of York Council manages and operates the Community Stadium directly.
- **Option 2:** Management and operation by one of the sports clubs.
- **Option 3:** Management and operation by a private sector operator.
- **Option 4:** Management and operation by a joint venture Stadium Management Company (possible as a Non Profit Distributing Company).

There are a host of pros and cons associated with each of the above from the point of view of the Council. In the table below, the generic pros and cons are highlighted. In reality, the selection of the preferred option will be based on issues such as the level of financial risk and reward the Council is prepared to be exposed to in relation to on-going operations, and the influence / control it wants over issues such as venue pricing, programming and promotion. Most critically of all, it is the specific terms of any management, operating and / or lease agreements through which the Council will seek to protect its interests – at this stage the tables below can only comment in relatively generic terms on a range of options.

Considerable attention was paid to the management and governance arrangements in the comparator exercise. A strong theme in all examples examined was that failure to carefully consider the implications of the management arrangements could seriously undermine the smooth running and cost effectiveness of the project. The stadium must be run like a competitive business. A simple governance model that enables business efficiency is essential. Furthermore, where a number of key partners are involved, it is essential that equity can be achieved.

Consideration must also be given to the risk that faces the professional clubs involved. Evidence shows that the smaller the financial burden and overall risks associated with the running of the stadium, the greater the chance of the clubs surviving and developing. The ownership and management of clubs can change frequently. Where council's are involved as a landowner or major

stakeholder they have the ability to ensure the long-term sustainability of the professional clubs and other key partners.

**Option 1: The City of York Council manages and operates the Community Stadium directly**

Pros	Cons
<p>The Council would have complete control over the pricing, programming and promotion of the community use sporting and leisure facilities.</p> <p>The Council would benefit from most – if not all – non match day revenues generated.</p> <p>The Council would have control over the proper maintenance and marketing of a valuable corporate asset.</p> <p>The Council could potentially use the Stadium as a venue for events / meetings.</p>	<p>The Council would be exposed to the complete financial risk of the stadium (e.g., if the stadium makes an operating loss).</p> <p>The Council would be responsible for all operating costs, including staffing, utilities, repairs and maintenance, insurance, and future re-investment in the stadium.</p> <p>As such a role would require specialist management and marketing expertise, the Council would most likely need to recruit this in (although the Council's 'in house' teams could make a significant contribution in relation to the community sports and leisure facilities).</p> <p>York City FC and York City Knights are unlikely to prefer this approach, as they would not have an opportunity to generate commercial income for their activities (e.g., if they were only a tenant with the ability to use the stadium on match days). In particular, York City FC is likely to seek a greater level of control if they have invested £5 million in a new stadium.</p>

**Option 2: Management and operation by one of the sports clubs**

Pros	Cons
<p>The exposure to financial risk of the Council would – in theory – be minimised. However, experience elsewhere (see the section on 'comparables analysis') suggests that in practice Councils are regularly treated as the lender of last resort and effectively (if not legally) remain exposed to financial risk.</p>	<p>Both sports clubs have limited financial and organization resources to commit to directly managing and operating the Community Stadium.</p> <p>The club responsible for managing and operating the venue would be exposed to the complete financial risk of the stadium (e.g., if the stadium makes an operating loss).</p> <p>There could be a conflict of interest between the club managing the venue and other clubs which become tenants (e.g., over the programming of facilities), unless clearly defined user agreements are put in place.</p> <p>Community use of the stadium may not be treated as a priority.</p>

**Option 3: Management and operation by a private sector operator**

Pros	Cons
<p>The financial risk of the operations would be passed onto a third party organisation (not the Council or the clubs).</p>	<p>We are not aware of a precedent for such a model elsewhere in the UK.</p> <p>Any private sector operator would be seeking to maximize commercial income, which could impact on the Community Stadium’s ability to encourage community access and usage (e.g., if commercial pricing was adopted).</p> <p>Both the Council and the clubs would lose influence / control over the pricing, programming and promotion of the stadium’s community facilities.</p> <p>The private sector will be looking to take their own profit slice from the operations, which would reduce the potential for the stadium to generate profits to be re-invested into the stadium and community uses.</p> <p>The levels of likely operating profit which could be generated by the Community Stadium is unlikely to be attractive to a private sector operator – or they may only agree to do it on the basis of an agreed annual revenue subsidy.</p>

**Option 4: Management and operation by a specially created vehicle (Stadium Management Company) – possible with charitable objectives**

Pros	Cons
<p>A Stadium Management Company / SPV presents a vehicle in which all parties to the stadium could take an interest (and provide Board representation). This allows for a sharing of operational decisions and financial risk – which may be considered appropriate given the variety of parties to this project.</p> <p>Potentially maximizes the impact of the joint promotion of the stadium – as has arguably been achieved with Swansea’s Liberty Stadium</p> <p>If the company could be set up as a Trust Co with charitable status, it would be able to get mandatory Non Domestic Rates relief of 80% (with a further 20% available from the local authority). The company would also be exempt from Corporation Tax should profits be generated. This possibility should be subject to legal consideration – it is not necessarily the case given the operations in question that charitable status could be achieved.</p>	<p>Legal arrangements as regards voting rights and income apportionment are likely to become complex – given different investments in the projects and income generating potential across the parties.</p> <p>Experience elsewhere suggests that ownership of sports clubs (in particular football clubs) can change hands regularly – the Council may find over time that it is legally tied to a relationship with partners where the principals change regularly (and bring with them different ideas and priorities)</p>





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High level Potential Sustainable Energy Options for the Community Stadium

York City Council are committed to making York a sustainable city as outlined in the Corporate Strategy 2009/2012. The council aims to be clean and green, reducing it's impact on the environment while maintaining York's special qualities and enabling the city and its communities to grow and thrive. As part of the business case for a Community stadium in York the council are aiming to develop and build the very first Eco Stadium.

Currently Dartford FC's Princes Park Stadium is probably the most sustainable stadium ever built in Britain. Constructed of timber with a sedum green roof, the stadium is partially below ground level to limit noise problems in the vicinity. The stadium also has a solar thermal system and energy efficient building services.

With any development the council has to follow strict planning and sustainable development guidelines. As a minimum the stadium development will need to achieve a minimum BREEAM rating of 'Excellent' as well as be able to provide at least 20% of it's own energy through renewable or sustainable means, it will also have to meet stringent requirements under the Council's Interim Planning Statement: Sustainable Design and Construction 2007.

From 2019 commercial buildings will have to be carbon neutral and not reliant on fossil fuels or the national grid. Though the community stadium is anticipated to be built and opened before 2019 it would be excellent opportunity for York to build the very first Community Eco Stadium and potentially the very first carbon neutral stadium in the UK. This would set a national precedent and show the residents of York how committed the council is to making York a sustainable city through leading by example.

There are many technologies and approaches that can be used to reduce carbon emissions from buildings, some have quick returns in terms of carbon and finance, others save carbon but have no financial incentive to encourage investment. Some technologies also act as a valuable educational tool, that could demonstrate to the community the council's commitment to saving carbon. The table below demonstrates the effect that a handful of potential sustainable technological solutions could have.

Technology	Investment k £	CO2 save Tonne/year	Revenue save/-cost £	Pay Back Years	Typical Applicaton
Thermal Solar – Hot water	Low	Low	Low	Prohibitive possible financial assistance available	New Build Excellent educational value
PV Solar - Photovoltaic Panels 10kw	High	Low	Low	Prohibitive Possible financial assistance available	New build – site specific Excellent educational value
Wind Turbine *dependant on	Medium	Medium ???? George	Low	Long term and specific	Site specific Excellent

## High level Potential Sustainable Energy Options for the Community Stadium

size		how can it be low?		funding available	educational value
Heat pumps	High	High	High	Prohibitive Possible financial assistance available	New build Site specific
Combined Heat and Power Unit	High	High	High	Possible ESCo financing solution – see below	New Build
Bio Diesel boilers	Medium	Very high	Cost	Never	Existing oil fired plant
Water Rain and grey	Low	N/A but will save water and consumption bills	medium	Short term	Excellent educational value

There are sustainable methods that the stadium might be able to employ that have not been invested in this preliminary report. New technologies are also continually in development. Below, however, are several known examples and case studies that show how sustainable energy has been incorporated and used in other projects.

#### **Thermal Solar (Hot Water)**

Oaklands Pool in York will be a 6 lane 25 metre pool with a teaching pool. It will have the largest array of solar thermal panels in the country which will span approximately 30m by 15m. The panels cost £260,000 to install and should produce 82 megawatt hours of energy per annum. This is enough heat to keep the swimming pool water for three quarters of the year.

#### **Photovoltaic Solar (PV)**

An outline feasibility study for solar power generation at the Tottenham Hotspur Stadium has been undertaken by Carbon Descent on behalf of Friends of the Earth.

It is estimated that 80% of the suitable roof area will be usable for solar installations which is approximately 14,600m<sup>2</sup>. This provides enough space for the installation of 1,170 kwp of solar panels assuming 10m<sup>2</sup> per kwp. This system should be capable of generating a total of 790 megawatt hours of electricity per year (saving around 355 tonnes of CO<sub>2</sub> per year compared to conventional grid electricity).

Typical costs for solar PV range from £5,000 to £7,500 per kilowatt installed. As this would be a very large installation, it would be reasonable to suggest costs could be to the low end of the range. The installed cost based on an

## High level Potential Sustainable Energy Options for the Community Stadium

optimistic £5,000 per kilowatt figure would be £5.85M, based on a mid-range figure of £6,500 per kW the overall costs would be £7.6M.

Assuming the entire cost of the solar panels was borne by Spurs the simple payback would take about 90 years. However with grant funding the outlay by the football club could be significantly reduced.

From our own research conducted around PV solar power there is a possibility that a feed in tariff could be introduced by the government in 2010/11 which could enhance the payback prospects of any renewable electricity like the PV panels. At present, there is no clear indication of the level at which feed in tariffs might be introduced in the UK. A comparison of various feed in tariff schemes in operation on the Continent revealed support of €0.33/kWh in Spain, €0.42 in Germany, €0.45 in France and €0.46 in Italy.

However there are several issues surrounding feed in tariffs. The main complication is that the grid may not be able to cope with the excess energy that could be produced through renewable means. This would prevent any potential 'payback' energy being realised. Furthermore it is unlikely that a development scheme as large as a stadium complex would be able to generate any additional electricity to sell back to the grid.

The Eco Depot in York has an array of approximately 10 by 5 metres of PV solar panels. It cost about £250,00 to install and currently produces about 3kwh. To put this in to perspective a floodlight uses about 100kw per hour. The array is however an excellent educational resource and promoted extensively to visitor of the depot.

### **Wind Turbine**

In July 2008 Middlesbrough FC received planning permission for a full size 2-3mw wind turbine standing 125m high which will be sited in the car park to the east of the stadium. It is estimated that the turbine will cut electricity bills by around £130,000 per year. Manchester City have also been investigating the feasibility of a similar wind turbine at their stadium.

The Eco Depot in York also has a wind turbine and this generates modest amounts of energy but provides an excellent educational resource and is a visible commitment of CYC ambition to create a sustainable city.

### **Water**

Both rain and grey water can be used to increase the sustainability of the stadium. Rain water can be harvested from the roof and stored in tanks. Firstly the stored water can be used for watering the pitch. Secondly if the stadium was to have an on site swimming pool, after filtration, the rain water could be used to replenish pool levels. (It is estimated that a litre of water is lost each time a bather gets out of the swimming pool).

## High level Potential Sustainable Energy Options for the Community Stadium

Grey water collected from internal gutters, showers, baths and wash basins can be collected. It can then be used to flush toilets. Each tonne (cubic metre) of water re-used will save approximately £4.50.

### **Ground source heat pumps**

Ground source heat pumps use pipes buried in the garden to extract heat from the ground so it can be used throughout the year, even in the middle of winter. The heat generated is usually used to warm water for radiators or under-floor heating systems. It can also be used to pre-heat water before it goes into a more conventional boiler. In regards to the stadium the system could be used to heat the offices and buildings during the day and then diverted during the evening to heat the pitch and keep it frost free.

Costs for ground source heat pumps are approximately £1000 for every kw installed. Electricity is needed to make the ground source heat pumps operate but for every one kw invested 4 to 5kw are generated in heat. This technology works out cheaper than gas.

There are currently several heat pumps across York. One example of this type of renewable energy is at McArthur Glen, the Designer Outlet.

A good example of ground source heat pumps is Tolvaddon Energy Park in Cornwall which is the most environmentally advanced business park in Cornwall. Development was funded through a £4 million investment from the South West Regional Development agency and the Objective One European Funding Programme. The project is a flagship commercial development heralding the very best environment friendly and sustainable construction techniques for modern buildings.

Each of the 19 individual units, ranging from 750sq ft to 5,000sq ft, have been specifically designed to minimise energy use and deliver high quality working environments for tenants and their staff. The heating system is made up of individual heat pumps, ranging from 4kW to 24kW for each of the 19 units. The heat pumps are connected to over forty, 70m vertical ground arrays installed. Compared to oil fired heating there have been significant financial savings and a reduction in CO2 by about 57%.

### **Combined Heat and Power (CHP)**

Combined Heat and Power (CHP) is the simultaneous generation of usable heat and power (usually electricity) in a single process. CHP is a highly efficient way to use both fossil and renewable fuels and can therefore make a significant contribution to the UK's sustainable energy goals, bringing environmental, economic, social and energy security benefits.

CHP systems can be employed over a wide range of sizes, applications, fuels and technologies. In its simplest form a gas turbine, an engine or a steam turbine drive an alternator, and the resulting electricity can be used either wholly or partially on-site. The heat produced during power generation is recovered, usually in a heat recovery boiler and can be used to raise steam

High level Potential Sustainable Energy Options for the Community Stadium

for a number of industrial processes, to provide hot water for space heating, or with appropriate equipment installed, cooling.

CHP systems are typically installed onsite, supplying customers with heat and power directly at the point of use, therefore helping avoid the significant losses (estimated at about 40%) which occur in transmitting electricity from a large centralised plant to customer.

Barton Hill is one of several community heating schemes managed by Bristol City Council. The Barton Hill scheme supplies heat to 620 bedsits, flats and maisonettes housed in 10 blocks as well as ten shops and a local church. Barton Hill was part of an Estate Action scheme which aimed to improve the quality of the homes and to reduce energy costs to tenants. An important achievement has been the installation of a Combined Heat and Power unit, assisted by a £75,000 grant from the Residential CHP Programme.

The blocks at Barton Hill were built between 1957 and 1966. Tenants were experiencing increasing problems with low tenant comfort levels, condensation, mould growth and fuel poverty. After a major review of the site in 1992 the Council initiated a comprehensive package of measures to tackle the problems.

The CHP project was commissioned in December 1995 and the total CHP project cost was approximately £300,000. This is made up of the following:

- CHP plant £200,000
- Site preparation and building work £21,000
- Electrical works and REC charges £22,000
- Gas supply £7,000
- Controls £21,000
- Other cost including consultancy £29,000

As CHP produces electricity and heat more efficiently the Barton Hill CHP estimated the following environmental savings:

- Annual primary energy saving of 5,550,000 kwh
- Annual carbon dioxide saving of 2,500 tonnes

Furthermore the electricity generated by the CHP unit was originally intended for transmission across the local electricity distribution system for use at the main council offices. However the economic situation has changed and sales of electricity directly to the local electricity company may be more financially attractive than supplying the council offices. Bristol City Council is currently reviewing the various financial options.

### **ESCO**

An energy service company (ESCO or ESCo) is a professional business,/industrial and provident society/trust, providing a broad range of

## High level Potential Sustainable Energy Options for the Community Stadium

comprehensive energy solutions including designs and implementation of energy savings projects, energy conservation, energy infrastructure outsourcing, power generation and energy supply, and risk management. Though an ESCO is not a type of sustainable energy it is a method in which cost effective, carbon reducing sustainable energy can be provided.

The ESCO performs an in-depth analysis of the development, designs an energy efficient solution, installs the required elements, and maintains the system to ensure energy savings during the payback period. After installing energy conservation measures ESCOs often determine the energy savings resulting from the project and present the savings results to their customers.

### **Conclusion**

There are many potentially suitable sustainable technologies that the stadium could employ to reduce the amount of CO<sub>2</sub>, have the potential to 'pay back' installation and maintenance costs and even make savings compared to more traditional fuels. However if a multitude of these different sustainable technologies were used collectively they could enable York to create a ground breaking, exemplary carbon neutral Community Eco Stadium.

Some technologies are more cost effective than others and therefore have a quicker payback. The extent and use of some types of sustainable energy will be site sensitive, for example a wind turbine. However in order to achieve the aim of opening the first Community Eco Stadium it would be important to use as many technologies as possible to set an example to York, the UK and potentially globally.

There are possible ways of financing these technologies. Some of the case studies above have been funded through grants. This shows that finance could be available to help offset the initial capital costs of generating sustainable energy. There is the question of naming rights for the stadium. A Community Eco Stadium maybe something that major companies are keen to associate themselves with. Also there might be potential opportunities to sell any excess energy generated back to the grid or to other tenants of the stadium development.

Additionally, site dependent, any excess energy generated could be used to heat affordable housing, similar to the Bristol City Council Barton Hill case study. This would enable further community benefit from the stadium.

The next step of this process is to commission a detailed feasibility study to a specialist consultant. Research into all possible sustainable technologies should be undertaken reviewing, for example, cost, potential financial and carbon savings, viability, grant funding availability, feed-in tariff options coupled with successful and unsuccessful case studies. The findings from this study will then inform the overall business case and options for a Community Eco Stadium in York.



High level Potential Sustainable Energy Options for the Community Stadium

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more than just a stadium ?





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## sports stadia development



Over the last 20 years there has been a noticeable shift in the dynamic of sports stadia development with the realisation that stadia have the capacity to do much more than simply hosting a sporting event.

Professional sports clubs have always offered a strong association with the identity of towns and cities and their home stadia represent highly recognisable focal points for the community.

Until the late 1980's the majority of sports stadia operated only on match days generating a single income stream through spectator attendance on a maximum of perhaps 30 match days per year. The normal situation throughout the sporting world was that multi-million pound stadia would remain dormant in between fixtures leaving clubs accruing large debts and payment redevelopment finance payments.

The construction principles of traditional stands and terraces also only featured basic fit out elements such as match day bars and food kiosks and the occasional club shop and ticket office.

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## sports stadia development



The realisation that sports stadia can provide a wide range of income generating ancillary and community uses has now begun to play a major part in the development of stadia funding arrangements, building of business cases and architectural design and space maximisation.

A standard spectator stand will create a sizeable and covered area of usable floor space that often remains under utilised. For example a typical 40 row side stand can create in excess of 4,000m<sup>2</sup> of accommodation.

A number of stadia have however realised the added value that can be generated by utilising these shell areas that are created as a by product of the spectator viewing.

As a result, by letting or selling space for office, healthcare, education, leisure and retail uses clubs have been able to either raise much need capital or provide a guaranteed long term rental income to create a sustainable business model to build their own stadium.

**This is a fundamental cost efficiency with stadia design. In effect lettable space is a low cost by product of the stadium.**



There are a number of ways that ancillary income generating accommodation can be designed into either a new-build stadium or a redeveloped stand.

Depending on site configuration the simplest and most cost effective method is to utilise space purely within the new stand itself and underneath the spectator terrace. This is demonstrated by the upper graphic which indicates the proposed east stand at Watford FC which will house 1,800m<sup>2</sup> of ancillary lettable space at ground floor level within a 5,000 capacity, 33 row stand.

The remaining cross sections indicate the schemes at Oldham AFC and Preston North End FC where accommodation was created within the stand itself and additional space was built onto the back of the stand. At Oldham a seven storey mixed use office/conferencing facility is proposed and this creates in excess of 8,000m<sup>2</sup> of lettable space in addition to the essential footballing elements such as spectator concourse, sanitary accommodation and crowd fire safety. At Preston a three storey 2,500m<sup>2</sup> health facility has recently been constructed, this was incorporated both within and to the rear of the 4,000 capacity side stand.

Further information follows as four examples of mixed use stadia are examined in more detail.



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 preston north end football club


Over the past fifteen years Preston North End's Deepdale Stadium has undergone a systematic redevelopment scheme to transform the original stadium that first hosted league football in 1878 into a functional, modern stadium that has become a community focal point.

- 24,000 all seated capacity
- Final phase completed in 2008
- 2,500m<sup>2</sup> of lettable space for Preston PCT used as Long Term Conditions Centre
- 4,000m<sup>2</sup> of lettable space rented on long term tenancy to The National Football Museum.
- 1,800m<sup>2</sup> of lettable space rented to Fitness First
- 1,000m<sup>2</sup> of Preston North End Club Facilities including:-
  - 800 cover restaurant and conference facilities in two locations
  - 20nr. executive boxes each with 8-12 covers
- Total construction cost of £26 Million



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preston north end football club



Deepdale stadium therefore is a tremendous example of stadium design which has been specifically tailored to maximise the available lettable area and therefore creates a robust business model.

In simplistic terms, the creation of over 10,000 square metres of accommodation has allowed the stadium to be largely self funding.

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## warrington wolves rugby league club



The Halliwell Jones Stadium is a state of the art purpose built rugby league stadium and the home of Warrington Wolves Rugby League Club.

Constructed on the site of the old Tetley Walker Brewery on Winwick Road in Warrington, the stadium provides an excellent sporting venue, exceptional conferencing and banqueting facilities and is a focal point for community activity, incorporating the Warrington Wolves Foundation learning floor and a brand new NHS Walk-in Centre.

Again this lettable area created has provided a “plank” for the stadium funding strategy and has ensured the long term sustainability of the rugby club.

- 13,000 standing terrace and seated capacity
- Construction Work completed 2003
- 2,150m<sup>2</sup> of lettable space for NHS Walk-in Centre
- 700m<sup>2</sup> of lettable space for Warrington Wolves Foundation
- 1,050m<sup>2</sup> of conference and banqueting
- Total construction cost of £12 Million

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## keepmoat stadium – doncaster rovers football club

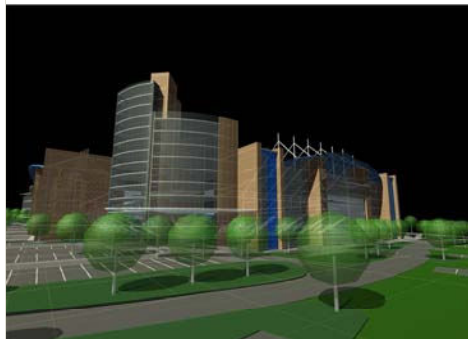


The Keepmoat Stadium is a purpose built sports stadium hosting professional football for Doncaster Rovers Football Club and semi-professional rugby league for Doncaster Rugby League Club. The Keepmoat also offers a host of sporting facilities including the Lakeside health and fitness club, soccer centre with astro turf pitches, athletics running track with 500 capacity spectator stand.

- 15,200 all seated capacity
- Construction completed in 2007
- 230m<sup>2</sup> 'Twiggys' health and fitness centre
- 1,500m<sup>2</sup> restaurant/conferencing facilities
- 1,000m<sup>2</sup> 'Playing for Success' education facility
- 160m<sup>2</sup> Doncaster Rovers retail outlet.
- International standard athletics track with 500 seat amphitheatre
- Total construction cost of £32 Million

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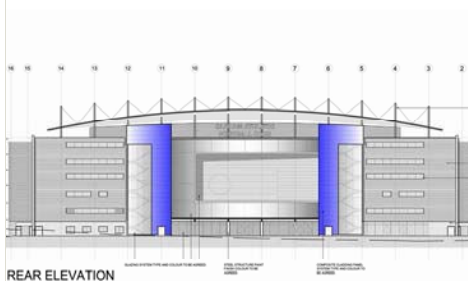
## oldham athletic football club



In January 2007 Oldham Athletic AFC set about producing a masterplan for the redevelopment of their Boundary Park Stadium. As with many lower league sports clubs, Oldham Athletic had to create a scheme that included 'enabling' developments that would generate funds to allow the stadium redevelopment to be undertaken without the football club incurring significant debt.

- 120 bed 4 star Hotel
- 16,000 all seated capacity within 3 new stands
- 5,500m<sup>2</sup> of lettable office accommodation
- 1,000 space conference and banqueting facility and 28 executive boxes
- 150 Key Worker units
- 1,500m<sup>2</sup> Health facility/GP Surgery
- 625 Residential units
- Ancillary Retail accommodation

The accommodation created is a mix of stand alone accommodation and other income generators such as office, hotel and health are within and adjacent the football stands.



The construction of ancillary facilities within a sporting arena represents added value through a number of different aspects:-

#### Community Connections

- Focal Point – Sporting arenas are often recognisable structures within communities.
- Relationships – The sense of sporting clubs and the community working together increases the strength of relationships between the community and clubs.
- Having a permanent facility in a place such as a football stadium offers a stable long term and sustainable home for community facilities .

#### Cost Benefits

- A single “building shell” structure is constructed however it is providing multiple functions. Significant cost savings are made on one of the most costly elements of building construction
- Large areas of attractive rentable space are created that will command strong rental yields as a result of the unique location a stadium development can offer.





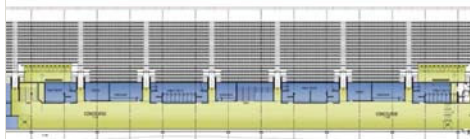
### Access/Transportation

- Match day parking facilities can mostly be shared and often the required ancillary parking for the ancillary uses on non-match days. This usually works very well as the match times are generally outside of normal operating hours and has been found to work very well at stadium venues.
- Public transport links often offer direct routes to the sporting facility. For ancillary uses such as healthcare this is an extremely positive advantage and often negates the issue of patient access problems. Stadia generally are located in highly sustainable locations and this benefits ancillary uses.

### Energy Efficiency

- A multi purpose facility will mean that a single building footprint is created drastically reducing the energy consumption and carbon omissions that would be created by a number of buildings on different sites.
- Efficient energy management systems can be introduced with a building in constant operation rather than on perhaps only 30 match days per year.
- Reduced capital and running costs for shared plant and equipment.

comparative costs



Stadium and Facility	Stand alone cost of equivalent facility	Cost of facility within stadium	Comparative Saving
<b>Deepdale Stadium - Preston North End Football Club</b>			
Healthcare (2,500m <sup>2</sup> )	£4,750,000	£2,750,000	42%
Leisure and Recreation - Gym (1,800m <sup>2</sup> )	£2,700,000	£1,350,000	50%
Leisure and Recreation - Museum (4,000 m <sup>2</sup> )	£13,600,000	£8,000,000	40%
Conference and Banqueting (650m <sup>2</sup> )	£1,365,000	£665,500	52%
<b>Halliwel Jones Stadium - Warrington Wolves Rugby League Football Club</b>			
Healthcare (2,150m <sup>2</sup> )	£4,085,000	£2,365,000	43%
Office Space (700m <sup>2</sup> )	£1,050,000	£490,000	53%
Conference and Banqueting (1,050m <sup>2</sup> )	£2,205,000	£1,155,000	48%
<b>Keepmoat Stadium - Doncaster Rovers Football Club</b>			
Conference and Banqueting (1,500m <sup>2</sup> )	£3,150,000	£1,650,000	47%
Office Space (825m <sup>2</sup> )	£1,237,500	£577,500	55%
Education (1,000m <sup>2</sup> )	£1,250,000	£700,000	44%
Leisure and Recreation - Gymnasium (230m <sup>2</sup> )	£345,000	£172,500	50%

comparative costs

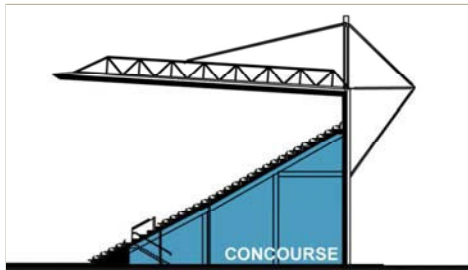


Figure 1

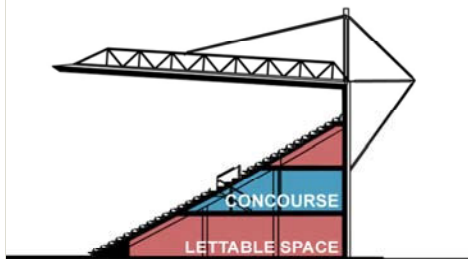


Figure 2

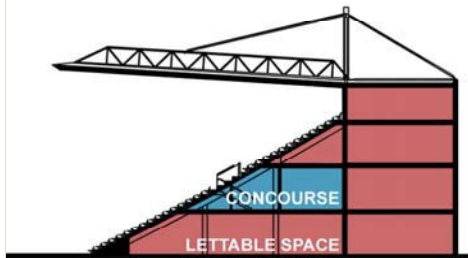


Figure 3

The comparatives shown within the table assume that the ancillary use integrated within the stadium shell and core does not necessitate an increase in the stand/stadium footprint. The principle benefit of integration is that the stadium construction is subsidised through the integration of these additional uses. This subsidy can be realised by either outright sale or lease. (All figures for stand alone costs taken from the Building Cost Information Service published by the RICS, all figures for facility costs within stadia are based on actual development costs and FWP experience).

The three adjacent graphics strive to confirm the fundamental logic that the construction of a stand which can accommodate lettable area will result in low cost space for rent.

If we say that the 5,000 seater stand shown in figure 1 costs £1,000 per seat with a simple ground floor concourse then £5M is the out turn cost.

At figures 2 and 3 the additional floors and extensions result in significant lettable area of approximately 4,000m<sup>2</sup> for figure 2 and 8,000m<sup>2</sup> for figure 3 and the comparative costs are around £7M and £10M respectively (which equates to £1,400 and £2,000 per seat respectively).



comparative costs



If we then use this information to compare how the business case for each example develops.

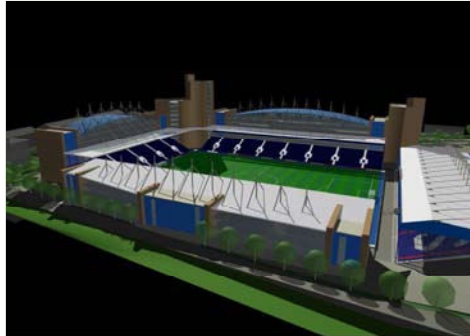
Figure 1 - No Lettable Space = £5M to be funded through sports club income

Figure 2 – Lettable Space created 4,000m<sup>2</sup> = 40,000 square feet at approximately £10 per square foot rental income, equating to £400,000 p.a. income. Rental over a 25 year period would have a nett presell value of around £4M and would therefore fund more than half of the £7M total stand cost leaving a £3M deficit.

Figure 3 – Lettable Space created 8,000m<sup>2</sup> = 80,000 square feet at approximately £10 per square foot rental income. As with figure 2 this rental over a 25 year period would have a nett presell value of around £8M and would therefore fund approximately 80% of the total stand cost leaving a £2M deficit.

Larger scale plans and section for the PNE Invincibles Stand are included at Appendix A.

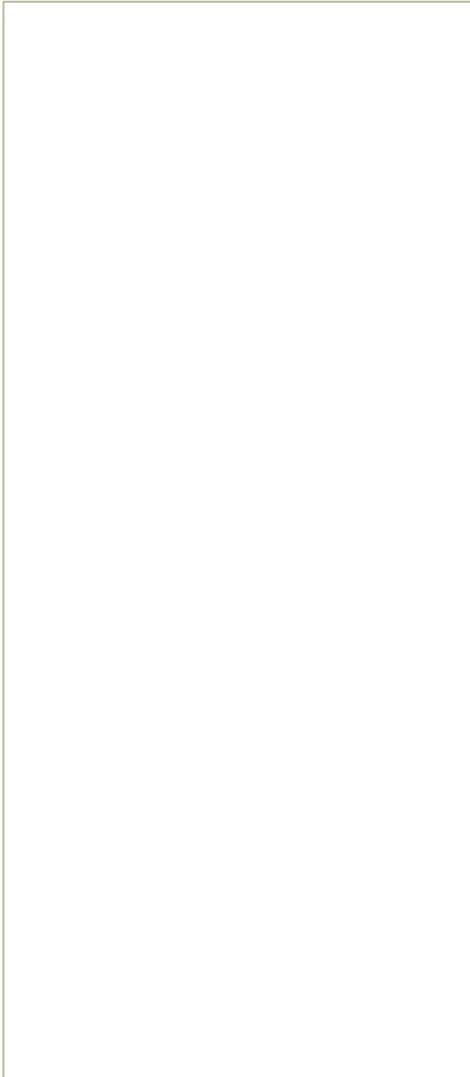
## closing summary



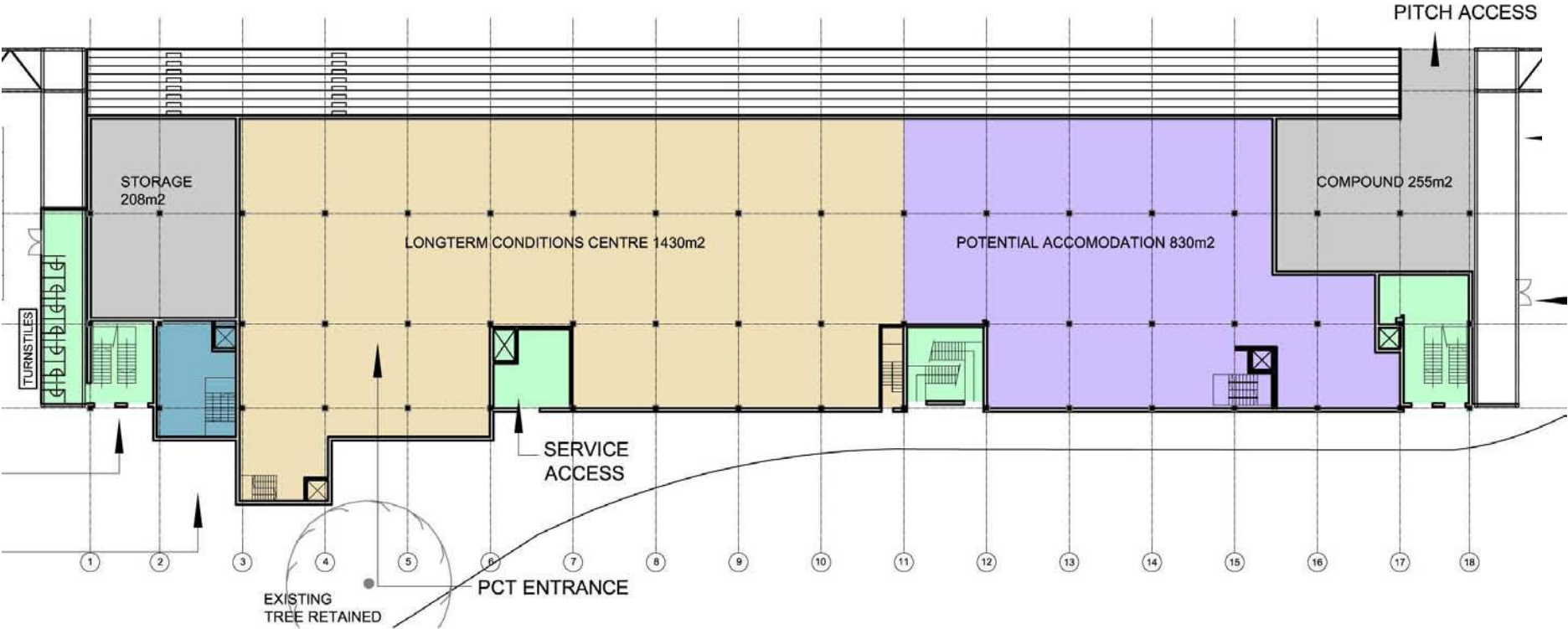
In summary the broad brush information provided within this report demonstrates that the design of any stadium can result in a viable business in terms of:-

- The stadium with respect to its capital cost being largely funded by the income generating tenants who are incorporated within and around the stadium complex.
- It is also clear that the greater accommodation provided (as was the case with Fig. 3 and at Preston and Oldham) the more the deficit between cost and value (income) is reduced.
- In fact, in simplistic terms the new £9M East Stand at Preston generates an income from the local PCT of approximately £500K per annum. The “funding” of £9M for the stand is totally funded by this £500K p.a. income over a 25 year period (because no profit element is required by the developer/owner).

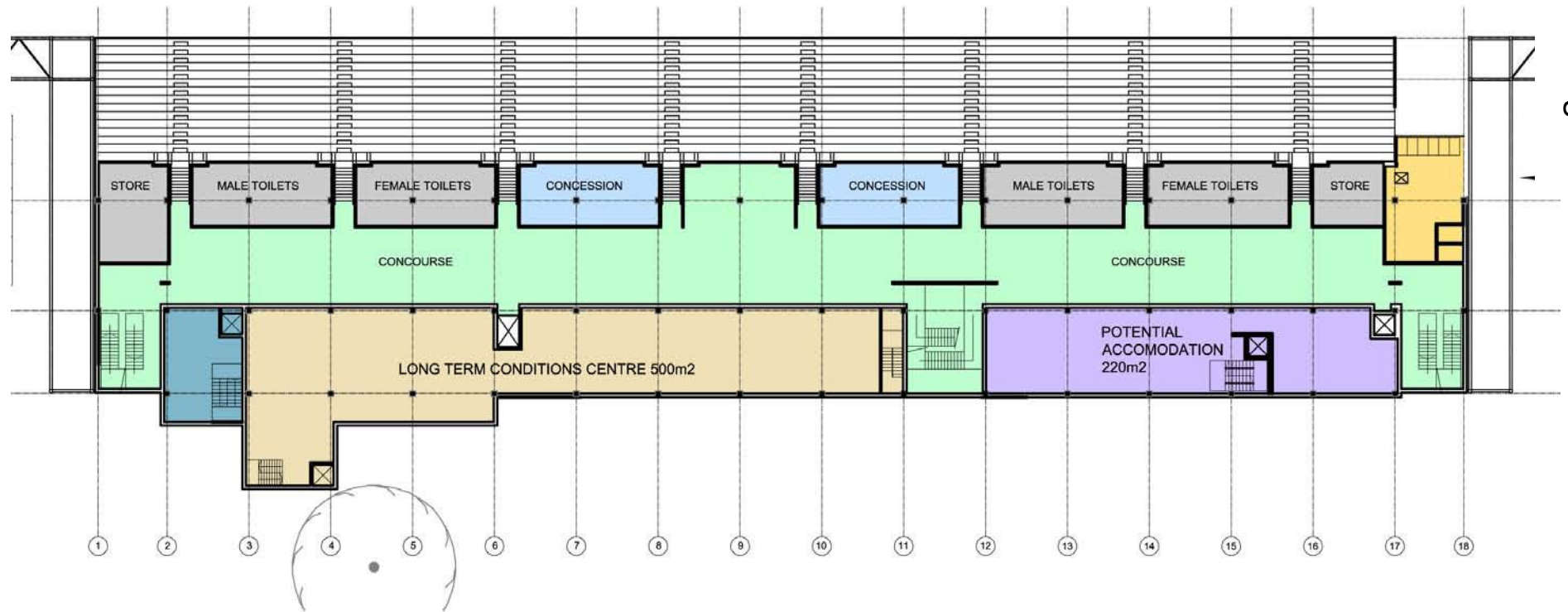
In comparison therefore to the “traditional model” a tenant driven stadium is the basis upon which many modern stadia (particularly for those clubs at lower level) are developed. There are good and bad examples of this but the undeniable conclusion must be that if done correctly a new stadium can be largely self funding and create excellent lettable space which is sustainable for a number of user types.



pne fc invincibles stand\_ground floor plan



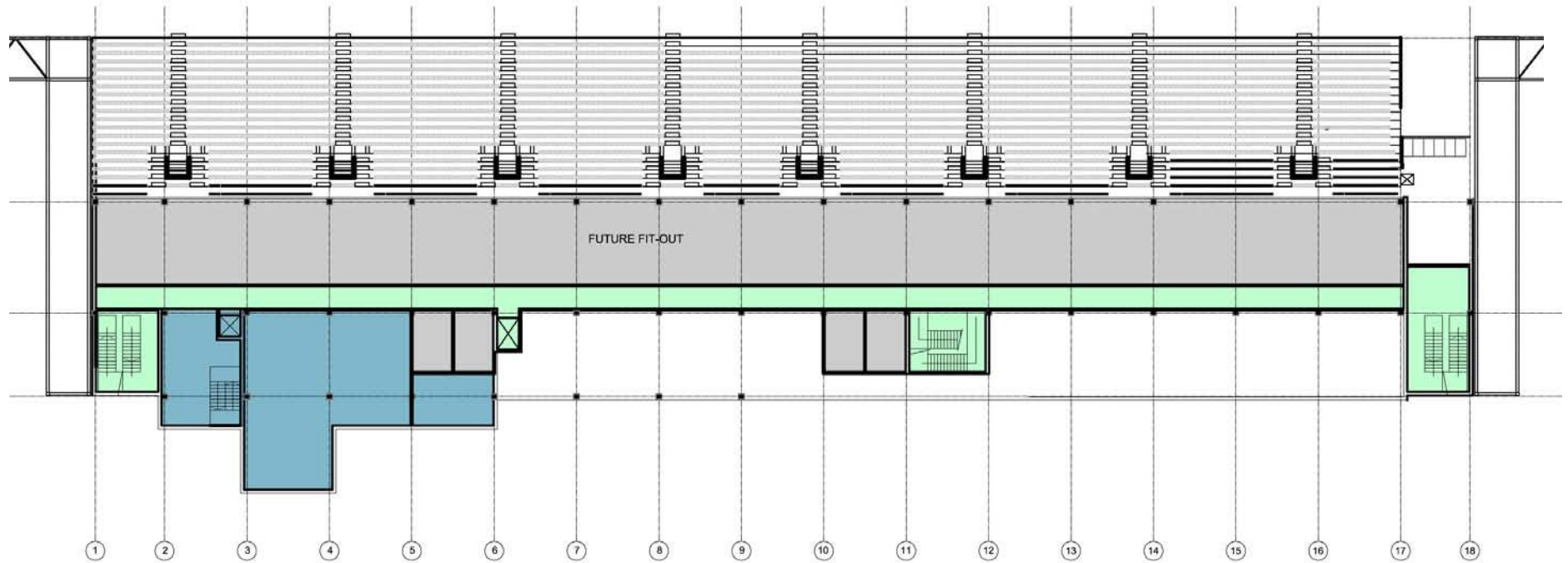
pne fc invincibles stand\_first floor plan



pne fc invincibles stand\_second floor plan

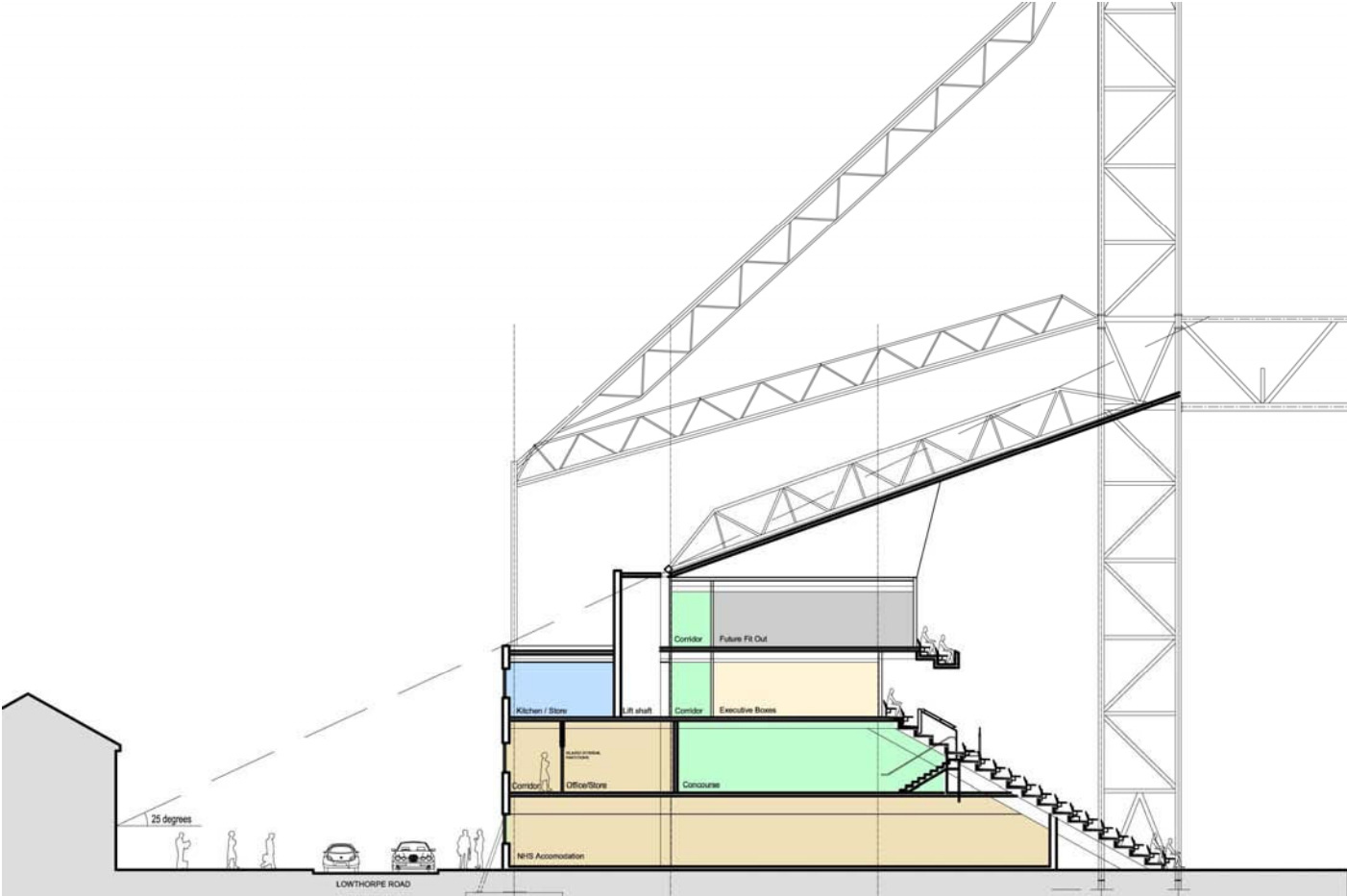


pne fc invincibles stand\_third floor plan





pne fc invincibles cross section





## ANNEX 6

### Attendance / Stadium Trends

#### Introduction

As part of the community stadium outline business case match day attendance data has been researched and analysed for football and rugby league clubs. The data has been used to assess supporter demand as well as the impact a new stadium could have on attendance.

Match day attendances are crucial because they have a direct impact on revenue streams. Supporters also contribute to intangible benefits such as creating an atmosphere at the game which can also be linked to the performance of a team.

A database has been collated which primarily includes statistics from stadiums with a capacity of under 16,000. This is to keep the research proportionate and reflect the potential capacity that the community stadium could one day achieve. The information publicly available in regards to the rugby league is limited and therefore this report mainly centres on football attendances.

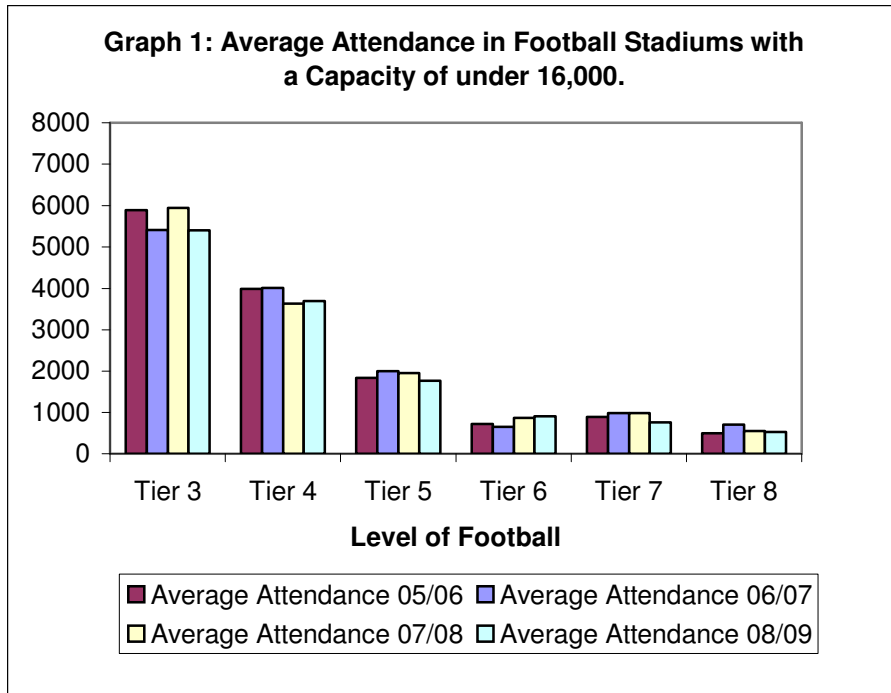
#### Findings

##### Average Attendance

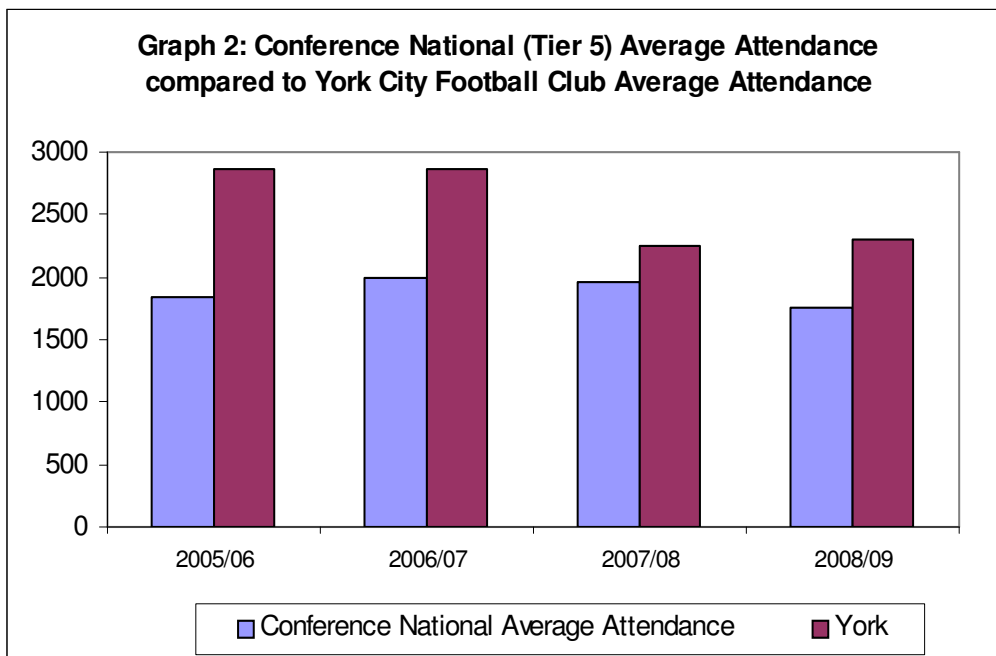
Graph 1 below shows average football match attendance by football tier over the past four years. There is an obvious correlation between the level of football and the level of attendance. York City Football Club is currently in Tier 5 (Conference National)<sup>1</sup>. The graph shows a considerable increase in average attendance between Tier 5 and Tier 4. The graph also shows a significant decrease in average attendance between Tier 5 and Tier 4. Therefore York City Football Club could see a considerable change in attendance if they were to be either promoted or relegated.

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<sup>1</sup> For an explanation of the different football tiers please see the end of the report.



However York City Football Club have a higher than average attendance compared to other teams in the Conference National. This shows that York could have a stronger and more loyal supporter base compared to other Tier 5 teams.



**Supporter Base**

The proportion of York’s population who attend York City Football Club home matches is currently less than other teams in Tier 5. 2008/09 average attendance shows that York City Football Club’s support base is

approximately 1.27% of York's population<sup>2</sup>. This is lower than many other clubs, for example Oxford United (3.82%), Cambridge United (3.28%) and Wrexham (2.56%), which could mean that there is potential to increase average attendance. Approximately 6.71% of York's population went to see the final of the FA Trophy at Wembley. Though playing at Wembley is an infrequent opportunity it shows that an increased supporter base could be realised which could mirror that of Oxford United, Cambridge United and Wrexham.

### Performance

There is a clear link between average attendance and team performance. As a rule if a team perform well then average attendance increases. Additionally attendance decreases if a team perform poorly or get demoted. This is

Team	Promotion, Relegation and Performance	Affect on attendance
Accrington Stanley	<b>Performance:</b> 2007/08 finished 17 <sup>th</sup> in the table	-27.74%
AFC Telford United	<b>Performance:</b> 2006/07 finished 3 <sup>rd</sup> in table	44.74%
Barrow AFC	<b>Performance:</b> 2007/08 finished 5th in the table	36.35%
Boston United	<b>Relegation:</b> Tier 4 (06/07) to Tier 6 (07/08)	-31.75%
Cambridge United	<b>Performance:</b> 2006/07 finished 2 <sup>nd</sup> in the table	36.33%
Exeter City	<b>Promotion:</b> Tier 5 (07/08) to Tier 4 (08/09)	33.31%
Histon	<b>Promotion:</b> Tier 6 (06/07) to Tier 5 (07/08)	34.56%
Luton Town	<b>Relegation:</b> Tier 2 (06/07) to Tier 3 (07/08)	-24.34%
Mansfield Town	<b>Relegation:</b> Tier 4 (07/08) to Tier 5 (08/09)	-14.08%
Rushden and Diamonds	<b>Relegation:</b> Tier 4 (05/06) to Tier 5 (06/07)	-35.33%
Salisbury City	<b>Promotion:</b> Tier 6 (06/07) to Tier 5 (07/08)	38.01%
Tamworth	<b>Relegation:</b> Tier 5 (06/07) to Tier 6 (07/08)	-28.18%

demonstrated in the table below:

Additionally there can be a detrimental effect on average attendance if a club goes into administration. When a club announces that it is going into administration they are deducted 10 points by the Football Association. In some cases, for example Wrexham (2004/05) and AFC Bournemouth (2007/08) the loss of these 10 points have seen them finish the season in the relegation zone. AFC Bournemouth average attendance suffered the following season with a drop of 10.41%. Administration cost Darlington a place in the play offs in 2008/09 and further penalties such as points deduction for failure to comply with the rules on insolvency prevented Leeds United from getting automatic promotion in 2007/08 which could have had an effect on potential attendance figures for both clubs.

Many teams that have gone into administration over the past five years are already in the relegation zone at the end of the season and so it is difficult to separate the effect of administration and the effect of relegation. Luton Town (relegated 2007/08), Rotherham (relegated 2006/07) and Boston United (relegated 2006/07) saw attendance figures drop by 7.3%, 11.8% and 31.8%

<sup>2</sup> All populations are based on figures published in the 2001 Census

respectively. Nevertheless there are anomalies to this pattern. Despite going into administration as well as being relegated both Cambridge United (2005/06) and Leeds United (2006/07) saw a rise in attendance in the following year of 36.33% and 22.8% respectively.

**The Stadium Affect**

Using recent examples there is enough evidence to show that a new stadium increases average attendance. The tables below demonstrate the percentage change in average attendance, where possible for both football and rugby league, three years before and after the new stadium was opened.

## Football and Rugby League Attendance Analysis

Football Stadium (Football Team)	Pre-development Attendance (percentage change from previous year)			Opened	Post-development Attendance (percentage change from previous year)		
<b>Stadiums with a capacity of over 16,000</b>							
St Mary's Stadium (Southampton)	<b>1998/99</b>	<b>1999/00</b>	<b>2000/01</b>	2001	<b>2001/02</b>	<b>2002/03</b>	<b>2003/04</b>
	15,133 (-0.17%)	15,132 (-0.01%)	15,115 (-0.11%)		30,633 (102.67%)	30,680 (0.15%)	31,699 (3.32%)
Liberty Stadium (Swansea)	<b>2002/03</b>	<b>2003/04</b>	<b>2004/05</b>	2005	<b>2005/06</b>	<b>2006/07</b>	<b>2007/08</b>
	5,160 (39.84%)	6,853 (32.81%)	8,458 (23.42%)		14,112 (66.9%)	12,720 (-9.86%)	13,520 (6.29%)
Riverside Stadium (Middlesbrough)	<b>1992/93</b>	<b>1993/94</b>	<b>1994/95</b>	1995	<b>1995/96</b>	<b>1996/97</b>	<b>1997/98</b>
	16,724 (13.70%)	10,400 (-37.81%)	18,710 (79.90%)		29,257 (56.37%)	29,871 (2.10%)	29,997 (0.42%)
The Northern Echo Darlington Arena (Darlington)	<b>2000/01</b>	<b>2001/02</b>	<b>2002/03</b>	2003	<b>2003/04</b>	<b>2004/05</b>	<b>2005/06</b>
	3,817 (-30.89%)	4,107 (7.6%)	3,312 (-19.36%)		5,023 (51.6%)	4,245 (-15.49%)	4,199 (-1.08%)
Madejski Stadium (Reading)	<b>1995/96</b>	<b>1996/97</b>	<b>1997/98</b>	1998	<b>1998/99</b>	<b>1999/00</b>	<b>2000/01</b>
	8,917 (-4.63%)	9,165 (2.78%)	9,676 (5.58%)		11,262 (16.40%)	8,985 (-20.22%)	12,647 (40.76%)
The Stadium of Light (Sunderland)	<b>1994/95</b>	<b>1995/96</b>	<b>1996/97</b>	1997	<b>1997/98</b>	<b>1998/99</b>	<b>1999/00</b>
	15,476 (-8.95%)	17,504 (13.10%)	20,847 (19.10%)		34,337 (64.71%)	38,745 (12.84%)	41,375 (6.79%)
KC Stadium (Hull)	<b>1999/00</b>	<b>2000/01</b>	<b>2001/02</b>	2002	<b>2002/03</b>	<b>2003/04</b>	<b>2004/05</b>
	5,736 (-4.80%)	6,684 (16.52%)	9,506 (42.22%)		12,843 (35.10%)	16,847 (31.18%)	18,025 (6.99%)
Britannia Stadium (Stoke)	<b>1994/95</b>	<b>1995/96</b>	<b>1996/97</b>	1997	<b>1997/98</b>	<b>1998/99</b>	<b>1999/00</b>
	12,875 (-19.35)	12,279 (-4.63%)	12,748 (3.82%)		15,003 (17.69%)	12,735 (-15.17%)	11,426 (-6.79%)
<b>Stadiums with a capacity of under 16,000</b>							
Princes Park (Dartford)	<b>2003/04</b>	<b>2004/05</b>	<b>2005/06</b>	2006	<b>2006/07</b>	<b>2007/08</b>	<b>2008/09</b>
	235	260 (10.64%)	291 (11.92%)		1171 (302.41%)	1135 (3.07%)	1118 (-1.50%)
Pirelli Stadium (Burton Albion)	<b>2002/03</b>	<b>2003/04</b>	<b>2004/05</b>	2005	<b>2005/06</b>	<b>2006/07</b>	<b>2007/08</b>
	1746	1698 (-2.75%)	1368 (-19.43%)		1724 (26.02%)	1869 (8.41%)	1815 (-2.89%)

## Football and Rugby League Attendance Analysis

Keepmoat Stadium (Doncaster Rovers)	<b>2003/04</b>	<b>2004/05</b>	<b>2005/06</b>	2006	<b>2006/07</b>	<b>2007/08</b>	<b>2008/09</b>
	6939 (96.02%)	6886 (-0.76%)	6139 (-10.85%)		7725 (25.83%)	7978 (3.28%)	11961 (49.92%)
The New Lawn (Forest Green Rovers)	<b>2003/04</b>	<b>2004/05</b>	<b>2005/06</b>	2006	<b>2006/07</b>	<b>2007/08</b>	<b>2008/09</b>
	902	855 (-5.21%)	977 (14.27%)		1185 (21.29%)	1178 (-0.59%)	955 (-18.93%)
Kassam Stadium (Oxford United)	<b>1998/99</b>	<b>1999/00</b>	<b>2000/01</b>	2001	<b>2001/02</b>	<b>2002/03</b>	<b>2003/04</b>
	7,056 (-5.77)	5,790 (17.94%)	5,148 (11.09%)		6,257 (21.54%)	5,862 (-6.31%)	6,296 (7.40%)
New Meadow (Shrewsbury Town)	<b>2004/05</b>	<b>2005/06</b>	<b>2006/07</b>	2007	<b>2007/08</b>	<b>2008/09</b>	
	4,251 (6.09%)	3,997 (5.98%)	4,730 (15.50%)		5,659 (19.64%)	5664 (-0.09%)	N/A
Adams Park (Wycombe Wanderers)	<b>1998/99</b>	<b>1999/00</b>	<b>2000/01</b>	2001 (renovated)	<b>2001/02</b>	<b>2002/03</b>	<b>2003/04</b>
	5,121 (-5.41%)	5,101 (-0.39)	5,549 (8.78%)		6,621 (19.32%)	6,002 (-9.35%)	5,256 (-12.43)
Spotland (Rochdale)	<b>1997/98</b>	<b>1998/99</b>	<b>1999/00</b>	2000 (renovated)	<b>2000/01</b>	<b>2001/02</b>	<b>2002/03</b>
	1,884 (1.89%)	2,113 (12.15%)	2,774 (31.28%)		3,249 (17.12%)	3,431 (5.60%)	2,740 (-20.14%)

<b>Rugby Stadium (Rugby Team)</b>	<b>Pre-development Attendance (percentage change from previous year)</b>		<b>Opened</b>	<b>Post-development Attendance (percentage change from previous year)</b>		
KC Stadium (Hull F.C)	<b>2002/03</b>		2003	<b>2003/04</b>	<b>2004/05</b>	<b>2005/06</b>
		6928		11598 (67.41%)	11458 (-1.21%)	10639 (-7.15%)
Halliwell Jones Stadium (Warrington Wolves)	<b>2003/04</b>		2004	<b>2004/05</b>	<b>2005/06</b>	<b>2006/07</b>
		7031		9889 (40.65%)	11003 (11.27%)	10406 (-5.43%)
JJB Stadium (Wigan Warriors)	<b>1999/2000</b>		2000	<b>2000/01</b>	<b>2001/02</b>	<b>2002/03</b>
		8526		10533 (23.51%)	11454 (8.74%)	10439 (-8.86%)
Keepmoat Stadium (Doncaster RLFC)	<b>2006/07</b>		2007	<b>2007/08</b>	<b>2008/09</b>	<b>2009/10</b>
		1140		1680 (46.37%)	N/A	N/A

## Football and Rugby League Attendance Analysis

The tables above show that average attendance increases for both football and rugby league teams in the first year that the stadium opened. Of the football examples used Dartford has the highest increase in crowd size of 302.41% and Reading the lowest at 16.40%. Overall football attendance increases by an average of 48.44% in the first year of a stadium opening. Using the rugby league figures available Hull have the highest level of increased attendance of 67.41% and Wigan have the lowest increase at 23.51%. The average increase for Rugby League attendance is 42.65% in the first year of opening.

In the following years the pattern of average attendance shows increases as well as decreases because factors such as performance can start to play a role in encouraging or dissuading crowds. However when comparing attendance for the final year in the old stadium with third year in the new stadium, all but three of the clubs have overall increased attendance. Two of these stadiums, Adams Park (Wycombe Wanderers) and Spotland (Rochdale) are examples of stadium renovation and perhaps show that on-site improvements do not sustain increased crowd numbers as successfully newly build stadiums.

### Conclusion

York City Football Club currently has a higher than average level of attendance when compared to other Tier 5 teams. However the proportion of the population attending matches fall short of other teams in the same tier. This could mean that the current supporter base has the potential to be increased and therefore realise similar levels as other teams. Furthermore a community stadium development in York could see, facilitate and sustain an increase in average attendance for both football and rugby league games. Yet as demonstrated in the evidence above the performance of a club on the field as well as financially could affect attendance. Consequently a new stadium could increase attendance but club performance could affect the crowd numbers in the longer term.

### An explanation of the tiers in football

Tier	League/Divisions
1	Premier League
2	Football League Championship
3	Football League One
4	Football League Two
5	Conference National
6	Conference North Conference South
7	Northern Premier League Premier Division Southern Football League Premier Division Isthmian League Football Premier Division
8	Northern Premier League Division One North Northern Premier League Division One South Southern Football League Division Midlands Southern Football League Division South and

**Football and Rugby League Attendance Analysis**

	West Isthmian League Football Division One North Isthmian League Football Division One South
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## ANNEX 7 DEMAND / NEED ANALYSIS

### ***League Requirements for Core Stadium***

There are detailed requirements for new stadiums by each of the governing bodies. These have been examined. However, at this stage of the project it is only necessary to consider the essential and high level needs. The minimum requirements of the football and rugby governing bodies for progression to the next level are as follows:

- 5,000 capacity with 2,000 seats (entry to Football League)
- Freehold or 10 year leasehold interest in the ground
- 12,000 capacity (entry to Super League)
- Support facilities (the partners have indicated it would be essential to have high quality hospitality / functioning facilities and executive boxes.

It is clear that the existing stadiums used by all key partners certainly do not represent high quality facilities. There is minimal scope for improvement and all struggle to generate commercial revenue streams.

### **Community Uses**

Over recent years, the concept of the 'living stadium' has emerged based on the principle that new community stadia should make positive contributions to local communities and the environment. If this occurs, the stadium will have more chance of being used actively by the local community, visitors and other users on non-match days. Clearly, community facilities come at a cost (and can often involve a requirement for revenue subsidies). However, there is an opportunity for the Council – and its partners – to use this project as a catalyst to enhance the quality and provision of certain community facilities in York.

### ***Potential community sports and leisure facilities***

Based on detailed discussions with Active York and a review of the city's strategic and policy guidance a long-list of potential recreational / sports uses have been considered. Table below provides an analysis of potential uses, the need / demand in the city and how appropriate they might be in supporting a community stadium in York. In summary there is a case for the provision of the following uses:

- **3G Synthetic Sports pitch:** Can be used for rugby and football. Particularly useful for training, reserve team matches and commercial use.
- **5 / 7-side pitches:** Although there is a good provision in the City (see market assessment), as part of a community sports village / well-being hub (dependent on location) there is a case for affordable / accessible pitches.
- **Water based synthetic pitch:** A clear need has been identified for the city and region. Necessary for competition standard hockey.

- **High quality grass pitches:** a shortage of grass sports pitches is identified by Active York.

All these community sports pitches could be incorporated as part as a community sports hub. The support facilities could be shared with other uses and designed around them – in particular a new athletics track. A significant site would be required to accommodate all o these uses, however they are predominantly open and could be incorporated into a green / belt or urban fringe site.

### **Potential community health and educational facilities**

Community sports and leisure facilities are only part of the potential mix of community resources which could make up the stadium complex. In addition, healthcare, well-being and education could be anchor uses.

#### ***Education***

A community stadium could play a significant role in meeting educational needs particularly in sport / health related fields. There has been a strong response from the city's educational providers, in particular 'Higher York' and 'Learning City' part of the Strategic Partnership.

Higher York believe the project has great potential in providing a strategic educational focus for sport and well being. In its letter dated 20 April 2009, St John's University outlines it support for the project. The University has academic expertise in the areas of sport, health and well-being that might be utilised to inform the planning process. It is also committed to a strategic objective to extend its external contribution through partnership and collaboration. The University of York has a strong focus on sciences and medicine, as well as an objective to improve its sporting facilities.

Learning City have identified a need for a centre of excellence to base new initiatives for 16-19 year olds Not in Education Employment or Training (NEETs). Up to 100 places per annum are required for Diplomas in Sport & Active Leisure and Society, Health & Development. York College and other providers have also identified a need for a construction skills academy and potential links to media, hospitality, groundsmanship and other related activities.

Successful models have been developed at Headingley Stadium and the KC Stadium Hull. Leeds Met University have been directly involved in the partnership redevelopment of one of the stands at Headingley stadium, providing a high-tech learning centre with multi-use teaching, conference and café facilities. Used as a focus for the internationally renowned Carnegie College it is a centre for sports excellence, using the stadium as a focal point and marketing tool. Hull College have followed a similar model in developing a new learning facility and library as part of the KC Stadium.

The new stadium could might contain state of the art facilities, creating an institute for sport and well-being. It could provide sport science, health and educational support for York's professional teams and elite athletes. It could provide facilities for

and draw on the expertise of academic staff from YSJU, York University and other local Higher Education providers who have common interests in community based sport, exercise science, health related subjects and education.

Locating an institute for sport / well-being within the stadium would bring local and regional experts together to conduct and disseminate research and provide community services which are of value to local stakeholders and the residents of York and the region. The institute may also act as an educational centre which uses sport as a mechanism to engage children with learning. It could further provide a hub for the delivery of vocationally related qualifications, thus increasing opportunities for active participation and community engagement in volunteering, whilst also raising aspirations.

In addition to the provision of high quality fit for purpose facilities, the successes of community stadia are based partly on the level of engagement with the local community to encourage participation. In many cases, the stadium management companies have created Development Plans which target groups such as local schools. Clearly, any such community engagement at the new Community Stadium could build on the existing successes of York City FC, York City Knights and the Athletics Club in engaging with local communities.

The Playing For Success (PFS) initiative has been encompassed and successfully delivered by many clubs across the UK. Funding is available to create learning spaces within stadia to encourage young people to improve their basic learning skills. Other clubs have also developed initiatives using the power of sport, with further education providers to encourage adults who often shied away from main stream education to return to courses based at a new stadium. Brighton & Hove FC have received funding from the RDA (SEDA) to develop their partnership programme with the local college.

Science City York has already made its support of the Community Stadium known via a letter of support to the Council (dated 21st April 2009). This letter states that a community stadium could offer an important role providing an ideal location for specialist exhibitions / conferences focuses on health / sports sciences. It offers the opportunity of showboating York's success and achievements in these areas.

### ***Health and Well-Being***

The PCT and hospital trust have both identified the need to invest into and find new and innovative ways of delivering many of their services. Initial consultation has identified a potential synergy with the provision of the community stadium based on case studies across the country. There is scope for further investigation for the provision of a wide range of care services including community, secondary / intermediary care and physiotherapy. There is also scope for drop-in style centres for the new health MOTs, and a hub for interventions to tackle York and the Nation's growing problems relating to health and well-being of overweight and obese children / adults.

This structure would enable a wide range of community programmes and activities aimed at increasing physical activity, engaging in preventative healthcare and leading healthy lifestyles to be delivered in the stadium, as well as in other satellite

venues. For example, the stadium might act as an information point regarding activities promoted throughout York (e.g. cycle/walk for life promotions etc).

Following the innovation identified in the comparator section of this report, by Preston North End and Warrington in their partnerships with the PCT shows that a new means of providing community health services can be provided in a very cost effective manner.

#### ***Other potential public sector facilities***

There is also an opportunity to incorporate other public sector facilities into the stadium complex. These could include offices for council services (e.g., sports development, and youth services which have a clear synergy with the stadium). There is also scope to house other council services that require vehicular access and would not be well suited to the new centrally located Council HQ. Other public services could also be considered (involving the Police and Fire Service). Adding these facilities to the facility mix would both create additional footfall and vibrancy to the stadium site, and would reinforce the community-based nature of the project. However, the need and potential of these uses will need to be discussed in detail with the relevant organisations should the project move forwards.

### **Ancillary Commercial Uses**

#### ***Hotel & Conference Centre***

Unlike other major tourist destinations, York does not have a strategic framework to help guide future hotel investment and development (such as an analysis of future hotel sector supply growth and characteristics, and demand prospects). However, as mentioned previously Visit York have identified a particular strategic priority to attract high quality (4-star plus) hotel provision to York. A specific market gap has been identified for new, distinctive hotels that also offer high quality conference facilities (which include a variety of different sized conference and meeting rooms, and break-out rooms). In terms of potential locations, Visit York has suggested a preference for sites close to the city centre (with good access from the railway station).

Based on recently completed hotel market and financial feasibility analysis – in relation to different types of hotels (which include varying amounts of conference and meeting room space) – the potential capital costs per bedroom for different types of branded hotel with conference facilities could be as per the table below. As these figures exclude the cost of any land acquisition, site preparation, abnormal costs, and professional fees, they should only be regarded as indicative at this stage.

#### **Indicative hotel development costs**

<b>Quality</b>	<b>Indicative capital cost per bedrooms</b>
Branded budget hotel with between 60 and 100 bedrooms	£40,000 plus
Branded mid-market (three-star equivalent) hotel with up to 125 bedrooms	£65,000 to £75,000 plus
Branded upscale (four-star equivalent) hotel with c. 150 bedrooms	£120,000 plus

Source: Five Lines Consulting estimates (based on feedback from international hotel operators)

A soft market testing exercise was undertaken with four national / international hotel operators regarding their interest in the potential of a hotel as part of a community stadium development in York. Due to the commercial sensitivity of the data / names involved the specific details are not provided, but the findings are summarised below:

- All four operators expressed interest in the potential of a 3\*plus to 4\* plus hotel / conference facility (120-170 bed) in York as part of a community stadium.
- Based on the successful models elsewhere in the country and considering the potential gap in the market for top-end hotels in York this was of particular interest.
- Location would obviously be important as would the range of other facilities included as part of the stadium / hub.

#### ***Commercial 5-a-side***

5-a-side football is a fast, intensive, and exciting and is suitable for just about any age, any ability and either sex. The popularity of this sport has led to a significant increase in supply of 5-a-side football pitches across the country over the last ten years, and it is among one of the fastest growing sports in the UK. Indeed, the Football Association found that the number of adults playing small sided games (i.e., 5-a-side and 7-a-side) now exceeds the numbers playing 11-a-side.

The provision of facilities has been revolutionised by a handful of private sector companies, including Powerleague (who have 43 centres across the UK), Goals (31 centres), and Play Football Centres (11 centres, including one at Clifton Moor Retail Park in York). These new pitches are generally state-of-art, rubber crumb pitches with clean changing facilities and other on-site leisure facilities including a licensed bar and big-screen room, as well as children's party rooms and soft play areas. Many centres offer indoor and outdoor pitches.

The Play Football Centre in York reportedly cost c. £2 million to develop. It opened in 2008, and has five 5-a-side football pitches and two 7-a-side pitches. However, given the size of the existing Play Football Centre, there are doubts as to whether a city the size and economic profile of York would generate sufficient demand for another commercially-operated 5-a-side centre.

Discussions with a leading operator undertaken to inform this study - confirmed this. They suggest that a commercial 5-a-side centre requires a resident population of 150,000 people. Given this, the existing Play Football Centre and the facilities at the new Manor School there seems to be limited scope for further commercial facilities. However, discussions amongst certain consultees did appear to suggest potential demand for a 'lower cost' 5-a-side option in the city, providing it was well located. Furthermore, if it was to be part of a major stadium development / sports village hub it may be an attractive and competitive proposition.

#### ***Multi-purpose music and sporting indoor arena***

The operation of UK arenas often provides insufficient income from events and secondary sources to generate private sector interest in funding the total capital

development costs. Private sector interest has been limited without the opportunity for planning gain. The development of arenas in the UK has therefore been carried out typically via some form of public / private sector partnership, where (in some cases) the public sector has contributed land and much of the construction cost, with the private sector funding some capital and all of the operating costs. Few of the existing arenas in the UK have been constructed without significant levels of public sector grants.

It is important to highlight a major new multi-purpose arena development planned in Leeds. In November 2008 it was announced that the new Leeds Arena would be located in the northern part of the city centre (. The site covers an area of over five acres. Leeds City Council will own the land and the building, the Arena will be managed by the operator SMG. It is anticipated that the venue will have 12,500 seats and be suitable for a wide variety of entertainment and sporting events. The new venue is expected to open in 2012. This will clearly be a major new large-scale entertainment venue for Yorkshire, and given the high profile nature of the operator SMG (who is also a music promoter) is likely to draw visits from a wide catchment area, including York given the easy road and rail access between the cities.

Many stadiums (including the KC and Liberty stadiums) have successfully staged big concerts, by covering the playing surface and turning the stadium into a temporary music venue. Experience shows that this is unlikely to provide a secure revenue stream, however for occasional major concerts / festivals where their will be a positive wider impact from the event, the operating costs can be recovered.

#### ***The Barbican Centre***

It is necessary to discuss the possible redevelopment of the Barbican Centre, which is located to the east of the city centre. The Barbican Centre opened in 1989. Until it closed in 2006, the Barbican Centre provided a range of arts and leisure facilities, including a 1,500 seat auditoria (which was the largest concert hall in York), and swimming pool.

In February 2009, the Council commissioned Drivers Jonas to examine possible future options for the re-use of the Barbican Centre. In April 2009, Driver Jonas produced their report which suggests market potential for a range of arts events, and conferences / exhibitions for any 'new' Barbican Centre to tap into. The Council is currently considering the report's recommendations before determining a way forward.

It is also important therefore to consider the implications of the possible redevelopment of the Barbican Centre on any new Community Stadium to ensure that the two facilities – if they both come to fruition – are as far as possible complementary, particularly in terms of any event space provided at the stadium, hotels, and conference and exhibition facilities. In terms of the latter, there will be a need to ensure that there is a strategic – destination wide - approach to the targeting of conference and exhibition markets so that they do not directly compete with each other for the same type of events, particularly if both facilities have an active involvement of the Council.

There is a great opportunity here for the city to look strategically at the provision of public leisure and tourism facilities and the commercial opportunity surrounding this. The interest of the University must also be considered in the conferencing and music venue market and their need to deliver high class sports facilities as part of their campus expansion.

***Other commercial land-uses***

There are clearly a variety of other potential commercial land-uses which could be considered as part of the new community stadium, including multiplex cinema, ten-pin bowling, and bars and restaurants. In terms of multiplex cinema and ten-pin bowling, there is no evidence of any latent demand. For example, multiplex cinemas typically require a catchment population of c. 150,000 to 200,000 to support a ten screen complex. Given that York already has a 12 screen Vue Cinema (at Clifton Moor) and a three screen City Screen in the city centre, there appears to be no excess demand to support additional cinema provision, even though York's population has many positive demographic attributes for cinema-going (e.g., relatively large numbers of people aged between 7 and 34 years old).

With regards to commercial food and beverage provision, key issues include (1) the level of footfall which would be generated by the next Community Stadium complex to support their trading and (2) to consider to what extent any provision on the site of the new Community Stadium would dilute the income generating potential of the stadium's own food and beverage offers. At this stage, it is not suggested to include commercial food and beverage offers as part of the wider mix of community and commercial facilities.

### Analysis of community sports needs in York

Option	Description	Commentary
Indoor sports hall	<p>Flexible use indoor sports hall for a range of indoor sports and leisure activities, including badminton, dance and fitness classes, indoor sports training, and general school usage.</p> <p>A typical community sports hall would have a four badminton court hall, activity halls, and associated changing rooms and other facilities (e.g., café).</p> <p>By way of illustration only, recently built sports halls of this type have had capital costs of c. £1.5 million to £2.0 million.</p>	<p>Analysis undertaken by Active York suggests that there is currently a significant under supply of publicly accessible badminton courts across the city, which will increase as York's population continues to grow. However, there is a possibility that some of this shortfall will be met by the following:</p> <ul style="list-style-type: none"> <li>• Community usage agreements to offer public, casual use at existing facilities.</li> <li>• York University's plans for a new sports hall as part of their expansion plans as Heslington East.</li> <li>• There is also the potential to develop full-sized sports halls at three of the city's secondary schools which currently do not have such a facility, as they would make good locations for such community sports halls (e.g., they would benefit both the schools and the local communities).</li> </ul> <p>In light of the above, we do not suggest inclusion of a sports hall in the facility mix at the new Community Stadium.</p>
Swimming pools	<p>Community swimming pool which could be a variety of different sizes, including 25 m. long, which is a standard size for many community pools. Could be available for public swimming, swimming lessons, and club usage.</p> <p>By way of illustration only, recent swimming pool projects of this type and size have been built for c. £5 million plus.</p> <p>It also important to note that community pools also typically require significant revenue subsidies, which could mean diverting funds from other potential community provision / activities.</p>	<p>Based on Active York research, there is currently an under supply of swimming space in York, which will only increase as the population of York continues to increase.</p> <p>The city has no swimming pool facilities that meet modern competitive requirements or dedicated training pool facilities. Active York suggest that there is a need for a county standard pool (e.g., 25 m. with eight lanes and training / teaching pool), particularly in the East or South of the city. However, a county standard pool is proposed as part of York University's expansion plans.</p> <p>Because of the above, we do not suggest inclusion of a swimming pool in the facility mix at the new Community Stadium.</p>
Community health and	<p>Could be a 'low cost' entry (when compared to private sector health and fitness club provision in</p>	<p>Active York's analysis – based on national participation and membership benchmarks – indicate that there is currently no unmet demand for health and fitness facilities in York.</p>



fitness centres	York). Could provide a gym (with cardiovascular equipment), studios, and spa facilities (e.g., steam and sauna rooms, and spa treatment rooms).	<p>Also, experiences from other community stadia (e.g., Doncaster’s Keepmoat Stadium) suggest operating community-based health and fitness clubs of this type can be challenging (even if they are of a high quality with an affordable pricing policy), at least during the first few years of trading.</p> <p>In light of this, even though York has higher than national average numbers of fitness gym members (primarily because of its generally wealthy population), we do not suggest the inclusion of a community health and fitness centre in the facility mix at the new Community Stadium.</p>
Outdoor sports pitches	Pitches which could be used for training for York City FC and York City Knights (including for their junior / academy teams), as well as community use, including schools.	<p>Research undertaken by Active York found that York has a shortage of mini / junior football pitches, and junior rugby league pitches. Active York also identified the problem that many of the existing pitches and supporting facilities (such as changing rooms) are of insufficient quality for their intended uses.</p> <p>In addition to the community need for new outdoor sports pitches, outdoor pitches clearly complement the Community Stadium as a venue for professional football and rugby league (e.g., the ability for the clubs to uses the pitches for training, reserve games, academy uses, etc.).</p> <p>Because of these features, there is a case for the inclusion of high quality outdoor sports pitches at the new Community Stadium.</p>
Synthetic sports pitches	<p>Pitches which could be used by community football – including 5-a-side – and hockey (e.g., City of York Hockey Club), as well as school use. The options for the pitch include ‘traditional’ sand and water-based Astroturf synthetic pitches, or the latest 3G pitch.</p> <p>By way of illustration only, synthetic pitches can cost c. £450,000 to £650,000, depending on the quality of the synthetic turf used, the costs associated with site preparation, quality of floodlights and fencing, and the like.</p>	<p>At face value, the current supply of Astroturf pitches meets current supply (i.e., using Sport England supply / demand benchmarks).</p> <p>However, hockey participation is higher in York than the national average (as discussed in Chapter 3 of this report), and the City of York Hockey Club is keen to grow and compete at a regional level and higher.</p> <p>In light of this, there is a particular need for a new water-based synthetic pitch to meet their requirements (or any synthetic surface that supersedes this and its allowable for competitive hockey).</p> <p>There is a case for the inclusion of high quality synthetic pitches at the new Community Stadium, possibly a water-based Astroturf pitch for hockey and football usage, and a 3G pitch for use by the professional sports clubs and the local community.</p>





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**ANNEX 8  
Long-List Appraisal**

Option	Pros	Cons
A. Do nothing (the 'as is' option).	No cost to the Council.	<p>Does not resolve the current situation with York City FC.</p> <p>Does not resolve any of the current problems with both Bootham Crescent and Huntington Stadium as venues for professional sport.</p> <p>Does not enable the new stadium development to help address market gaps for certain facilities (e.g., new sports pitches, health / education hotel with conference centre, etc.).</p>
B. Basic football stadium plus limited range of community facilities.	<p>In addition to a new athletics facility, there appears to be a market need for outdoor sports pitches, including synthetic provision for football, hockey, netball, touch rugby, etc.</p> <p>Lower cost option than Options 3, 4, 5, and 6.</p> <p>Simple development / partnership arrangements.</p>	<p>Would not maximise the possible economic and community benefits that a larger community stadium could generate.</p> <p>Would most likely require investment in Huntington Stadium (i.e to very similar facilities) so that it better meets the needs of York City Knights and the Athletics Club.</p> <p>Does not enable the new stadium development to help address market gaps for certain facilities (e.g. health / education, hotel with conference centre, etc.).</p> <p>Not cost effective use of resources to create modern stadia facilities for all key partners.</p>
C. Shared football and rugby league stadium plus limited range of community facilities.	In addition to a new athletics facility, there appears to be a market need for outdoor sports pitches, including synthetic provision for football, hockey, netball, touch rugby, etc.	Does not enable the new stadium development to help address market gaps for certain facilities (e.g., health / educational uses, hotel with conference centre, etc.).
D. Shared football and rugby league stadium plus extensive range of community facilities.	<p>Includes community education and health provision, so has a wider community benefit than Options 1, 2 and 3.</p> <p>In addition to a new athletics facility, there appears to be a market need for outdoor sports pitches, including synthetic provision for football, hockey, netball, touch rugby, etc.</p>	<p>Does not enable the new stadium development to help address market gaps for certain facilities (e.g., hotel with conference centre, etc.).</p> <p>More complicated development / partnership arrangements.</p>

	<p>Good potential for external funding and commercial development partnership opportunities.</p>	
<p>E. The same as 'D' but with hotel / conference centre.</p>	<p>There is a clear market gap for a high quality hotel with fit for purpose conference and meeting room facilities (although care needs to be taken to ensure that any new hotel / conference centre at the new Community Stadium complements additional hotel / conference centre development elsewhere in the city (e.g., at the redeveloped Barbican).</p> <p>Initial discussions with a limited selection of UK and international hotel operators suggest operator interest in the hotel (with conference centre) may be relatively high. A hotel could share certain facilities within the stadium (e.g., executive boxes, function rooms, etc.) to create operating synergies.</p> <p>In addition to a new athletics facility, there appears to be a market need for outdoor sports pitches, including synthetic provision for football, hockey, netball, touch rugby, etc.</p> <p>Good potential for external funding and commercial development partnership opportunities.</p>	<p>More complicated development / partnership arrangements</p> <p>Site requirements more complex (limited availability).</p> <p>Major financing requirement due to hotel procurement trends in UK.</p>
<p>F. As 'E' but with a multi-purpose sporting, music and conference / exhibition arena.</p>	<p>An arena would add to the 'destination appeal of the Community Stadium complex, and generate high footfalls on certain days.</p> <p>In addition to a new athletics facility, there appears to be a market need for outdoor sports pitches, including synthetic provision for football, hockey, netball, touch rugby, etc.</p>	<p>The new Leeds Arena will present major competition for a wide variety of events to any new arena in York, including indoor music, sporting and business tourism events.</p> <p>Multi-purpose arenas typically require public sector funding for their capital costs. Given that Yorkshire Forward are likely to provide some grant funding to the Leeds Arena it is highly unlikely that they would be prepared to provide grant funding to any arena in York.</p> <p>May be a conflict with any redevelopment of the Barbican that involves new performance space?</p>



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## **ANNEX 9**

### **Planning Issues – Community Stadium**

#### **Planning Policy Framework for Stadia and Related Uses**

There is no specific local or regional planning policy for stadia. Nationally, PPG 17 – Planning for Open Space, Sport and Recreation – states that: “Planning permission for stadia and major sports developments which will accommodate large numbers of spectators, or which will also function as a facility for community based sports and recreation, should only be granted where they are to be located in areas with good access to public transport. Planning permission for additional facilities (such as retail and leisure uses) should not be granted for any out-of-centre developments unless they comply with the policy set out in PPG6”. PPS6 requires that “in such cases the retail element is limited in scale and genuinely ancillary to the main development, and should seek to control this through the use of conditions”. If the additional facilities are not ancillary, then the sequential approach would apply, as discussed below.

Relevant policy considerations include: PPS1 - Delivering Sustainable Development - and Regional Spatial Strategy Policy YH8 – Location of Development – which require planning authorities to adopt a sequential approach to the location of development; RSS Policy Y1 – York sub area policy – requires a focus of “most development on the Sub Regional City of York, whilst safeguarding its historic character and environmental capacity”; RSS Policy E2 – Town Centres and Major Facilities – states that the “centres of Regional Cities and Sub Regional Cities and Towns should be the focus for offices, retail, leisure, entertainment, arts, culture, tourism and more intensive sport and recreation across the region”.

The key planning issues for a stadium therefore are: the need to adopt a sequential approach to site selection; the need for good access by public transport; and the need to safeguard the historic character and environmental capacity of the city.

The stadium should preferably be taken forward through the emerging Local Development Framework and the preferred site evaluated in terms of these key planning issues in the context of the wider spatial strategy for the next 20 years.

The stadium should preferably be included as a site allocation in the LDF Allocations DPD Preferred Options document, supported in principle in the Core Strategy Preferred Options. If a green belt site was the preferred option then this could be taken into account in defining the green belt boundary.

Reference to the stadium has been made in the Core Strategy Preferred Options, which is due to be consulted on June-July 2009: “It is a corporate priority for the Council to provide a new community stadium for the City. The Council is currently exploring the potential to combine sports provision with a variety of other uses that will have significant benefit to the wider community, such as healthcare, education and other community facilities. A new stadium will also help to deliver the needs outlined in the Sport & Active Leisure Strategy (2008). The Strategy identifies a need for a modern professional stadium for York City Football Club and York City Knights Rugby Club that meets league and safety standards and can attract investors, players and spectators to encourage participation and promote excellence”.

### **Football Stadia Trends**

A number of recent high profile planning cases relating to stadia have focussed on greenfield / green belt issues. If pursuing an application for a site in the current York draft green belt, a 'very special circumstances' argument would need to be made to justify the development. A stadium is not an 'appropriate use' in the Green Belt as defined in PPG2: "Inappropriate development is, by definition, harmful to the Green Belt. It is for the applicant to show why permission should be granted. Very special circumstances to justify inappropriate development will not exist unless the harm by reason of inappropriateness, and any other harm, is clearly outweighed by other considerations".

A number of recent Inquiries into stadium developments in England have shown that a very special circumstances argument would need to establish:

- That there is a definite 'need' for the development
- That no sequentially preferable sites are available/feasible/viable
- That there is local support for the development – political, community and from Sport England, the FA etc
- That there are community benefits in the proposal – community access to the stadium facilities, sports pitches etc
- That the 'harm' to the openness of the green belt, landscape character and the setting of the city has been mitigated as far as possible and the visual impact reduced
- That there is appropriate sustainable transport access to the site and the impact on the highway network is manageable
- That any ancillary development is actually ancillary to the stadium. A separate sequential test would be required otherwise
- If enabling development is proposed, the need for this in terms of financial support for the project would need to be demonstrated and would be subject to a sequential test if it is in the green belt.

Regardless of location, new stadia in recent years have sought to maximise the income generating potential of the development, provide some form of community access and have aimed to address issues of sustainability. Dedicated public transport access and match day traffic plans are also a common feature.

### **Proposed Methodology for Site Selection and Evaluation**

A methodology has been developed to search for the most appropriate location for the stadium. This process is dependant on the preferred model for the stadium.

A sequential analysis of sites will be required in order to justify the site selection in planning terms. A greenfield or green belt site cannot be considered until all brownfield options have been discounted. The sequential order of preference should be:

- The existing stadium sites
- Brownfield sites (allocated) in York settlement limit – City or district centres
- Other brownfield sites within the York settlement limit
- Greenfield sites within the York settlement limit
- Greenbelt sites.

In terms of our Spatial Strategy in the Core Strategy land outside the outer ring road is generally considered physically separate from York and does not have the sustainability benefits of land within the outer ring road. This would generally apply to the stadium, particularly in light of the need for the stadium to provide community facilities.

### Constraints

The methodology for identifying areas of York potentially suitable for the stadium follows a 'sieving' approach of removing areas of constraint.

A number of constraints on the potential of the sites are listed below. The primary constraints are the areas of highest green belt quality (from the Green Belt Review, 2003), nature conservation sites, the functional flood plain and public transport accessibility. The 7 key questions are based on the LDF Allocations DPD site selection methodology. A process of scoring each site against these criteria is required to review the relative merits of the sites.

Is the Site Available?

- Ownership, Availability, Legal Issues (covenants / tenancies etc)

Is it Previously Developed Land?

- Locational Policy (sequential approach); Green Belt Quality; Landscape Quality; Visual Impact; Nature Conservation Sites; TPOs; Designated Open Space; Agricultural Land Value; Flood Zone; Built Heritage / Archaeology

Is it Well Connected?

- Accessibility - RSS Policy requires the stadium to be located within a 5 min walk of a bus stop offering a 15min frequency service to a major public transport interchange

What is the Capacity of Existing Infrastructure?

- Highway Network Issues
- Utilities

Will New Development Impact on the Amenity of Existing Communities?

- Residential Amenity

Are there Physical or Environmental Constraints on the Site?

- Size and Configuration
- Air Quality, Noise, Contamination, Topography, Power Lines, Drainage, Public Right of Way

Would it Support New Planned Facilities or Services?

- Community Benefits
- Synergies
- Ancillary / Enabling Development.

These last three issues are key to assessing the appropriateness of the business model in different locations and are discussed below.

### Community Benefits

There will be a need to identify potential community benefits relevant to each potential site and local area. The LDF Open Space, Sport and Recreation Study identifies a significant projected under-provision of open space for outdoor sports over the period of the LDF. The Sport and Active Leisure Strategy identifies specific needs for indoor and outdoor sports in the city. In consultation with Leisure Services, a series of open space /sports requirements for each site can be identified.

The likely land take for these facilities needs to be calculated in order to dismiss sites that do not have the capacity for provision. The key consideration should be accessibility – community facilities need to be readily accessible to the community.

#### Synergies

There is a need to identify if there are any proposed developments or existing developments in the vicinity of the site for which the stadium development could provide added value.

#### Ancillary / Enabling Development

Other uses associated with the stadium would be subject to the sequential test, unless they were 'ancillary' to the main use. PPG 17 states that for stadia: "Planning permission for additional facilities (such as retail and leisure uses) should not be granted for any out-of-centre developments unless they comply with the policy set out in PPG6".

If enabling development is proposed, robust evidence would need to be presented that the development is necessary and capable of funding the stadium. Recent stadium developments have included: conferencing facilities, cinema, hotel, stadium shop, restaurants, sports injury clinic, community learning zone, indoor sporting venue, however these are more difficult to justify in a green belt location.

Consideration needs to be given to the LDF Evidence Base to review the need / demand for different uses in different locations and a justification for any ancillary or enabling development also made in this context.

Hotels/conference facilities: Hotels are considered to be a town centre use in PPS6. A sequential approach would be applied: first, locations in appropriate existing centres; then edge-of-centre locations, with preference given to sites that are or will be well connected to the centre; then out-of-centre sites, with preference given to sites which are or will be served by a choice of means of transport and which are close to the centre and have a high likelihood of forming links with the centre.

If an edge or out-of-centre site was proposed, it would need to be demonstrated that the hotel/conferencing was an integral component of the overall stadium development, otherwise the developer would need to explore the scope for disaggregation, to explore the possibility of enabling the development to fit onto more central sites, and show flexibility in the proposed business model in terms of the scale of development; the format of their development; and car parking provision.

Edge and out-of-centre sites can potentially present opportunities for a hotel / conference facilities if linked to business parks (e.g. Monks Cross) or education/science city (e.g. the University).

Offices: Offices are also considered to be a town centre use in PPS6. A sequential approach would be applied. The LDF Employment Land Review shortlists 19 sites to meet the supply for B1a offices over the timeframe of the LDF. If office use were proposed as part of the stadium development, synergies with these 19 sites should be explored. Some of these sites are out-of-centre. There is scope therefore for some out-of-centre provision related to existing commercial/business areas and the University.

**Next Steps**

When a decision has been reached on the preferred business model, we can incorporate this into our methodology to identify an appropriate location for the development.

The constraints methodology will reveal 'areas of search' where a suitable site can be found. The model will identify the land take required for the development. We can then identify potential sites within the areas of search.

A scorecard approach can then assess the quality of each site against the constraints listed above.

The methodology will assess the appropriateness of the enabling / ancillary component of the business model for each site against the LDF Evidence Base.

In terms of community sports uses. The Sport and Active Leisure Strategy and Open Space, Sport and Recreation Study indicate the current deficiencies for these facilities within different areas of the city, as for the city as a whole, which will suggest what is appropriate in each area of search.

Where more than one potential site has been identified, the sequential test will apply.

When a site/alternative sites have been identified, these can be incorporated into the LDF Allocations Preferred Options document and subject to public consultation in Autumn 2009. We will also review consultation responses to Core Strategy Preferred Options.

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**Executive****23 June 2009**

Report of the Chief Executive

**Improved direct communications with residents****Purpose of Report**

1. This report asks for Members' approval to proceed with the production of a new bi-monthly (six issues a year) council publication designed to improve direct communications with residents.

**Background**

2. The link between overall satisfaction with the council and the amount of information residents receive about council services, has been noted in previous reports to the Executive, with both indicators falling in parallel for some years. The most recent figures from the council's surveying of residents, found that only 47% of people were satisfied with the amount of information provided by the council. It was proposed to address this by improving direct communications with the people of York through a new council publication delivered to every household, replacing the existing quarterly Your City. Initially the council investigated working in partnership with an outside provider supplying print, design and distribution, with the council supplying the editorial content. The publication would have been financed through diverting the spending on some or all of the council's local recruitment advertising into the costs of production and distribution.
3. However, as a result of the deteriorating economic climate, the financial basis for producing a publication this way has changed. Instead of using advertising to fund the new publication the new proposal is to concentrate some of the existing directorate spending on communications into one pot, which would allow for a bi-monthly 4-page A3 sized publication (the same size as Schools Out).
4. This option would multiply the space available for city-wide direct communications by three - from 16 pages of A4 to 24 pages of A3, equivalent to 48 pages of A4 annually.

**Options**

The costs for print and distribution in the following options are detailed in Annexe 1.

5. **Option 1:** A3 4-page full colour, 170gsm gloss art paper.

A3 4-page full colour, 170gsm gloss art paper (80% recycled), delivered to 87,000 households six times a year, four times with Your Ward and twice through a separate distribution.

*Advantages*

- The higher quality paper (the same as the 'Ascot special' Your City) gives a cleaner, more magazine feel.
- The higher quality paper will send a message of quality to some people.

*Disadvantages*

- The paper will be (and will look) more expensive
- The higher quality paper will send a message of profligacy to some people
- The long lead in times involved in the six week distribution required by Your Ward will mean that news in the publication could be up to eight weeks old by the time it is received, for the four issues distributed that way.
- The change in format for the new publication means that Your Ward and Your City might not be able to be inserted into each other at the printers as they are now. This will have some implications for the council's in-house distributors and the costs of the distribution, as the two publications (Your Ward and the new publication) would probably need to be manually inserted by the distributors.
- If distributed with Your Ward the publication would not be truly bi-monthly but sporadic as indicated below.

*Timing*

With Your Ward distribution:

- December/January
- April/May
- June/July
- September/October

Extra two:

- February
- November

6. **Option 2:** A3 4-page full colour, newsprint (similar to Schools Out).

A3 4-page full colour, newsprint (70gsm) paper (100% recycled), delivered to 87,000 households six times a year, four times with Your Ward and twice through a separate distribution.

*Advantages*

- Cheaper
- More recycled

- The more newspaper style paper will give the publication a more 'newsy' and immediate feel to some people
- By using cheaper paper (and cheaper looking paper) the council will be less at risk of being accused of profligacy

*Disadvantages*

- The long lead in times involved in the six week distribution required by Your Ward will mean that news in the publication could be up to eight weeks old by the time it is received, for the four issues distributed that way.
- The change in format for the new publication means that Your Ward and Your City might not be able to be inserted into each other at the printers as they are now. This will have some implications for the council's in-house distributors and the costs of the distribution, as the two publications (Your Ward and the new publication) would probably need to be manually inserted by the distributors.
- If distributed with Your Ward the publication would not be truly bi-monthly but sporadic as indicated below.

*Timing*

With Your Ward distribution:

- December/January
- April/May
- June/July
- September/October

Extra two:

- February
- November

7. **Option 3:** A3 4-page full colour, newsprint (70gsm - similar to Schools Out).

A3 4-page full colour, newsprint paper (100% recycled), delivered to 87,000 households six times a year through six separate distributions.

*Advantages*

- Separate distribution will allow for a much shorter lead-in time, giving the opportunity to respond more quickly to events and run less risk of the council being late to present its own news to residents.

*Disadvantages*

- The separate distribution is a more expensive option
- The council could be accused of not being joined up

- The existing distribution method (using council staff) is proven to work – a new separate distribution (if an in-house option is impossible or too expensive) may be more problematic.

### *Timing*

Six distributions

- Early December (with budget consultation)
- February
- April
- June
- August
- October

### **Distribution options**

These are contained in Annexe 1

### **Producing the new publication**

8. At present marketing and communications put out on average 60 press releases a month from every part of the council - news and information that the council would like the public to be aware of. Very few of those releases make the pages of *Your City* because of the long gaps between publications. These can then only be communicated through the media or the council's website, and those people who do not regularly make use of the city's written or broadcast media remain unaware of the contents in the press releases.
9. Although the existing publication covers some of the council's biggest priorities, there are many campaigns in the council with a year round need for publicity which would benefit from the extra space available. These include: benefits take-up; benefits fraud tip-offs; activities and services for young people; publicising the York Contact Centre and the website; promoting Park & Ride; recruitment of foster carers and adopters; anti-litter messages and initiatives; road safety issues; Active Leisure activities; recycling; home carer recruitment; arts & leisure services; libraries; Register Office services. In addition to year round information the publication could also be used to promote one-offs such as voter turnout and importantly explain the council's reasoning on major projects, such as the planned move to a new HQ.
10. The existing Your City brand is in need of an overhaul, being around five years old. This might include renaming the paper and choosing a different visual style. There is likely to be some initial costs involved in this design and branding work of around £1,000.
11. The publication would be edited by a Communications Officer overseen by the Senior Communication Officer and supported by a part time Communications Assistant, who together will make up a new press and publications office. This restructure has already been started in response to the 2009/10 budget round. This team would handle the council's dealings with the media and external publications.

12. Responsibility for the publication's overall production will rest with the Media and Publicity Manager and the Head of Marketing and Communications. This will require these officers to adapt the way they currently work.
13. In order to create the capacity to produce the new publication, the m&c team will need to change its priorities and look at new ways of working with the rest of the council. Given this we anticipate there would be no extra staff resources required.

### **Editorial policy**

14. The new publication would be governed by the Code of Recommended Practice on Local Authority Publicity 1988 and by the council's media protocol, which reflects the Code. Paragraph 12 of the Code states, "*Any publicity describing the council's policies and aims should be as objective as possible, concentrating on facts or explanation or both*".
15. The media protocol refers specifically to the content of council publications, saying they will abide with paragraph 12 of the Code and that councilors will not be featured in photographs. The exception to this is simple 'head and shoulders' photographs that allow the public to identify councilors. The Lord Mayor can be actively featured in council publications (with an overlap of two months when Lord Mayors change to allow for the lead in times in publications).
16. An editorial board made up of one chief officer from each directorate and the Head of Marketing and Communications, will be established to help plan each publication, sourcing content and liaising with the wider council. Final editorial control will rest with the Chief Executive advised by the editorial board.
17. A bi-annual external advisory board, possibly drawn from the talkabout panel, will also be established to advise on the content and style of the new publication.

### **Timeline**

18. The m&c team expect to produce a trial issue of the new publication before the first issue is distributed to residents. In producing this, the reactions to any new identity can be tested, along with approval processes.
19. The m&c team would hope to work on the new design, consulting members, officers and residents, during July and August, with the trial issue published in September. The aim would be for the first issue of new publication to be early October, with a second issue budget consultation/Christmas copy ready for early December.

### **Implications**

#### **Financial**

20. Funding available for the new publication will not be taken from frontline budgets – it will be diverted from existing communications spending in the directorates.

Directorate	£,000	Communication spend diverted from...
Chief Executives	15	From the existing <i>Your City</i> budget and funding to promote democracy
Neighbourhood Services	10	From existing publicity budgets for recycling and waste minimisation
City Strategy	25	From planned publicity spend on major projects
HASS	9	From local job advertising
LCCS	10	From existing publicity budgets
Resources	12	From existing publicity budgets and annual budget consultation
<b>Totals</b>	<b>81</b>	

### Human Resources (HR)

21. The human resources implications for marketing and communications are outlined in paragraphs 10, 11 and 12.
22. There are human resources implications should option 3 be chosen using the in-house method of distribution, with an extra cost of approximately £13,000 (including on-costs) for half of an administrative post to organise the extra six distributions. This figure is based on the cost involved in administering the present system.

### Equalities

23. The publication will be printed with the existing 'language box' which goes on all council publications. The wording explaining the availability of large print versions of the publication will also be included in a minimum of 14-point type, with the body text as large as practically possible.
24. As with the existing *Your City*, taped or CD versions of the publication will be available for anyone with a visual impairment – a long-standing arrangement with the York Blind and Partially Sighted Society. The cost for this will be met out of the photography and taping budget mentioned elsewhere in this report.

### Sustainability issues

25. If option 2 or 3 is chosen the publication will be printed on 100% recycled paper.
26. The opportunities provided for improved communication on environmental issues could lead to improved recycling and greater awareness of climate change.

### Legal

27. As with all council publicity, the new publication would be governed by the council's media protocol and by the Code of Recommended Practice on Local Authority Publicity.

28. Past legal advice is that public notices could not be included in the paper although the situation will be monitored for changes in the legal position.

### **Crime and Disorder**

29. Improved communications with the people of York through a new publication could play their part in reducing the fear of crime and other perception issues related to crime and disorder.

### **Information Technology (IT)**

30. There are no IT implications in this report.

### **Property**

31. There are no property implications in this report.

### **Other**

32. All other implications have been covered in the report.

### **Risk Management**

33. The main risks are as follows:
- that the council does not adequately communicate its work and engage with residents, businesses and all of its communities
  - that distribution will be unreliable, meaning that important information does not reach residents.

### **Consultation and engagement**

34. The council's Corporate Management Team has been consulted on the options outlined in this paper.
35. Members of the public will be consulted on how the new publication should look and what it should contain, as part of the process of producing a pilot issue. Representatives of the public will also be engaged bi-annually (see paragraph 17) for their views, with the option of using the talkabout panel for further research if required.

### **Recommendations**

36. Members are asked to approve option 3 as the most effective and timely method of improving direct communication.

**Contact Details**

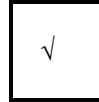
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**Chief Officer Responsible for the report:**

Bill McCarthy  
**Chief Executive**

**Report  
Approved**



**Date**

*12/6/09*

**Specialist Implications Officers:**

Finance – Keith Best

For further information please contact the author of the report

**Annexes**

Exempt annexe 1 – print and distribution costs



By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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## Executive

23 June 2009

### Report of the Director of Resources

## Year-end Performance and Financial Report for 2008/09

### Summary

- 1 This report provides details of how the council has performed in 2008/09 (covering the period April 2008 to March 2009). It also presents requests for budget carry forward and a reserves position statement. Three areas of performance are covered in this report:
  1. **Finance** - which covers the financial out-turn for 2008/09.
  2. **Performance** - which examines how well the council is performing against the National Performance Indicator set and LAA targets.
  3. **Key projects** - providing an update on how well the council is delivering improvement in the key projects that support the council's key priorities.
- 2 2008/09 is the first year that the council has reported performance under a new set of national performance indicators, which cover more outcome-based performance compared to the old best value indicator (BVPI) set. Priority based improvement is very encouraging with over three quarters of the Local Area Agreement indicators improving and nearly two-thirds hitting or exceeding their 2008/09 targets. The council's first Place Survey results are also very good (55% performing in the top quartile), which could be seen as positive endorsement from York's citizens on what it's like to live and work in the city. Overall York has improved on more indicators than in 2007/08 and performance compares much better against other authorities (e.g. 43% of national indicators in top quartile compared to 30% of BVPIs in 2007/08). There's also plenty of exceptional performance to celebrate, where York's performance is amongst the best in the country (e.g. educational attainment and waste management).
- 3 Effective financial management has ensured that these improvements have been achieved within the Council's overall budget for 2008/09. The Council remains the second lowest spending unitary authority per head and therefore the performance improvements demonstrate excellent value for money for the citizens of York. A 2008/09 Annual Report will be published on the council's website in early July, which will summarise (in a more public friendly version) most of the key points made in this report, including a draft statement of accounts.

### Background

- 4 The first nine pages of this report cover the main headlines for 2008/09 and the rest of the report studies each directorate in more detail. Below is a summary of the key finance and performance headlines and corporate health.

## **FINANCE**

### **Out-turn overview**

- 5 The General Fund budget for 2008/09 is £116,203k, however utilisation of balances and trading account profits reduce the call on council tax and indirect grants to £110,471k. The out-turn position is that there will be a net underspend of £1,478k in the year, of which Treasury Management activity has contributed £1,099k, and of which Directorates have identified and requested that £472k will be needed to be carried forward into 2009/10. There are two service areas where corrective action could not bring spend back in line with budget due to external pressures, Children's Services (non DSG) and City Strategy. The Children's Services overspend includes several issues where there is a continuing pressure into 2009/10 and work is currently underway to address these areas.
- 6 The finance regulations require that where an overspending has occurred in one financial year it is carried forward into the following year, and is a first call on that year's budget. Taking this course of action would immediately put Children's Services into an even more difficult position, and it is recommended that this process is not followed.
- 7 In looking ahead, if the council is to maintain its track record of providing high quality services then it will need to continue to robustly address its financial pressures that currently exist. This will remain a key priority for future budget processes, and the pressures will be incorporated into the financial plan.
- 8 Following the decision of the House of Lords in the Conde Nast and Fleming cases that VAT claims could be backdated to 1973, rather than be excluded under a 'three-year capping' rule, the Council submitted a claim to HMRC for cultural exemption for VAT on museums' admissions for the period from when it was introduced in January 1990, to July 2002, when the Museums Trust was established. The success of the claim and the exact sum to be rebated was unknown when the last monitor was presented to Members. A net sum of £1,817k, including interest, was received in the last few weeks of the year. This rebate has been transferred to the general reserve and is not included in the out-turn position shown in paragraph 11. While this transfer will provide headroom in the council's reserves and balances above the recommended minimum balances, such headroom will, as Annex 1 demonstrates, cease to exist during 2011/12, which is within the lifetime of the financial plan.

### **Reserves**

- 9 The level of revenue reserves at 31 March 2009 is projected to be £8,414k before any adjustment is made for net variations in the current year, as shown on the following table. The 2008/09 budget process recommended a minimum threshold level of £5,361k.

Summary of Revenue Reserves

		2008/09 £'000
<b>General Fund Reserve</b>		
Balance at 1 April		(11,426)
Less: Committed in Annual Budget	1,992	
Underspend in previous year released in year	1,513	
Transfer to Invest for Efficiency	1,000	
Supplementary Estimates granted in year	1,519	6,024
		<u>(5,402)</u>
Add: NNDR Rebates	(18)	
Additional LABGI grant	(691)	
Final LABGI grant - not expected until 2009/10	(186)	
Transferred funds from insurance reserve	(300)	
Backdated VAT claims rebate	(1,817)	(3,012)
<b>Balance at 31 March 2009</b>		<u><b>(8,414)</b></u>
Balance on Trading Activities Reserve at 31 March 2009		(332)
<b>Balance on Revenue Reserves at 31 March 2009</b>		<b>(8,746)</b>
Balance on Venture Fund at 31 March 2009		(2,276)

- 10 This shows the General Fund reserve has reduced to £8,414k at the end of the current financial year. A report will be brought to Members in July reviewing the level of earmarked reserves, and making recommendations. A preliminary review shows that the sum held in the insurance reserve could be reduced and it is therefore proposed that £120k be transferred into the general fund reserve in 2008/09 to meet the remaining uninsured costs of York High School fire (see paragraph 42d) and that a sum of £400k be transferred with effect from 1 April 2009. From 2009/10, with the implementation of the new FMS, the opportunity has been taken to include the former compulsory competitive tendering (CCT) accounts within general fund, as it is no longer a requirement that separate financing arrangements exist. In line with this it is proposed that the trading activity reserve is incorporated in the general fund reserve with effect from 1 April 2009. Annex 1 sets out the position with the underspend, the VAT rebate (see paragraph 8), the further use of the insurance reserve and the transfer of the trading activity reserve included, and forecasts forward over the lifetime of the financial plan.
- 11 It is important that reserves are looked at across the lifetime of the Council's Financial Strategy, rather than simply one or two years ahead. Annex 1 shows that by the end of 2012/13 the level of reserves will be just above the minimum threshold by £140k, leaving little room for further calls. However, an approach has been made to the Council to help YOT since it has lost some income streams, and there is a request for a further release of £550k also being considered on this agenda. If the latter is approved there will be no headroom in reserves from 2011/12 and the position at the end of 2012/13 will be a shortfall of £410k. It is important that the Council seeks to ensure Reserves over the lifetime of the Financial Strategy are sufficient. Further consideration of Reserves will take place as part of developing the Financial strategy. This will be informed also by the economic position, and there may need to be an increase in the recommended level of Reserves to recognise the increased economic risks.

## The General Fund

- 12 The table following summarises the information currently available, together with a forecast for those activities that fall under the remit of the Executive. It shows that service areas overspent by £346k compared to £620k at monitor 3. Central budgets underspend by £483k and Treasury Management activity underspent by £1,099k.

### Summary of Budgets and Variations

Variance 2007/08 £000		Currently Approved Budget			Out-turn £000	Variance Out-turn to Net Budget £000
		Gross Exp. £000	Income £000	Net Budget £000		
	<u>Service Area</u>					
+414	Children's Services (non DSG)	71,611	(42,296)	29,315	30,074	+759
	York High School Fire	-	-	-	120	+120
+47	Leisure and Culture	13,289	(4,211)	9,078	9,050	-28
-16	Economic Development	6,009	(3,401)	2,608	2,606	-2
-49	City Strategy	37,753	(19,304)	18,449	18,726	+277
-377	Neighbourhood Services	23,328	(7,155)	16,173	15,963	-210
+3	Chief Executive's Department	11,844	(5,578)	6,266	6,239	-27
-170	Property	9,287	(8,759)	528	605	+77
-1,363	Resources	59,491	(54,973)	4,518	3,884	-634
-110	Housing General Fund	11,343	(9,906)	1,437	1,418	-19
-939	Adult Social Services	61,499	(22,877)	38,622	38,655	+33
<b>-2,560</b>	<b>Total of Service Areas</b>	<b>305,454</b>	<b>(178,460)</b>	<b>126,994</b>	<b>127,340</b>	<b>+346</b>
	<u>Centrally Held Budgets</u>					
-	Notional Interest	(14,947)	-	(14,947)	(14,947)	-
-	Contribution from Cap Fin Acct	-	(6,215)	(6,215)	(6,215)	-
-1,449	Other Central Budgets	3,870	(691)	3,179	2,696	-483
-2,340	Treasury Management	11,300	(4,316)	6,984	5,885	-1,099
-200	General Contingency	208	-	208	-	-208
229	Trading Profit variance in year	-	-	-	(34)	-34
<b>-6,320</b>	<b>Non DSG General Fund Total</b>	<b>305,885</b>	<b>(189,682)</b>	<b>116,203</b>	<b>114,725</b>	<b>-1,478</b>

- 13 This is an improvement of £488k from the third monitor position and an explanation of key parts of the movements are set out in paragraphs 36 to 68.
- 14 Although the out-turn is an underspend this is mainly due to a number of one-off occurrences. In overall terms the council faces a number of on-going budget pressures and future budget rounds will need to identify appropriate actions to control and mitigate them.

## Non General Fund

- 15 There is a projected overspend of £130k against a budget of £86,389k on the Dedicated School Grant (DSG) functions. Under the terms and conditions of the DSG any in-year underspend must be carried forward to be added to next year's DSG allocation, any overspend can only either be funded from the general fund or carried forward and deducted from the following financial year's DSG. The proposal is to take the latter course of action and charge it against the 2009/10 DSG.

- 16 The HRA current working balance budget is £7,238k. The out-turn working balance is expected to be £7,514k, £276k more than the current budget. This is a small improvement from the third monitor which was forecasting an increase of £181k.
- 17 The trading activity of Neighbourhood Services underspent against the budgeted surplus of £-708k by £-234k, of which £200k is being transferred to the transport reserve. The balance of £-742k is transferred to the general reserve.

## PERFORMANCE OUT-TURNS

- 18 Overall York has improved in 60% of the 107 national indicators (which can be measured against a 2007/08 baseline) with 57% achieving target. Over three-quarters (76%) of the 30 LAA indicators (which can be measured against a 2007/08 baseline) have improved, with 61% achieving their 2008/09 target. The table at Annex 2 provides the headline results across the council and it's key partners.
- 19 For a breakdown of the key indicators monitored corporately during 2008/09 see Annex 3. Comparative performance for the national indicators (where available) is summarised below. This is usually not available until December, so the council has used comparative data from the PwC (Price Waterhouse Cooper) benchmarking site to check how well York has done compared to other local authorities in the consortium. The table below shows the quartile position for the 124 national indicators where comparator data was available.

<b>York against All Councils</b>										
	LCCS	HASS	City Strategy	Neighbourhoods	Comm Safety	PCT	Corporate	Place survey	Total	as a %
Top quartile	24	5	9	3	2	N/A	0	10	53	43%
2nd Quartile	12	2	3	5	0	N/A	1	3	26	21%
3rd Quartile	11	5	4	4	3	N/A	2	5	34	27%
Bottom Quartile	8	1	1	1	0	N/A	0	0	11	9%
<b>Total</b>	<b>55</b>	<b>13</b>	<b>17</b>	<b>13</b>	<b>5</b>	<b>0</b>	<b>3</b>	<b>18</b>	<b>124</b>	<b>100%</b>
<b>York against Unitaries</b>										
	LCCS	HASS	City Strategy	Neighbourhoods	Comm Safety	PCT	Corporate	Place survey	Total	as a %
Top quartile	21	5	6	4	2	N/A	0	10	48	39%
2nd Quartile	16	2	5	2	0	N/A	1	3	29	23%
3rd Quartile	10	4	4	5	3	N/A	2	5	33	27%
Bottom Quartile	8	2	2	2	0	N/A	0	0	14	11%
<b>Total</b>	<b>55</b>	<b>13</b>	<b>17</b>	<b>13</b>	<b>5</b>	<b>0</b>	<b>3</b>	<b>18</b>	<b>124</b>	<b>100%</b>

*Note: 1) Around 50% of all local authorities are members of the PwC benchmark club. However, the number of councils compared to different national indicators varies 2) Some national indicators measure actual numbers, rather than as a ratio of York's population. This can cause distorted comparator results when measuring York's performance against larger authorities.*

- 20 These comparisons do not represent all councils across the country, but there are now enough consortium members to make comparisons meaningful. There may however, be variations in quartile positions when the full comparator data is released by the Communities and Local Government (CLG) in December 2009. Accepting this proviso, it's nevertheless encouraging to see that the transition from the old best value PIs to the new national indicator set highlights a much better picture for York, with more indicators in the top quartile and above average (see table below).

<i>Using all councils</i>	<b>2007/08 (BVPIs)</b>	<b>2008/09 (NPIs)</b>	<b>Var</b>
% of indicators improving	56%	60%	4%
% of indicators in top quartile	30%	43%	13%
% of indicators in second quartile	24%	21%	-3%
% of indicators in third quartile	21%	27%	6%
% of indicators in bottom quartile	25%	9%	-16%

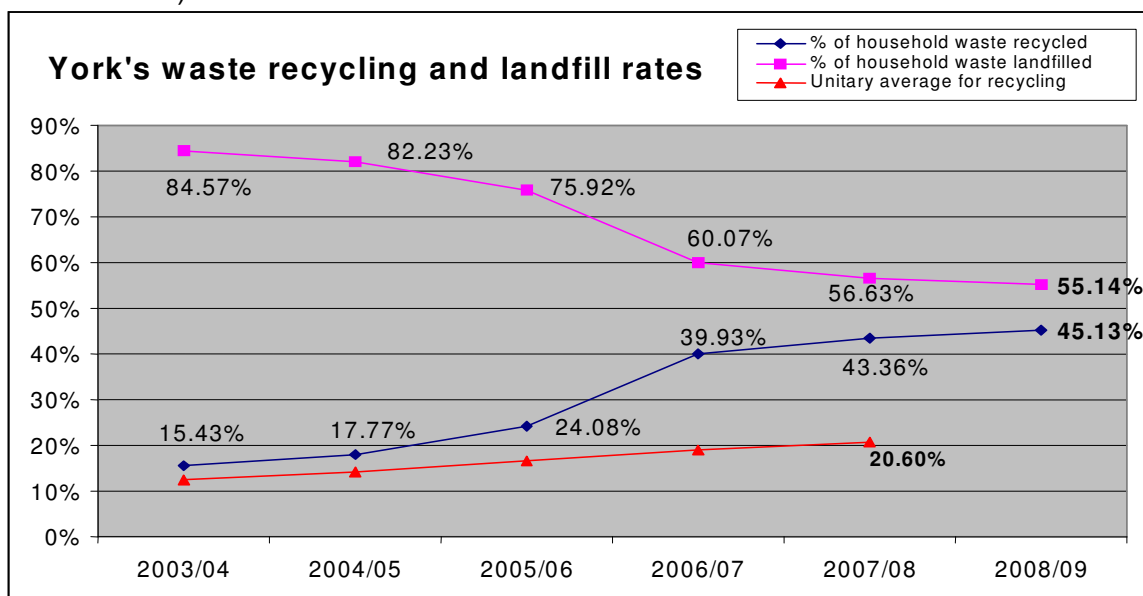
**Performance in Corporate Priority Areas**

21 50% of indicators relating to a Corporate Strategy theme (2007-11) have met or exceeded their 2008/09 target with 61% improving on 2007/08 performance. The table below shows improvement progress against each theme using the new National Indicators.

	<b>Number of Indicators which have met or exceeded target</b>	<b>Number of Indicators showing an Improvement</b>
<b>Affordable housing</b>	1 of 2 (50%)	2 of 2 (100%)
<b>Cleaner streets</b>	0 of 4 (0%)	0 of 4 (0%)
<b>Economic prosperity</b>	4 of 7 (57%)	5 of 9 (56%)
<b>EF Transport</b>	0 of 3 (0%)	1 of 3 (34%)
<b>Healthy Lifestyles</b>	3 of 7 (43%)	5 of 8 (63%)
<b>Life Chances</b>	10 of 15 (67%)	13 of 15 (87%)
<b>Skills &amp; employability</b>	4 of 11 (36%)	8 of 14 (57%)
<b>Waste &amp; recycling</b>	3 of 3 (100%)	3 of 3 (100%)
<b>Environmental Impact</b>	3 of 4 (75%)	3 of 4 (75%)
<b>Reduce violent, aggressive &amp; nuisance behaviour</b>	5 of 7 (71%)	3 of 7 (43%)

22 Particular success has come in the following priority themes:

- *Decrease the tonnage of biodegradable waste and recyclable products going to landfill:* All 3 indicators relating to this theme have improved and hit targets for 2008/09: residual household waste per head, household waste recycled/composted & municipal waste sent for landfill (see paragraph 55a for more details).



Note: landfill and recycling figures for 2008/09 add up to 100.27% due to rules changing on measuring municipal/ household waste.



- *Improve the life chances of the most disadvantaged and disaffected children, young people and families in the city:* 87% of the indicators relating to this theme have improved since 2007/08. This includes reducing the number of first time entrants into the youth justice system, improving the time taken to carry out assessments, narrowing the achievement gap for disadvantaged children, and improving the stability of children looked after.

Other Performance Indicator headlines for 2008/09

- Benefits* - Working age people on out of work benefits stands at 7.1%, placing York in the top quartile compared to other authorities. Also, the average time taken to process housing benefit/council tax benefit claims has reduced by 4 days. This has been achieved despite a 6.7% increase in the total number of claimants for 2008/9, with half of these applying in the quarter January to March
- Direct social care payments* - the number of social care clients receiving direct payments and individual budgets has increased by 82%. This puts York in the top quartile compared to other unitary authorities.
- Independent living* – the number of adults (all ages) who are assessed or care planned directly through social services and funded to live independently increased by 11% in 2008/09.
- Affordable homes* - excellent progress has been made in the number of affordable homes available in York, with 151 homes being delivered throughout 2008/09.
- Perceptions of ASB* - just 11.2% of citizens surveyed expressed concern about anti-social behaviour in York. This puts York high into the top quartile.
- Services for disabled children* - has performed extremely well with 65% of parents assessing the level of services provided by the council to be achieving the 'core offer' standards. This places York top of the 30 authorities who piloted this survey in 2008/09.
- Learning gap* – the inequality gap in the achievement of a Level 3 qualification by the age of 19 (LAA Indicator) has shown good progress and has hit the LAA target. The gap for 2008/09 was 25% compared to 30.3% in 2007/08. This is top quartile performance.

Place Survey results

- 23 Under the government's new Comprehensive Area Assessment (CAA) framework, 18 'resident perception based' national performance indicators were introduced to gather local views on what it's like to live and work in a local authority area. These indicators are measured through the Place Survey, which takes place every 2 years. The first ever survey took place in 2008/09 and the results will substantially influence the 2009 CAA process, for which results are published in November 2009. York has received its provisional results, but the CLG is not formally publishing the full results (including full comparative quartiles) until the end of June.
- 24 York's provisional Place Survey results are set out in the table in Annex 4. Given that the vast majority have been measured for the first time in 2008/09, it's not possible to

assess improvement from 2007/08. This can make the results for some indicators seem low without comparison with other national results. Therefore, a *'preliminary comparative assessment'* has been carried out through the PwC benchmarking site (comparing York against 46 councils) and this is showing very positive results:

- 13 of 18 (73%) are performing above average (including all 4 LAA Place Survey targets).
- 10 of 18 (56%) are performing in the top quartile (including 2 LAA targets).
- None are in the bottom quartile.

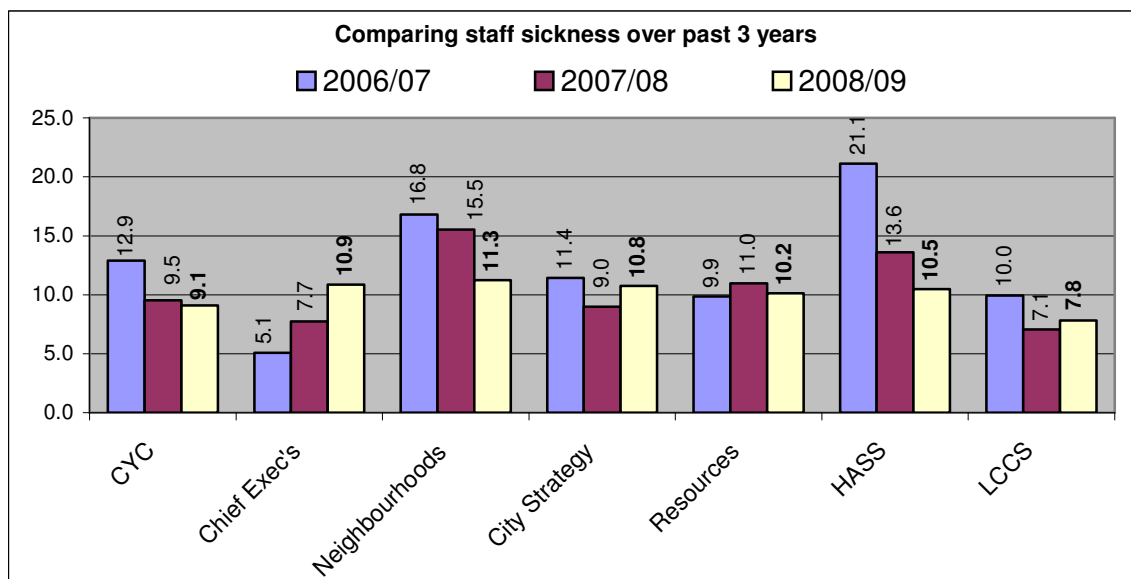
25 A report will be brought to Executive members in July to present the formal comparative results (based on the 'All England' authorities). This will provide a more detailed analysis of the Place Survey results, including a breakdown by the 6 equality strands and ward area.

Corporate Health Indicator Performance

26 Overall performance for Corporate Health has improved in most areas, continuing a positive trend from 2007/08 - in particular, reductions in staff absence levels and health & safety incidents.

Staff sickness absence

27 Attendance levels continue to improve across the council with staff taking an average of 9 days per FTE, compared to 9.54 days in 2007/08 (see graph below). This represents a 5% drop over the year and a 30% drop since 2006/07.



28 York has now moved into the third quartile (based on PwC benchmark authorities), which is a good improvement given that the council was in the bottom quartile just 3 years ago and 45th out of 46 in ranking for all unitary authorities.

Health and Safety

29 All three reported H&S incident categories continued to decline sharply in 2008/09, building on the improvements made in 2007/08. The reduction in major injuries is now becoming a sustained improvement, with just 4 incidents reported in 2008/09, less than half the 9 reported in 2007/08. Minor injuries were also much lower (42 incidents compared to 56 in 2007/08), which represents a 25% decrease. Non-

employee (or public) incidents were down by nearly 29% with 7 incidents occurring outside school curriculum activity time. These results represent major improvement in Health & Safety and shows that the council is successfully dealing with an area of corporate health that was identified as a priority in the Corporate Improvement Plan.

Customer First Statistics

- 30 Four of the six Customer First measures improved on performance achieved in 2007/08 and 5 are operating above target standard levels. The most notable improvement was in the time taken to deal with stage 2 & 3 complaints, which improved by 3% and 16% respectively. The number of customers needing further help that were seen within 10 mins also improved by 2%, achieving 99% across the council throughout 2008/09. LCCS in particular performed extremely well here, with 100% of 38,200 customers seen within the designated 10 minute period.

Prompt payment of invoices

- 31 The % of invoices the council pays within 30 days has improved to 97.4%. This area of performance is particularly important in the current economic climate, as local businesses rely on prompt payments from the council to maintain a healthy cash-flow. When comparing the council's performance with other authorities, this places York high into the top quartile and represents good improvement from 4 years ago when it was processing 92% within 30 days.

Equalities

- 32 A programme of priority Equalities Impact Assessments (EIAs) was completed in 2008/09 and this has helped the council to achieve level 2 of the government's Equalities Standard. An engagement strategy for the city has also been developed, which will help to identify and incorporate the views of different stakeholders in future service improvements. To build on this in 2009/10 extensive work will be carried out to gather more disaggregated data so the council can better understand performance and feedback across all 6 equality strands, and from all 22 wards in York.
- 33 The number of ethnic minority staff the council employs as a % of the total workforce has reduced to 3.16%, (from 3.44% in 2007/08). The % of council employees who have a disability has remained stable at 2.09%. However, this compares poorly with the number of working age people with disabilities who live in York, which stands at nearly 12%. However, it's likely that the council employs slightly more disabled people, as it's common for staff not to declare a disability when they start working for the council.

**The remaining pages of this report cover Executive activity and each directorate in more detail with annexes showing the key indicators used in this report.**

**Collection Fund**

- 34 The Collection Fund is a statutory account and receives all Council Tax and National Non-Domestic Rate (NNDR) income, together with any residual income from pursuing remaining arrears from the community charge. There is a legal requirement that an estimate of the year-end position is made during January to enable the council taxes of the billing authority (CYC) and the major precepting authorities (North Yorkshire Police and Fire Authorities) to be set including either a reduction (if there is calculated to be a surplus available) or an increase (if there is a deficit to recover) for the projection. The projection made in January 2009 was that there would be a £293k surplus at 31 March 2009, of which £236k was the Council's share. This sum was used when setting the 2009/10 council tax level.
- 35 The provisional out-turn gives a surplus of £371k and this reflects the level of collection (97.2% compared to 97.3% in 2007/08). The increased year-end surplus means that there will be £63k (CYC's share of the additional surplus) available for distribution to York Council Tax payers in 2010/11, or £0.95 per band D.

**Executive****Finance**Centrally Held Budgets

- 36 These are budgets where the reporting responsibility has been reserved to the full Executive, and so any movement on them is considered as part of this report.

Notional Interest Income and Contribution from Capital Finance Account

- 37 These are balancing items to entries in service accounts and will always out-turn at budget.

Other Central Budgets

- 38 These budgets cover a variety of funding held centrally and details are shown in the table below.

	Net Budget £'000	Out-turn £'000	Variance £'000
Pensions and redundancy payments	1,353	1,248	-105
Specific provision for pay and grading	1,425	1,425	-
Miscellaneous, including contribution to week 53 reserve, rent reviews and provision for bad/doubtful debts	401	23	-378
<b>Total</b>	<b>3,179</b>	<b>2,696</b>	<b>-483</b>

- a The costs of pensions and redundancies are a consequence of the 2008/09 budget savings and retirements under the Council's early retirement policy, but show a net underspend in the year of £-105k.
- b There was an underspend on in-year expenditure against the budget for pay and grading, after making an accrual for estimated costs of appeals decisions. However, in order to maximise the use the Council could make of capitalisation

powers for equal pay it was necessary to transfer the balance of the budget to the equal pay provision.

- c The forecast at the third monitor included a sum for costs across all services for debt write-off. In the out-turn this cost is included within departmental service expenditure, and is not shown as a corporate charge. Of the remaining miscellaneous items budgets only £125k was required. Offsetting this there has been additional income in the year (£-102k) which has arisen from a write-back to revenue of unclaimed sums held in various corporate suspense accounts for more than six years.

### Treasury Management

- 39 This activity has produced a surplus (underspend) of £1,099k. This is in line with the general forecasts for the year.

	Net Budget £'000	Out-turn £'000	Variance £'000
Interest Paid	4,708	4,975	+267
Provision to repay debt	4,644	4,268	-376
Increase in interest receivable	(2,368)	(3,358)	-990
<b>Total</b>	<b>6,984</b>	<b>5,885</b>	<b>-1,099</b>

### Trading Activities Variance in Profit

- 40 The general fund is balanced assuming that £708k would be returned from profit on the trading activities at Neighbourhood Services. This activity has produced a surplus (underspend) of £34k more than this (see also paragraph 17).

## ***Learning, Culture and Children's Services Directorate***

### **Finance**

#### Children and Young People's Services

- 41 The out-turn position is an overspend of £879k compared to a budget of £29,315k. Significant variances between budgets and out-turn are shown on the following table.

	Net Budget £'000	Out-turn £'000	Variance £'000
Children and Families	11,546	12,197	+651
Lifelong Learning and Culture	391	469	+78
Partnerships and Early Intervention	1,754	1,568	-186
Resource Management	7,360	7,406	+46
School Improvement and Staff Development	555	554	-1
School Funding and Contracts	7,709	7,786	+77
Pay and Grading review	-	94	+94
<b>Total Services</b>	<b>29,315</b>	<b>30,074</b>	<b>+759</b>
York High School fire uninsured costs	-	120	+120
<b>Total</b>	<b>29,315</b>	<b>30,194</b>	<b>+879</b>

- 42 The Director of Learning, Culture and Children's Services is reviewing budgets and is developing a plan with a view to bring expenditure back in line with budget.

- a The greatest pressures are within Children's Social Care where there is a net overspend of £678k. This results from the significantly increased demand being experienced for these services (i.e. the Looked After Children population has risen by 35 to 201, an increase of 21%). An example of this is three new and unexpected residential and two short-term children's home placements. Efforts are being made to enable some children to be returned to York.
- b Other areas where there have been overspends totalling £651k include home to school transport, underachievement of income, additional IT software costs and additional staffing costs to cover maternity & sickness within Adult & Community Education and a net overspend on school internal contract budgets, mainly within the Repair & Maintenance Buyback. In addition the directorate has incurred net additional costs of £94k following the implementation of the new corporate pay and grading system for APT&C staff due to staff now being entitled to additional allowance payments for contracted shift, evening and weekend working.
- c Savings of £-664k have been identified to partially offset the overspends. The underspends have come from the Integrated Children's Centres revenue grant only needed to be partially used in the year due to delays in recruitment (£-185k), an underspend on the Broadband budget (£-121k) due to the delay in the implementation of a new broadband contract and management action to delay recruitment and expenditure in the year (£-233k). Finally the Schools Forum has exceptionally agreed that an additional £100k can be charged to Schools Budget (hence the DSG) for the increased fostering costs.
- d Following the fire at York High School last year expenditure totalling £1,000k has been incurred. Of this, £755k was funded by the claim on the council's insurers and £125k was funded from the corporate policy excess fund. This leaves a sum of £120k as a directorate overspend which mainly relates to uninsured costs associated with the transport arrangements for displaced pupils and providing alternative (non education) activities in the period immediately following the fire. Previous monitor reports did identify that there would be an uninsured element, but at the time this was not quantifiable.

#### Leisure and Culture

- 43 The latest forecast is for an underspend of £28k against a budget of £9,078k. Significant variances are:

	Net Budget £'000	Out-turn £'000	Variance £'000
Lifelong Learning and Culture	9,078	9,050	-28
<b>Total</b>	<b>9,078</b>	<b>9,050</b>	<b>-28</b>

- a A net underspend within the Library Service of £99k, mainly due to the sale at auction of a number of high value obsolete stock items (-£118k); a shortfall against core library income budgets (+£48k) and other net savings (-£29k). As the stock sale income was always intended to support the first phase of redeveloping the central library into a library learning centre, the service are requesting that £100k be carried forward to 2009/10 to support the project.

- b A net £39k overspend on Parks & Open Spaces, mainly due to significant remedial action required following an extensive survey of trees across all parks and open spaces in the city.
- c Net minor variations produce a further overspend of £32k.

Requests for Carry Forward

44 One request has been made to carry forward unspent budgets from 2008/09 into 2009/10:

- a Library obsolete book stock sales £100k. The library service has generated a sum of £118k in 2008/09 from the sale at auction of a number of high value obsolete stock items. It was always the intention to use this one-off income to part fund the transformation of the Central Library in to a new Explore Library Learning Centre. The overall project for the scheme is based on a budget of £500k (£200k from Aviva, £200k for CYC capital resources and £100k from library book sales). The Executive are asked if they are willing to support a carry forward in this instance given the nature of the sales of surplus stock, the specific link that was previously made by EMAP to raising funds in this way in order to improve the York Library, and public awareness of the sales and their purpose.

**Non-General Fund Account**

Dedicated School Grant (DSG)

45 The overspend in the year was £130k against a budget of £86,389k, compared to the third monitor projection of £358k. Significant variances are:

- a Overspends total £+317k, which includes supply teachers and teaching assistants (+£155k) and of provision for excluded pupils (£+78k) within the Behaviour Support Service. There is also a reduced grant income (£+78k) due to DCSF confirmed pupil numbers being lower than budgeted.
- b Underspends total £-187k which comprise mainly a saving within the Educational Development Service on the Area Based Grant (£-101k), allowing some of the excess expenditure in Behaviour Support to be funded and a net underspend on the school delegated and devolved budgets (£-70k). This will need to be carried forward to 2009/10 and added to the sum available for allocation to schools in this year.

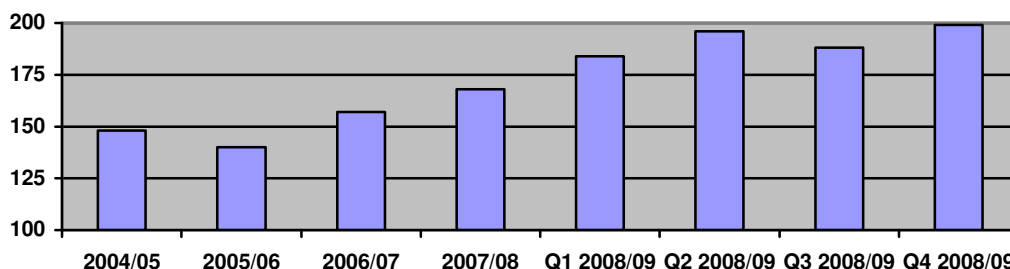
**Performance**

46 Overall 60% of the 57 LCCS indicators, which can be measured against 2007/08, improved, with 55% achieving their 2008/09 target. Of the 10 LAA indicators where improvement can be measured 6 (60%) are showing an improvement, although only 40% achieved target. Key performance headlines are:

- a NI 54: Services for disabled children (LAA Indicator) has performed extremely well for 2008/09. 65% of parents assessed the level of services offered to be achieving the 'core offer' standards set out in the 'Aiming High for Disabled Children' report published by the Department for Education and Skills and HM Treasury in May 2007. This result places York top of the 30 authorities piloting this survey in 2008/09.

- b NI 56: Obesity among primary school age children in Year 6 (LAA Indicator) has increased slightly from the baseline year. 16.7% children were defined as obese compared to 15.6% in 2007/08. Despite this increase, York is still in the second quartile compared to other authorities.
- c NI 75: Achievement of 5 or more A\*-C grades at GCSE or equivalent including English and Maths has declined slightly from 54.5% in 2007/08 to 53.8% in 2008/09. However, York is still performing in the top quartile.
- d NI 81: Inequality gap in the achievement of a Level 3 qualification by the age of 19 (LAA Indicator) has shown good progress this year meeting the LAA target. This indicator looks at the attainment gap between those eligible for free schools meals and those who are not who achieve level 3 by age 19, a key deprivation indication. The gap for 2008/09 was 25% compared to 30.3% in 2007/08. This is top quartile performance compared to other authorities.
- e NI 111: The number of first time entrants to the Youth Justice System aged 10 – 17 (LAA Indicator) has comfortably hit this year's LAA target, continuing an overall reduction in crime levels across the city. The number fell by 32% from 2350 young people in 2007/08 to 1602 in 2008/09.
- f NI 112: The under 18 conception rate % change has increased from 15.3% (compared to the 1998 baseline) in 2006 to 24.8% in 2007, which is well short of the LAA target (although this is set nationally). This result puts York in the 3rd quartile compared to other authorities.
- g NI 117: 16 to 18 year olds who are not in education, training or employment (NEET) has increased to 4.2% in 08/09 from 3.9% in 2007/08, but this still places York in the top quartile compared to other authorities. Current predictions show this indicator may increase further as a result of the current economic situation. There has been a decrease in the number of vacancies available in apprenticeships and short-term employment.
- h The number of children looked after (CLA) by the council increased by 17% in 2008/09. This is a concern as it has an adverse effect on a number of national indicators and impacts on resources due to the cost of placements.

CLA numbers in York



## ***Housing and Adult Social Services Directorate***

### **Finance**

#### Housing General Fund

47 This service has a budget of £1,437k, and has an underspend of £19k at the year-end. Significant variances are:



	Net Budget £'000	Out-turn £'000	Variance £'000
Housing General Fund	1,437	1,418	-19
<b>Total</b>	<b>1,437</b>	<b>1,418</b>	<b>-19</b>

- a The budget for Howe Hill Hostel has underspent by a net £-11k as a result of lower repair costs, increased expenditure on utilities and equipment and higher occupancy levels. Additional income of £-23k on private sector grant fee has arisen due to the provision of a higher number of grants than forecast, with a further underspend of £-25k due to vacancies in strategy and enabling.
- b Offsetting these is an overspend on repairs and utility costs at travellers sites of £+33k, with minor variations producing a further overspend of £+7k.

### Adult Social Services

- 48 The out-turn is an overspend of £33k compared to the budget of £38,622k. Significant variations are shown below:

	Net Budget £'000	Out-turn £'000	Variance £'000
Assessment and Personalisation	17,761	18,781	+1020
Commissioning and Partnerships	6,564	6,406	-158
Service Delivery and transformation	14,297	13,468	-829
<b>Total</b>	<b>38,622</b>	<b>38,655</b>	<b>+33</b>

- a. There are overspends in various areas totalling £1,685k. The major items include £+211k on social work teams due to the use of agency staff to assist with safeguarding adult's work and ongoing pressure to improve performance on time taken to deal with referrals and £+500k on community support budgets due to large number of customers supported at home. The delay in the re-provision of Huntington Road and Yearsley Bridge has increased costs by £+92k and the latter re-provision has also increased the cost of transportation of customers, including the consultants fee, by £+114k due to more taxi journeys than envisaged being needed. Reductions in income from the PCT has led to overspends in three service areas totalling £+137k. There is an overspend of £+193k on direct payments (where take-up has been encouraged in order to improve performance in this area) and residential and nursing costs. There were also increased costs on repairs and maintenance of adaptation equipment fitted in people's homes to help them remain independent (£+81k), elderly person's homes (£+95k) and active health and occupational health referrals (£+98k).
- b. Offsetting these increased costs are underspends of £1,652k, one of which is the result of action taken across various services within service delivery and transformation to offset known areas of overspend which has produced £-441k. Other savings in service delivery and transformation are £-520k on efficiency savings being achieved over and above those originally planned in internal home and £-116k on small day services principally staffing underspends in several units offset by a small loss of income. Other staffing vacancies have led to savings of £-225k.

## **Non-General Fund Account**

### Housing Revenue Account (HRA)

49 The working balance budget on the HRA is £7,238k. This review indicates a net underspend of £276k which, together with the budgeted balance of £7,238k, now gives a total estimated balance of £7,514k. The variances include:

- a. Overspends totalling £890k, the main areas being jobs general, where there has been an increase in both the cost and volume of repairs work completed under the repairs partnership amounting to £570k, increased provision for bad debts of £102k mainly due to higher level of write-offs and £148k for an increased contribution to fund overspend on the capital programme.
- b. Underspends totalling £1,166k, including £201k from job evaluation and IT contingencies not required in the year, £129k from increased rent income due to a reduction in right to buy sales and lower voids, £114k on housing operations mainly due to staff vacancies, reduction in legal fees and lower than forecast payments for the golden goodbye scheme, £97k due to a lower than forecast take-up and delays in completion of some works on estate improvement grant and £249k additional income from interest earned due to having a higher than forecast working balance.

### Request for Carry Forward

50 One request has been made to carry forward unspent budget from 2008/09 into 2009/10:

- a Within the HRA budget a request has been made to carry forward £35k to fund delayed estate improvement works.

## **Performance**

51 Overall 80% of the 10 HASS indicators, which can be measured against 2007/08, improved, with 64% achieving their 2008/09 target. HASS are responsible for 8 LAA targets, but only 5 can be measured for improvement or achieving target. All 5 LAA indicators are improving and 3 have hit their 2008/09 target. Key performance headlines are:

### Adult Social Care

- a NI 130: Direct payments for social care clients (LAA indicator) - 2008/09 saw a 82% rise in the number of social care clients receiving direct payments and individual budgets, placing York in the top quartile compared to other unitary authorities. This performance exceeds the 2008/09 LAA target by some way and puts HASS in a good position to achieve the final 2010/11 target.
- b NI 135: Carer Services (LAA indicator) - the % of carers receiving services following a needs assessment and/or a review is at 17.1% (1046 customers). This more than doubles the number of clients who received assessments/review in 2007/08 and is just short of the 2008/09 target. However, York is still in the 3<sup>rd</sup> quartile when comparing performance with other authorities and a target has been set for 2009/10 to increase assessments by a further 31%. This will be achieved by bringing all care workers under one manager to help improve the profile and priority of care assessments.

- c NI 136: Independent living - In 2008/09 the number of residents who were supported to live independently in York increased by 11% (3651 per 100,000 population). This exceeds the 2008/09 target and falls just short of the challenging 2009/10 target of 3750.
- d NI 141: Independent living (LAA indicator) - This indicator measures the number of service users (i.e. people who are receiving a Supporting People Service) who have moved on from 'supported accommodation'. In 2008/09 the number of vulnerable people in York who achieved this form of independent living improved to nearly 70% (from 52% in 2007/08). This exceeds the 2008/09 LAA target and puts HASS on track to achieve the final 2010/11 LAA target of 72%.

### Housing

- e NI 155: Affordable homes (LAA indicator) - good progress has been made in the number of affordable homes available in York, with 151 homes being delivered in 2008/09 compared to a target of 165. These targets were set well before the economic downturn began and this represents a significant achievement. However, given the time lag in building homes it is unlikely that the challenging LAA targets set for 2009/10 (280) and 2010/11 (350) will be achieved.
- f NI 156: Homelessness (LAA indicator) - the number of households living in temporary accommodation in 2008/09 was 167, a 20% decrease on the 209 households reported in 2007/08. This comes in slightly under the LAA target of 170 and represents a good achievement given that the target was set before the current credit crunch and housing market problems started. It also keeps CYC on track to achieve the 2010/11 target of 110, in line with the Government's ambitious expectation of a 50% reduction.
- g NI 158: Non-decent council homes - this indicator measures the % of non-decent council homes in York as the proportion of the total council housing stock. In 2008/09, the number of non-decent homes in York nearly halved, reducing to 5.7% (from 10% in 2007/08). This has moved York from 2nd to top quartile when compared to other local authorities.

## ***Neighbourhood Services Directorate***

### **Finance**

#### General Fund Services

- 52 The out-turn for this service is that there is an underspend of £210k on general fund activity. Significant variances are:

	Net Budget £'000	Out-turn £'000	Variance £'000
Environmental Health and Trading Standards	2,052	2,009	-43
Licensing and Bereavement Service	(818)	(859)	-41
Registrars Service	34	(8)	-42
Neighbourhood Management	1,146	1,100	-46
Ward Committees	809	690	-119
Neighbourhood Pride Service	2,361	2,336	-25
Enforcement and Environment	691	694	+3
Waste Management, Refuse and Recycling	9,511	9,591	+80
Pest Control	46	69	+23
Contribution to Safer York Partnership	341	341	-
<b>Total</b>	<b>16,173</b>	<b>15,963</b>	<b>-210</b>

- a Overspends identified total £209k and include unbudgeted expenditure on security at Towthorpe HWRC (£+84k) and legal fees for the Elvington Airfield appeal (£+38k) which will be recovered if the appeal is successful.
- b Offsetting these are underspends of £-419k including ward committees (£-120k), Community Engagement (£-23k) and Target Hardening (£-24k) which have been requested as carry forward budgets. Additional income (£-148k) in the year contributes to the underspend as does a saving on the abandoned vehicles contract (£-25k) due to the number of abandoned vehicles being less than expected.

#### Trading Activity

53 The out-turn position is an underspend of £234k which has been utilised by transferring £200k to the transport reserve to fund potential costs from the review of the vehicle maintenance contract in 2009/10, with the remaining £34k being transferred to the general fund. Significant variances being:

- a. The Civil Engineering Service has underspent by £-71k, building maintenance by £-129k and transport by £-225k.
- b. Commercial Waste overspent by £58k due to a reduction in their customer base, neighbourhood pride service by £132k due to increased vehicle costs and an underachievement of income, with small overspends on other trading activities totalling £1k.

#### Requests for Carry Forward

54 There are eight requests to carry forward unspent budgets from 2008/09 into 2009/10 totalling £205k:

- a £23k underspend on Community Engagement is requested - to support the sustained citywide youth engagement and integration to the ward committee process.
- b £11k of Target Hardening budget - relating to slippage on committed schemes and it is recommended that this is carried forward so that these schemes can be completed.

- c £13k of Target Hardening budget - this is unallocated and has arisen through £10k for approved schemes that will not now progress and a further £3k due to schemes coming in under budget. It is proposed that this is also carried forward to fund projects in 2009/10.
- d £116k of Ward Committees budget relates to schemes that are already committed. The completion of these schemes was delayed due to external factors or the schemes commenced later in the financial year. It is proposed that this is carried forward to complete the committed schemes.
- e A further £4k of Ward committees budget is uncommitted expenditure due to schemes coming in under budget or not coming to fruition. It is requested that this budget is carried forward to assist with the development of projects in 2009/10.
- f The York Pride Budget has underspent by £2k, which was uncommitted at year end. If this is carried forward it can assist in funding schemes identified for 2009/10.
- g Full funding of the Noise Patrol team for 2009/10 has been identified during the budget process as an issue. £24k of the underspend on environmental health and trading standards is requested for carry forward to provide the full service in 2009/10.
- h The Waste Minimisation market research budget has underspent by £12k. It is requested that this be carried forward to assist with the implementation of the growth bid to continue the rollout of kerbside recycling which was approved during the 2009/10 budget process.

### **Performance**

- 55 Overall 50% of National Performance indicators improved on 2007/08, with 42% hitting or exceeding their 2008/09 target. Of the 2 LAA targets Neighbourhood Services are responsible for, only 1 had a target set for 2008/09 (NI 191 - household waste collected) and this has been achieved. Key performance headlines are:
- a NI 191: Household waste collected (LAA indicator) - the amount of residual household waste collected per household in 2008/09 was 629kgs (compared to 663kgs in 2007/08), a drop of 5% in just one year. This performance more than achieves the 2008/09 LAA target (640kgs) and moves us towards the very challenging 2009/10 target (617kgs). This demonstrates that York's Waste Minimisation Strategy is having an impact on reducing waste collection levels, although other factors (e.g. national trends on sustainable packaging) will also have contributed.
  - b NI 192: Waste recycling & landfill - York continues to increase the proportion of waste recycled and composted (now at 45.1% compared to 43.4% in 2007/08). Over the past 5 years excellent improvement in both recycling and landfill levels have been achieved and the council is now one of the best performing unitary councils in the country. The council plans to further increase recycling over the next few years, offering kerbside recycling to 98% of York households by March 2011. This should also see landfill levels reduce to below 50% of all waste collected.

- c NI195a-c: Street litter & detritus levels - although the council has made good improvements in street cleanliness over the past 4 years, survey results for 2008/09 show a slight decline in performance on 2007/08 (see table below). Graffiti in York also increased on 2007/08 levels, with a peak of incidents taking place in the summer of 2008. Neighbourhood Services did track performance through the street cleanliness surveys throughout 2008/09 and forecasted the decline in performance in the third quarter report. However, York's out-turn figures in 2007/08 of 8% (litter) and 9% (detritus) were the best results since the surveys were started in 2005, and despite the 2008/09 increase, performance is still much better than 2005 - demonstrating that York is a much cleaner city than in previous years. York's comparative performance for these indicators is still below average compared to other authorities, however there is major doubt as to whether street cleanliness surveys are being carried out in a consistent way across the country. CYC performs comparatively well in street cleanliness based on Encams/Defra figures.
- d NI196: Fly-tipping - this indicator is based on trends between years in a) the level of fly-tipping incidents, and b) the level of enforcement activity in response. Anything other than a fall in the recorded level of fly-tipping stops the service from being seen as 'effective'. The number of incidents involving small van loads and larger increased during 2008/09, while smaller scale fly-tipping remained stable. This may be a result of economic pressure on businesses that need to pay for their waste disposal. In addition, Neighbourhood Services increased education and enforcement for fly-tipping, which may have had an effect on the number of incidents reported by the public and council officers. As a result, a 34% increase in the number of fly-tipping incidents through 2008/09 compares poorly with 2007/08 levels and has resulted in York scoring a 3 (not effective). In response, existing resources are being concentrated on increased commercial waste inspections.

Indicator	2005/06	2007/08	2008/09	2008/09 target
NI 195a: Street cleanliness (levels of litter)	22.5% *	8%	8.9%	8%
NI 195b: levels of detritus		9%	11%	8%
NI 195c: levels of graffiti	7.8% *	2%	4.7%	2%
NI 195d: levels of fly posting	N/A	0.3%	1.1%	0%
NI 196: dealing with fly tipping	N/A	2 (effective)	3 (not effective)	2 (effective)

\* based on BVPI 199 results (BVPI 199a reported litter and detritus together).

### Community Safety Performance Indicators

- e Overall 50% of National Performance indicators improved on 2007/08, with nearly two thirds hitting or exceeding their 2008/09 target. Of the 4 LAA indicators for Community Safety, 3 had set targets for 2008/09 and all 3 have been achieved. Over the past 4 years, recorded crime in York has reduced significantly in most areas, with the overall crime rate falling by over 30%. However, the transition to the new National Performance Indicator set means that certain crime incidents are now grouped together for reporting (e.g. serious acquisitive crime). In 2008/09, some areas are showing increased numbers of incidents the previous year, although most are still much lower than 3 years ago. Key performance headlines are:

- f NI 16: Serious acquisitive crime (LAA indicator) - viewed as a whole the serious acquisitive crime rate (NI 16, which is made up of several different crime areas) has increased slightly on 2007/08, but has come in well under the 2008/09 LAA target of 3891 offences. This is mainly due to the theft from a vehicle and vehicle interference crimes performing well while other incident areas such as domestic burglary have increased. Domestic burglaries increased by 14% to 1126, which is above the 2008/09 target of 976. Business property robberies have also increased. However overall, 20% fewer serious acquisitive crimes were recorded in 2008/9, than in 2006/7.
- g NI 17: perception of anti-social behaviour (LAA indicator) - just 11.2% of citizens surveyed expressed concern about anti-social behaviour (ASB) in York. This is a decrease of 1.8 percentage points on 2007/08 and puts York well into the top quartile when comparing other local authorities. The next Place Survey will not take place until 2010 and this will be used as the final outturn for the 3 year LAA period.
- h NI 21 & 27: working together to address ASB & crime - 29.4% of residents who feel the local Police and council understand their concerns about anti-social behaviour and crime and are taking action to address them. This is the first time these questions were asked in the new Place Survey, so it's not possible to assess improvement on previous years or whether a target was achieved. Whilst 29% may seem low, it's extremely hard to score high on such emotive issues. This is backed up by the latest comparative data, which suggests York is performing extremely well, achieving top quartile for both indicators.

## ***City Strategy Directorate***

### **Finance**

#### Economic Development

- 56 The out-turn shows a small underspend of £2k against the budget compared to a forecast break-even position at monitor three. Significant variances are:

	Net Budget £'000	Out-turn £'000	Variance £'000
Economic Development	2,608	2,606	-2
<b>Total</b>	<b>2,608</b>	<b>2,606</b>	<b>-2</b>

- a £87k shortfall on Newgate market tolls continuing the underlying downward trend in market income across the country. This is offset by £-21k additional income from the electricity substation in the compactor yard and £-12k from a staff restructure, leaving a net overspend of £54k.
- b Additional income of £-14k in the city centre and an £-11k saving in the Partnerships team following a number of staff vacancies during the year, together with £-31k from miscellaneous savings achieved to offset the income shortfall bring the service to the net underspend position.

#### City Strategy

- 57 The out-turn is an overspend of £277k against a budget of £18,499k and compares well to a projection of £626k at monitor three.

	Net Budget £'000	Projected Out-turn £'000	Variance £'000
City Development and Transport	16,711	16,650	-61
Planning and Sustainable Development	1,472	1,711	+239
Resource and Business Management	266	365	+99
<b>Total</b>	<b>18,449</b>	<b>18,726</b>	<b>+277</b>

58 The projection at monitor three included three particularly large items, namely increased costs of Winter Maintenance (£+250k) a significant shortfall of income within Planning Services (£+316k) and a significant downturn in the trading position of Yorwaste leading to a projection that the Council would receive a lower dividend (£+113k). At the out-turn these figures have become £+199k, £+319k and £+118k respectively. Whilst it was possible to offset the Winter Maintenance overspend by reducing other highway maintenance expenditure it was not possible to fully mitigate the other pressures.

- a There are overspends of £1,494k offset by underspends of £1,217k. As well as the overspends of £+636k on winter maintenance, Planning income and the Yorwaste dividend identified in paragraph 58 above other major cost pressures include £+335k additional costs of supporting services managed by the North Yorkshire Concessionary Fare Partnership, principally the Coastliner services; £+91k on income shortfalls within car parking and the park and ride service, partly due to the economic downturn and the national concessionary bus pass scheme; planning inquiries at Elvington, Clifton grain stores and Connaught Court increased costs by £+149k, with a further £+31k spent on the village green inquiry; and £+114k due to the delay in progress with waste project which is now at the stage of selecting the preferred solution.
- b The directorate have identified management action that could be taken to offset the overspendings identified and savings of £-87k on car park maintenance, vehicle removal and other operation budgets have been found to reduce the impact of the loss of parking income, and the additional costs of the concessionary fares scheme have been offset by savings of £-119k from slightly lower numbers using services administered by CYC, with a further £-36k on tokens and £-40k on other miscellaneous areas of the budget. Additional Housing & Planning Delivery grant of £-135k has been received and other action have produced savings of £-295k on highway maintenance , £-89k from additional engineering fees, with underspends due to staffing variations, saving from early repayment of the venture fund, and savings in printing and equipment costs, totalling £-349k.

#### Requests for Carry Forward

59 One request has been made to carry forward unspent budgets from 2008/09 into 2009/10:

- a Relocation of Beckfield Lane household waste site - a supplementary estimate was approved by members in September 2008 in the sum of £35k. Only £4k has been spent due to delays in the project and the remaining £31k is requested as a carry forward in order to finance the project in 2009/10.



## Performance

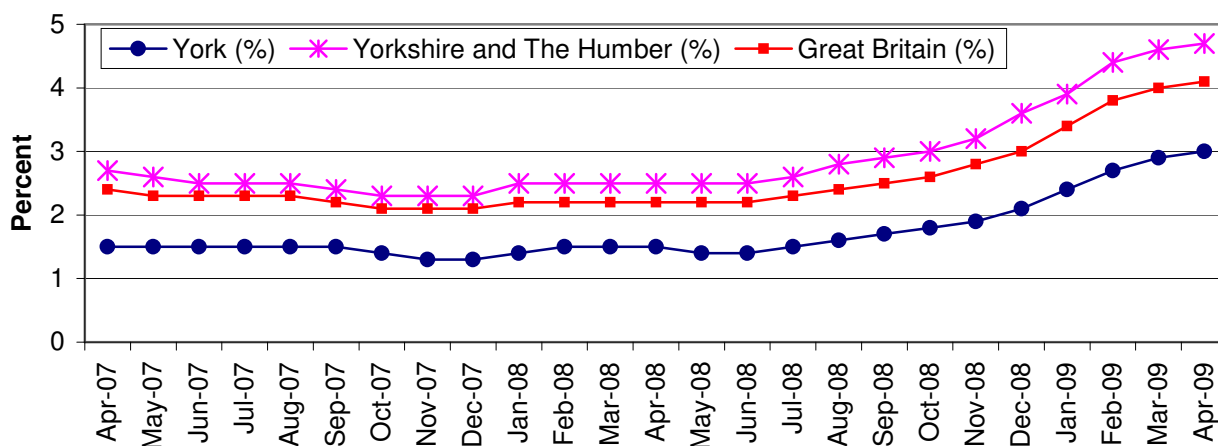
- 60 Overall 60% of the 20 City Strategy indicators, which can be measured against 2007/08, improved, with 11 (61%) hitting their 2008/09 target. Of the 10 LAA indicators where improvement can be measured 8 (80%) improved, with 8 achieving target. Key performance headlines are:

### Roads & Transport

- a NI 47: People killed or seriously injured in road traffic accidents (LAA Indicator) - although this indicator used to be a BVPI, a change in the rules has allowed for more up to date counting. This indicator looks at the rolling average over the past 3 years compared to the previous 3 years. The rolling average (from 2006-2008) was 116 compared to 118 (from 2005-2007) which represents a 1.7% reduction. However, at this current rate of improvement York is in danger of missing the next LAA target. The 2009/10 LAA target is to have a rolling average of 87. This would require the number of people killed or seriously injured in 2009 to be 73 which represents a 23% reduction from the 95 reported in 2008. York has not reduced their numbers as much as other authorities and currently sits in the third quartile.
- b NI 177: Local bus passenger journeys originating in the authority area - the estimated result of 15.3m journeys misses the 2008/09 target of 17m, but exceeds the 14.85m achieved in 2007/08. This increase in performance was influenced by the introduction of the English National Concessionary Ticketing Scheme.

### Economic Development

- c NI 151: Overall employment rate - only an estimate can be provided at this point for 2008/09 as there is a 6-month time delay on this data. However, early signs show York at 83.82%, which would be a slight improvement on last year, although the economic situation may affect the final figure.
- d NI 152: Working age people on out of work benefits (LAA indicator) - performed better at 7.1% than the 2007/08 figure of 7.40%. Initiatives such as "One City" and the Kingsway Action Project, Future Prospects and the Economic Development Strategy, are all working together to increase the number of people in employment. This result puts York is in the top quartile compared to other authorities. The graph below shows the claimant count for the number of people seeking job seekers allowance. This rise shown below follows a national and region trend. However, York's unemployment rate remains below Yorkshire and Humber and Great Britain performance.

**Job Seekers Allowance Claimant Count to April 2009**

- e NI 165: Working age population qualified to at least Level 4 or higher (LAA indicator) - at 37.6% this indicator has met the 2008/09 target of 34.8%, a result which puts York in the top quartile. York is also in the top quartile and improving for achievement of level 2 and 3 (also LAA indicators).
- f NI 171: VAT registration rate (LAA indicator) - the proportion of business registrations per 10,000 resident population aged 16 and above. Business registrations are a proxy measure for business start-ups, measuring new businesses registering for VAT and PAYE (Pay As You Earn) for the first time. These figures do not, however give the complete picture of start-up and closure activity in the economy. The rate for 2008/09 dropped to 34.7 (per 10,000 resident population aged 16 and above) from 44.5 in 2007/08, reflecting current economic conditions.

### Sustainability

- g NI 188: Planning to adapt to climate change (LAA indicator) - this indicator looks at how prepared authorities are to manage risk to service delivery, the public, local communities, local infrastructure, businesses and the natural environment from climate change. York is currently assessed as level 0 for 2008/09. This level shows that the authority has only just begun to assess the potential threats and plans are in place to improve the council's level by 2009/10.
- h NI 197: Improved local biodiversity - this indicator reports the implementation of 'positive conservation management' for local sites of substantial nature conservation value. York improved its performance from 28% in 2007/08 to 40% in 2008/09. Further work will continue on other local sites and the council aims to achieve 64% by 2010/11. This is top quartile performance.

## **Corporate Services (Chief Executive's and Resources Directorates)**

### **Chief Executive's Directorate**

#### **Finance**

- 61 The overall out-turn is a net overspend of £50k compared to a budget of £6,794k. This is analysed in the sections following.

Chief Executive's Department (excluding Property Services)

- 62 The out-turn is a net underspend of £27k compared to the budget of £6,266k. Significant variances are:

	Net Budget £'000	Out-turn £'000	Variance £'000
Corporate and Democratic Core	1,612	1,612	-
Chief Executive and Support Team	347	329	-18
Director of People and Improvement	214	215	+1
Human Resources	116	101	-15
Marketing and Communications	(55)	(19)	+36
Civic, Democratic, Electoral and Legal	2,434	2,403	-31
Pay and Grading	1,598	1,598	-
<b>Total</b>	<b>6,266</b>	<b>6,239</b>	<b>-27</b>

- a Overspends totalling £276k which included £+107k resulting from interim arrangements within Human Resources and Health and Safety as previously reported. Legal Services overspent by £+49k, mainly due to the cost of external locum solicitors, together with ongoing pressures on certain supplies and services budgets. There are no other significant expenditure overspends although there is a shortfall of £+43k on print unit and sponsorship income within Marketing and Communications.
- b Offsetting these are underspends of £303k, including £-67k from staffing vacancies and additional income of £-136k from the HR business administration recharges made, including those from the successful operation of the recruitment pool and the occupational health contract. In addition there is a saving of £-22k due to the planned traffic consultation survey to be undertaken by the Scrutiny Board not happening during the year. A request has been made for the latter sum to be carried forward into 2009/10.

- 63 The pay and grading project expenditure budget was showing an underspend of £257k, however this sum has been transferred to an earmarked reserve to fund the project team costs in 2009/10.

Property Services

- 64 The out-turn position is an overspend of £77k against a budget of £528k. Significant variances are shown below:

	Net Budget £'000	Out-turn £'000	Variance £'000
Property Services	528	605	+77
<b>Total</b>	<b>528</b>	<b>605</b>	<b>+77</b>

- a The largest overspend is on the management of surplus assets. The outturn overspend of £+120k includes costs incurred on Edmund Wilson Pool, Yearsley Bridge, Lowfields, Monk Bar Garage, Derwenthorpe, St. Clements and 17/21 Piccadilly. As it becomes more difficult to sell properties the costs of maintaining, securing and managing surplus property will become more expensive. The dilemma is that to sell now will mean low receipts, to delay sales until the market is healthier means greater cost of managing our redundant assets.

- b Two other areas were expected to overspend or under-achieve income: Commercial Property Portfolio, as current economic conditions and feedback from tenants informed the service of expected further voids within the sector, and Administrative Accommodation. The income shortfall from commercial property was far less than expected and resulted in an overspend of £36k. Administrative accommodation has incurred an increase in hire and services charges from our landlords for additional costs of repair and maintenance of expensive elements of the leased buildings (e.g. boilers and heating systems). The out-turn is an overspend of £+42k. The increasing pressure on the limited repair and maintenance budget has and will contribute to this challenging budget situation.
- c Offsetting the overspends the three staffing trading accounts of Strategic Business and Design, Facilities Management and Asset and Property Management together made a surplus of £-121k.

#### Requests for Carry Forward

- 65 Two requests have been made to carry forward unspent budgets from 2008/09 into 2009/10:
- a Scrutiny Boards budget - the Scrutiny Management Committee has requested that a carry forward request be made of the remaining 2008/09 scrutiny budget (£22k) in order to finance the planned traffic consultation survey.
- b Riverbanks Surveys - Property Services have requested that a carry forward request be made for to slippage of work planned for 2008/09 due to adverse river conditions (£14k).

### **Resources Directorate**

#### **Finance**

- 66 The out-turn position is an underspend of £634k against a budget of £4,518k. Significant variances are:

	Net Budget £'000	Out-turn £'000	Variance £'000
Director	278	249	-29
Public Services	2,203	2,165	-38
Financial Services	229	221	-8
Performance, Audit and Risk Management	292	145	-147
IT&T	-32	(443)	-411
Easy Project	1,548	1,547	-1
<b>Total</b>	<b>4,518</b>	<b>3,884</b>	<b>-634</b>

- a Within the Public Services variance there is additional pressure on Benefits Administration of £+219k due to additional one-off staff costs being incurred implementing the benefits restructure due to the embargo on staff changes and delays in progressing the Pay and Grading review. There has also been additional expenditure incurred training staff on revised procedures and the review of benefits overpayments is ongoing which has incurred some additional staff costs this year, but will need to continue into 2009/10.
- b Against these additional costs are savings of £-121k on the benefits subsidy due to a reduction in the bad debt provision for benefit overpayments, with a further

underspend of £-131k on the York Contact Centre and Local Taxation administration resulting from a reduction in training costs, posts being held vacant, and lower costs associated with the Council Tax annual billing processes. IT&T have produced savings totalling £-166k through CYC undertaking technical work "in house" rather than through external suppliers as originally costed. In addition there are several projects which have only been partially completed in year, when full completion was planned and other projects which have been deferred completely into 2009/10, saving £-189k.

- c Within Performance, Audit and Risk Management a budget of £50k was set up to fund the Income Collection Policy review and implementation, of which only £16k has been spend by the end of the year leading to an underspend of £-34k. The Policy was approved at Executive in September 2008 which included an 18 month implementation plan. Work is on-going. In addition there is an underspend of £-30k on procurement and risk management, primarily due to the competition strategy budget now anticipated to be spent in 2009/10.

#### Request for Carry Forward

- 67 The Directorate Management Team identified a number of areas where requests for budget carry forward could be made totalling £445k. However, taking account of the overall position of the Council a decision has been made that the majority will be managed within existing budgets. A request for a general carry forward of £100k is made to continue commitments across the whole of the Council in respect of document management, procurement, performance, and income collection procedures, all of which will improve the overall effectiveness and efficiency of the Council.

#### **Performance**

- 68 Overall only 1 of the 6 national indicators can be measured for improvement in 2008/09 and that one is improving. All targets were achieved. There are no LAA indicators within resources.
  - a NI 180: Changes in Housing Benefit/ Council Tax Benefit entitlements within the year met the target for 2008/09 of 1000 (per 1000 cases). The actual number of changes was 1357 (per 1000 case load), although comparatively this still places York in the second quartile.
  - b NI 181: Average time taken to process Housing Benefit/Council Tax Benefit new claims and change events. This indicator has improved to 15 days (a reduction of 4 days) which is significant considering the economic situation. Despite this, York is still in the third quartile. The council's benefits service reported an 6.7% increase in the total number of claimants for 2008/9, with half of these applying in the quarter January to March.

#### **PROGRESS ON KEY PROJECTS**

- 69 The council is delivering 14 key projects to help drive priority improvement across the city. The following projects are on track to finish within the agreed deadline:

- Council's new headquarters;
- Peaseholme relocation; \*
- Nestle South development;
- Waste PFI;
- Kerbside recycling;
- Community Stadium;
- Kingsway action project;
- Cycling City;
- School Modernisation;
- Access York – Phase 1.

\* No slippage on revised project deadline, but reported in more detail

70 The following 5 projects either have revised target dates, or need to be brought to the attention of executive members:

- *Barbican* - The owners of the Hotel site (W.G. Mitchell) are in negotiation with potential developers to sell the site. Persimmon is also looking at proposals for developing the residential site as a mainly student accommodation scheme. Consideration is also being given to the removal of building restrictions to help promote new development opportunities in the current difficult market conditions. The council has now taken back control of the auditorium building and the Director of LCCS has established a project team to consider future use and development of this site. This has led to slippage for the overall project. Over the next few months £90k is being spent on essential works to the building to prevent further deterioration of the building and meet Health and Safety requirements. Consultation is ongoing.
- *Peaseholme hostel relocation* - The contractor hired to develop the site went into voluntary administration. The administrator has released the property back to the council and a new contractor has now been appointed and has started work on the new site. Consultation with local residents and stakeholders is continuing to achieve party wall agreement and boundary access. The cost of this project has increased slightly due to these problems and the deadline for completion has now been slipped to September 2009.
- *University swimming pool* - The Swimming Pool Steering Group has produced its final report setting out recommendations for the pool configuration and facilities mix, the location of the pool and branding. The capital cost of the facilities has been estimated at £10.9m. To meet the 2011 deadline it would be necessary to have the funding identified imminently. However, there remains a gap of £4m in the capital funding available. The Council is continuing to meet with the University to try to help them identify a way forward.
- *York Northwest* - a York Northwest Area Action Plan is currently being prepared to guide development of this area, with scenario testing of various land use options and the preparation of a supporting transport strategy. The council is working with Leeds City Region (LCR) to promote an Urban Eco Settlement (UES) at YNW and LCR have appointed consultants to prepare further more detailed work, including the British Sugar site. It is planned to start first phase construction by 2011. Consultation with key stakeholder organisations has already started and the next stage of public consultation will take place in late autumn 2009.
- *Development of former Terry's site* - The original planning application for the former Terry's site was rejected in September 2008. The council is now working with the contractor (Grantside) and their design team in order to address the reasons for refusal. Various design options have been tested and work with the local community, through a Community Forum, is now progressing well. A revised planning submission will be submitted in July 2009 and will take into account

Environmental Impact and Transport Assessments. It was also agreed that the local community needed to be more closely involved, and a Community Forum (involving resident representatives, local schools and civic groups) are now engaged in the project. This is expected to progress through to submission in July 2009, and possibly beyond.

### Analysis

- 71 All the analysis of service performance, progress on key actions and the financial position of the council is included in the body of the report.

### Consultation

- 72 A number of performance management meetings and forums have taken place at DMTs and CMT to review 2008/09 performance and delivery. These have helped to inform this report.

### Corporate priorities

- 73 The proposals included in this report are designed to demonstrate progress on achieving the council's corporate strategy (2007-11) and the priorities set out in it. It also provides evidence of the co-operation between CMT and the Executive in working together to drive forward prioritised improvement and address performance, delivery or financial issues of corporate concern.

### Carry Forward Requests

- 74 Directors have made carry forward requests into 2009/10 and full details of the requests from individual departments for approval by the Executive are shown in paragraphs 44, 50, 54, 59, 65 and 67. The following table summarises the requests and compares them to the under/over spends in the out-turn.

Portfolio	Out-turn Variance	Bids to Carry Budgets into 2009/10	Net
	£'000	£'000	£'000
Children's Services	+759	-	+759
York High School Fire	+120	-	+120
Leisure and Culture	-28	100	+72
Economic Development	-2	-	-2
City Strategy	+277	31	+308
Neighbourhood Services	-210	205	-5
Chief Executive's Department	-27	22	-5
Property	+77	14	+91
Resources	-634	100	-534
Housing General Fund	-19	-	-19
Adult Social Services	+33	-	+33
<b>Total of Service Areas</b>	<b>+346</b>	<b>472</b>	<b>+718</b>

<b>Centrally Held Budgets</b>			
Notional Interest	-	-	-
Contribution from Cap Fin Acct	-	-	-
Other Central Budgets	-483	-	-483
Treasury Management	-1,099	-	-673
General Contingency	-208	-	-208
Trading Profit	-34	-	-34
<b>General Fund Total</b>	<b>-1,478</b>	<b>472</b>	<b>-1,006</b>
<b>HRA</b>	<b>-276</b>	<b>35</b>	<b>-241</b>

- 75 It can be seen from the preceding table that the total of the requests to carry budgets forward represent approximately 32% of the total general fund underspend in the year. The criteria for whether or not a bid for a carry forward can be made are:
- The request is greater than the departmental underspend in the year.
  - It is for specific approved projects.
  - It is for a project that was not completed in the year.
  - The projects are still required by the Council.
- 76 On a departmental basis, three of the requests submitted do not meet the first criteria, namely those from Leisure and Culture, City Strategy and Property Services. The request from City Strategy is based on the fact that there is a saving on the departmental costs if the one-off increased costs relating to Yorwaste and additional winter maintenance are ignored and it is recommended that this one be accepted.
- 77 With regards to the one submitted by Leisure and Culture Members should consider whether or not they wish to approve this request, as the directorate as a whole (including Children's Services) have overspent in both of the last two financial years. Members may also wish to consider reviewing the requests submitted by Neighbourhood Services, particularly the small value requests.
- 78 It should be remembered that all carry forward sums will become one-off budgets for 2009/10. Approving all the carry forward request will mean that the revised net increase in general fund balances will be £1,006k.

### **Implications**

- 79 The implications are:
- Financial - the financial implications are dealt with in the body of the report.
  - Human Resources - there are no specific human resource implications to this report, but it does contain important information on staff management and welfare.
  - Equalities - there are no equality implications to this report
  - Legal - there are no legal implications to this report



- Crime and Disorder - there are no specific crime and disorder implications to this report, but it does provide the Executive with crucial performance information to inform future resource allocation.
- Information Technology - there are no information technology implications to this report
- Property - there are no property implications to this report
- Other - there are no other implications to this report

### **Risk Management**

- 80 The risk management processes embedded across the council continue to contribute towards managing the risk issues associated with major projects and key areas of service delivery. The maturing nature of the risk management culture at the council is helping to create a climate that fosters a more considered view of opportunity and delivery of improved performance. While there are no risks associated directly to this monitoring report a regular risk monitor of the organisations' key risks goes to both Corporate Management Team and Audit & Governance Committee on a quarterly basis for assurance purposes.

### **Recommendations**

- 81 Members are asked to:

- a. Note the performance issues identified in this report.

*Reason: So that corrective action on these performance issues can be taken by CMT and directorates and key areas for improvement can be fed into future corporate planning.*

- b. Note the out-turn position.

*Reason: So that consideration can be given to areas or under and over spending and key areas can be fed into the financial planning process.*

- c. Approve the transfer of the net receipt of £1,817k following the Fleming VAT case to the general revenue reserve as set out in paragraph 8.

*Reason: To ensure that over the lifetime of the Council's Financial Plan reserves are maintained at an acceptable level.*

- d. Approve the transfer of £120k from the Council's insurance reserve to the general fund reserve in 2008/09 and a further £400k in 2009/10 as set out in paragraph 10.

*Reason: To ensure that over the lifetime of the Council's Financial Plan reserves are maintained at an acceptable level.*

- e. Approve the transfer of the balance on the trading activity reserve to the general fund reserve with effect from 1 April 2009 as set out in paragraph 10.

*Reason: To reflect the fact that this reserve is no longer required as the service is now part of the general fund.*

- f. Review the requests for carry forward funds into 2009/10, totalling £472k for general fund services, detailed in paragraphs 44, 54, 59, 65 and 67, and summarised in paragraphs 74 to 78, and determine which ones should be approved.

*Reason: So that resources can be directed into those areas that meet corporate priorities.*

- g. Approve the request to carry forward £35k for the housing revenue account, detailed in paragraph 50, and summarised in paragraph 74.

*Reason: So that resources can be directed into those areas that meet corporate priorities.*

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**Specialist Implications Officer(s)** None

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

**All**

√

**Background Working Papers**

Reports to individual Executive members and Directorate Management Teams

**Annexes**

- Annex 1 - Reserves Position and Forecast
- Annex 2 - Snapshot analysis of National Performance Indicators
- Annex 3 - Full NPI 2008/09 results table
- Annex 4 - Place Survey Results for 2008/09

## Reserves Position and Forecast

	2008/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000
<b>General Fund Reserve</b>					
Balance at 1 April	(11,426)	(10,012)	(6,563)	(6,285)	(6,285)
<b>Less:</b> Already Committed To Annual Budget	1,992	3,660	278	-	-
Carry Forward Underspend from Previous Years	1,513	472	-	-	-
Agreed transfer to Invest for Efficiency	1,000	-	-	-	-
Supplementary Estimates granted in year	1,519	37	-	-	-
<b>Revised General Fund Reserve</b>	<b>(5,402)</b>	<b>(5,843)</b>	<b>(6,285)</b>	<b>(6,285)</b>	<b>(6,285)</b>
<b>Add:</b> <u>Other Adjustments</u>					
NDR Rebates	(18)	(20)	-	-	-
Additional LABGI grant (£200k used as a supp. est. source)	(691)	-	-	-	-
Final LABGI grant - not expected until 2009/10	(186)	-	-	-	-
Transfer funds from insurance reserve agreed in the budget	(300)	-	-	-	-
Transfer funds from insurance reserve in this report	(120)	(400)	-	-	-
Fleming case VAT refund	(1,817)	-	-	-	-
Transfer funds from trading activities	-	(300)	-	-	-
	<b>(3,132)</b>	<b>(720)</b>	-	-	-
Net Underspend on General Fund	(1,478)	-	-	-	-
<b>Expected General Fund Reserve as at 31 March</b>	<b>(10,012)</b>	<b>(6,563)</b>	<b>(6,285)</b>	<b>(6,285)</b>	<b>(6,285)</b>
<b>Trading Activities Reserve</b>					
Balance at 1 April	(439)	(332)	-	-	-
<b>Plus:</b> Payments into Reserve (net of surplus needed for general fund)	(34)	(50)	-	-	-
<b>Less:</b> Use of Reserve	107	82	-	-	-
Profit in year to general fund	34	-	-	-	-
Transfer to general fund	-	300	-	-	-
<b>Trading Activities Reserve as at 31 March</b>	<b>(332)</b>	-	-	-	-
<b>Total Revenue Reserves as at 31 March</b>	<b>(10,344)</b>	<b>(6,563)</b>	<b>(6,285)</b>	<b>(6,285)</b>	<b>(6,285)</b>
<b>Estimated Minimum Reserves Threshold</b>	<b>5,361</b>	<b>5,309</b>	<b>5,574</b>	<b>5,853</b>	<b>6,145</b>
<b>Headroom In Reserves</b>	<b>(4,983)</b>	<b>(1,254)</b>	<b>(711)</b>	<b>(432)</b>	<b>(140)</b>
<b>Venture Fund</b>					
Balance at 1 April	(2,729)	(2,276)	(2,222)	(1,410)	(1,344)
<b>Plus:</b> Repayments	(866)	(696)	(47)	(406)	(755)
<b>Less:</b> Advances	1,319	750	859	472	1,056
<b>Estimated Venture Fund Balance as at 31 March</b>	<b>(2,276)</b>	<b>(2,222)</b>	<b>(1,410)</b>	<b>(1,344)</b>	<b>(1,043)</b>

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## Annex 2: 2008/09 Year-End Performance on National Performance Indicators

	Overall Results		Council					Partners	
	Overall	Council Indicators	LCCS	HASS	City Strategy	Neighbourhood	Corporate Services	PCT	Community Safety
Number/% of NPI indicators reportable at this stage	146 of 200 (73%)	131 of 166 (79%)	65 of 79 (82%)	16 of 23 (70%)	25 of 33 (76%)	17 of 20 (85%)	8 of 11 (73%)	2 of 14 (14%)	13 of 20 (65%)
Number/% of NPIs where improvement is measurable	107	98	57	10	20	10	1	1	8
- Number/% of NPIs showing improvement	64 (60%)	60 (61%)	34 (60%)	8 (80%)	12 (60%)	5 (50%)	1 (100%)	0 (0%)	4 (50%)
- Number/% of NPIs showing decline in performance	36 (34%)	31 (32%)	18 (32%)	2 (20%)	6 (30%)	5 (50%)	0 (0%)	1 (100%)	4 (50%)
- Number/% of NPIs showing stable/no change	7 (6%)	7 (7%)	5 (9%)	0 (0%)	2 (10%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
Number of NPIs with targets and data available	96	88	44	11	18	12	3	0	8
- Number/% of NPIs which met 08/09 target	55 (57%)	50 (57%)	24 (55%)	7 (64%)	11 (61%)	5 (42%)	3 (100%)	0	5 (63%)
- Number/% of NPIs which missed 2008/09 target	41 (43%)	38 (43%)	20 (45%)	4 (36%)	7 (39%)	7 (58%)	0 (0%)	0	3 (38%)
<b>Progress on 44 NPIs and 5 Local Indicators in our LAA</b>									
Number of LAA Indicators reportable at this stage	39 of 49 (80%)	36 of 42 (86%)	12 of 15 (80%)	7 of 8 (88%)	14 of 16 (88%)	2 of 2 (100%)	1 of 1 (100%)	0 of 3 (0%)	3 of 4 (75%)
Number/% of LAA where improvement is measurable	29	26	10	5	10	1	0	0	3
- Number/% of LAA showing improvement	22 (76%)	20 (77%)	6 (60%)	5 (100%)	8 (80%)	1 (100%)	0	0	2 (67%)
- Number/% of LAA showing decline in performance	7 (24%)	6 (23%)	4 (40%)	0 (0%)	2 (20%)	0 (0%)	0	0	1 (33%)
Number of LAA with targets and data available	31	28	10	5	12	1	0	0	3
- Number/% of LAA which met Interim 08/09 target	19 (61%)	16 (57%)	4 (40%)	3 (60%)	8 (67%)	1 (100%)	0	0	3 (100%)
- Number/% of LAA which missed Interim 08/09 target	12 (39%)	12 (43%)	6 (60%)	2 (40%)	4 (33%)	0 (0%)	0	0	0 (0%)
<b>Note:</b> Some indicators can not be reported at this stage as they have either been deferred till next year or have late availability due to the late release of data by government departments.									

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Code	Lead for Collection	Indicator definition	2007/08 outturn	2008/09 Year End Performance	Target 2008/09	Met or Exceeded Target	Improving	LAA indicator (35? local? Education NPI?)
NPI 1	Corporate Services	% of people who believe people from different backgrounds get on well together in their local area	No comparative outturn	79.0%	Meaningful Improvement	Not Available	Not Available	35
NPI 2	Corporate Services	Participation - % of people who feel they belong in their neighbourhood	No comparative outturn	54.0%	No Target Set	Not Available	Not Available	No
NPI 3	Neighbourhood	Civic participation in the local area	No comparative outturn	12.3%	No Target Set	Not Available	Not Available	No
NPI 4	Neighbourhood	% of people who feel they can influence decisions in their locality	No comparative outturn	31.5%	Meaningful Improvement	Not Available	Not Available	35
NPI 5	Neighbourhood	Overall/general satisfaction with local area	No comparative outturn	87.0%	No Target Set	Not Available	Not Available	No
NPI 6	City Strategy	Participation in regular volunteering	19.0%	23.1%	20.0%	Yes	Yes	35
NPI 7	City Strategy	Environment for a thriving third sector	No comparative outturn	08/09 19.7%	No Target Set	Not Available	Not Available	35
NPI 8	LCCS	Adult participation in sport	24.9%	19.3% interim result	26.9%	No	No	35
NPI 9	LCCS	Use of public libraries	No comparative outturn	51.3%	No Target Set	Not Available	Not Available	No
NPI 10	LCCS	Visits to museums or galleries	No comparative outturn	65.5%	No Target Set	Not Available	Not Available	No
NPI 11	LCCS	Engagement in the arts	No comparative outturn	53.5%	No Target Set	Not Available	Not Available	No
NPI 15	Community Safety	Serious violent crime rate	96	113 crimes, 0.58 per 1000 popn	92	No	No	No
NPI 16	Community Safety	Serious acquisitive crime rate	3330	3459 crimes, 17.89 per 1000 popn	3891, 20.3 per 1000 popn	Yes	No	35
NPI 17	Community Safety	Perceptions of anti-social behaviour: How much of a problem are... noisy neighbours; teenagers hanging around on the streets; rubbish or litter lying around; vandalism, graffiti or other deliberate	13%	11.2%	13.0%	Yes	Yes	35
NPI 19	LCCS	Rate of proven re-offending by young offenders	1.91 (2005 baseline)	1.39 (Q3 Data)	1.82	Yes	Yes	35
NPI 20	Community Safety	Assault with injury crime rate	1024	1239 crimes, 6.41 per 1000 popn	990	No	No	No
NPI 21	Community Safety	Dealing with local concerns about anti-social behaviour and crime by the local council and police	No comparative outturn	29.3%	No Target Set	Not Available	Not Available	No
NPI 22	Corporate Services	Perceptions of parents taking responsibility for the behaviour of their children in the area	No comparative outturn	28.6%	No Target Set	Not Available	Not Available	No
NPI 23	Corporate Services	Perceptions that people in the area treat one another with respect and dignity	No comparative outturn	23.0%	No Target Set	Not Available	Not Available	No
NPI 27	Community Safety	Understanding of local concerns about anti-social behaviour and crime by the local council and police	No comparative outturn	29.4%	No Target Set	Not Available	Not Available	No
NPI 28	Community Safety	Serious knife crime rate	67	60 crimes, 0.31 per 1000 popn	64	Yes	Yes	No
NPI 29	Community Safety	Gun crime rate	2	5 crimes, 0.03 per 1000 popn	2	No	No	No
NPI 30	Community Safety	Re-offending rate of prolific and priority offenders	131	89 (Jan - Dec 08)	105	Yes	Yes	35
NPI 34	Community Safety	Domestic violence – murder	1	0 crimes, 0 per 1000 popn	0	Yes	Yes	No
NPI 35	Community Safety	Building resilience to violent extremism	No comparative outturn	2	No Target Set	Not Available	Not Available	No
NPI 36	City Strategy	Protection against terrorist attack	No comparative outturn	4	No Target Set	Not Available	Not Available	No
NPI 37	City Strategy	Awareness of civil protection arrangements in the local area	No comparative outturn	Not Available	N/A	Not Available	Not Available	No
NPI 41	Community Safety	Perceptions of drunk or rowdy behaviour as a problem	No comparative outturn	18.4%	No Target Set	Not Available	Not Available	No
NPI 42	Community Safety	Perceptions of drug use or drug dealing as a problem	No comparative outturn	17.3%	No Target Set	Not Available	Not Available	No
NPI 43	LCCS	Young people within the Youth Justice System receiving a conviction in court who are sentenced to custody	3.6%	4.9%	5.0%	Yes	No	No
NPI 45	LCCS	Young offenders engagement in suitable education, employment or training	70%	64%	No Target Set	Not Available	No	No
NPI 46	LCCS	Young offenders access to suitable accommodation	97%	95%	95%	Yes	No	No
NPI 47	City Strategy	People killed or seriously injured in road traffic accidents	118	1.7% reduction (116 - 3 year average)	113	No	Yes	35
NPI 48	City Strategy	Children killed or seriously injured in road traffic accidents	8	0% change (8 - 3 year average)	No Target Set	Not Available	Stable	No
NPI 52	LCCS	Take up of school lunches	31.1 (acc 07/08)	31.5%	36.4% (acc 08/09)	No	Yes	No
NPI 54	LCCS	Services for disabled children	No comparative outturn	65.0%	No Target Set	Not Available	Not Available	Local
NPI 56	LCCS	Obesity among primary school age children in Year 6	15.60%	16.65%	15.4%	No	No	35
NPI 58	LCCS	Emotional and behavioural health of children in care	No comparative outturn	16.0 (Est)	No Target Set	Not Available	Not Available	No
NPI 59	LCCS	Initial assessments for children's social care carried out within 7 working days of referral	65.8%	71.6%	66.0%	Yes	Yes	No
NPI 60	LCCS	Core assessments for children's social care that were carried out within 35 working days of their commencement	89.0%	91.3%	89.5%	Yes	Yes	No
NPI 61	LCCS	Stability of looked after children adopted following an agency decision that the child should be placed for adoption	100.0%	100.0%	100.0%	Yes	Yes	No
NPI 62	LCCS	Stability of placements of looked after children: number of moves	10.7%	10.4%	10.5%	Yes	Yes	No
NPI 63	LCCS	Stability of placements of looked after children: length of placement	65.5%	67.9%	67.5%	Yes	Yes	No
NPI 64	LCCS	Child protection plans lasting 2 years or more	1.4%	5.1%	2.5%	No	No	No
NPI 65	LCCS	Children becoming the subject of a Child Protection Plan for a second or subsequent time	7.7%	6.7%	7.5%	Yes	Yes	No
NPI 66	LCCS	Looked after children cases which were reviewed within required timescales	83.0%	92.4%	84.0%	Yes	Yes	No

Code	Lead for Collection	Indicator definition	2007/08 outturn	2008/09 Year End Performance	Target 2008/09	Met or Exceeded Target	Improving	LAA indicator (35? local? Education NPI?)
NPI 67	LCCS	Child protection cases which were reviewed within required timescales	98.3%	98.7%	100.0%	No	Yes	No
NPI 68	LCCS	Referrals to children's social care going on to initial assessment	66.6%	65.3%	67.0%	No	No	No
NPI 69	LCCS	Children who have experienced bullying	No comparative outturn	46.9%	No Target Set	Not Available	Not Available	No
NPI 72	LCCS	Achievement of at least 78 points across the Early Years Foundation Stage with at least 6 in each of the scales in Personal Social and Emotional Development and Communication, Language and Literacy	61.9%	60.0%	59.0%	Yes	No	Education NPIs
NPI 73	LCCS	Achievement at level 4 or above in both English and Maths at Key Stage 2 (Threshold)	76.8%	76.0%	No Target Set	Not Available	No	Education NPIs
NPI 75	LCCS	Achievement of 5 or more A*-C grades at GCSE or equivalent including English and Maths (Threshold)	54.5%	53.8%	56.0%	No	No	Education NPIs
NPI 76	LCCS	Achievement at level 4 or above in both English and Maths at KS2 (Floor)	2	4	No Target Set	Not Available	Yes	No
NPI 77	LCCS	Achievement at level 5 or above in both English and Maths at KS3 (Floor)	1	0	No Target Set	Not Available	No	No
NPI 78	LCCS	Achievement of 5 or more A*-C grades at GCSE and equivalent including GCSEs in English and Maths (Floor)	1	1	No Target Set	Not Available	Stable	No
NPI 79	LCCS	Achievement of a Level 2 qualification by the age of 19	71.30%	74.0%	75.0%	No	Yes	No
NPI 80	LCCS	Achievement of a Level 3 qualification by the age of 19	50.3%	51.0%	No Target Set	Not Available	Yes	No
NPI 81	LCCS	Inequality gap in the achievement of a Level 3 qualification by the age of 19	30.3%	25.0%	29.0%	Yes	Yes	35
NPI 82	LCCS	Inequality gap in the achievement of a Level 2 qualification by the age of 19	30.0%	29.0%	No Target Set	Not Available	Yes	No
NPI 84	LCCS	Achievement of 2 or more A*-C grades in Science GCSEs or equivalent	56.5%	57.0%	No Target Set	Not Available	Yes	No
NPI 85	LCCS	Post-16 participation in physical sciences (A Level Physics, Chemistry and Maths)	Phy-70, Chem-98, Math-145	Phy-75, Chem-97, Math-180	No Target Set	Not Available	Yes	No
NPI 86	LCCS	Secondary schools judged as having good or outstanding standards of behaviour	77.8%	77.8%	86.0%	No	Stable	No
NPI 87	LCCS	Secondary school persistent absence rate	6.5%	5.9%	No Target Set	Not Available	Yes	Education NPIs
NPI 88	LCCS	Number of Extended Schools	98.0%	100.0%	100.0%	Yes	Yes	No
NPI 89	LCCS	Number of schools in special measures	0	0	0	Yes	Yes	No
NPI 92	LCCS	Narrowing the gap between the lowest achieving 20% in the Early Years Foundation Stage Profile and the rest	32.7%	30.8%	31.0%	Yes	Yes	Education NPIs
NPI 93	LCCS	Progression by 2 levels in English between KS 1 and KS 2	84.7%	84.5%	No Target Set	Not Available	Stable	Education NPIs
NPI 94	LCCS	Progression by 2 levels in Maths between KS 1 and KS 2	78.4%	80.7%	No Target Set	Not Available	Yes	Education NPIs
NPI 99	LCCS	Children in care reaching level 4 in English at KS 2	80.0%	30.0%	44.4%	No	No	Education NPIs
NPI 100	LCCS	Children in care reaching level 4 in Maths at KS 2	60.00%	40.0%	44.4%	No	No	Education NPIs
NPI 101	LCCS	Children in care achieving 5 A*-C GCSEs (or equivalent) at Key Stage 4 (including English and Maths)	0.00%	15.7%	23.8%	No	Yes	Education NPIs
NPI 102a	LCCS	Achievement gap between pupils eligible for free school meals and their peers achieving the expected level at Key Stage 2	29%	28%est	28.0%	Yes	Yes	Local
NPI 102b	LCCS	Achievement gap between pupils eligible for free school meals and their peers achieving the expected level at Key Stage 4	31.4%	31.2%	29.0%	No	Yes	Local
NPI 103a	LCCS	Special Educational Needs – statements issued within 26 weeks (excluding exception cases)	No comparative outturn	98.0%	100.0%	No	Not Available	No
NPI 103b	LCCS	Special Educational Needs – statements issued within 26 weeks	No comparative outturn	96.0%	90.0%	Yes	Not Available	No
NPI 104	LCCS	The Special Educational Needs (SEN)/non-SEN gap – achieving Key Stage 2 English and Maths threshold	56%	61.0%	No Target Set	Not Available	No	No
NPI 105	LCCS	The Special Educational Needs (SEN)/non-SEN gap – achieving 5 A*-C GCSE inc. English and Maths	55.50%	53.2%	No Target Set	Not Available	Yes	No
NPI 109a	LCCS	% of actual designations of Sure Start Children Centres against forecast trajectory (Phase 2-8 centres)	87.50%	100.0%	100.0%	Yes	Yes	No
NPI 110	LCCS	Young people's participation in positive activities	No comparative outturn	69.7%	No Target Set	Not Available	Not Available	35
NPI 111	LCCS	First time entrants to the Youth Justice System aged 10 – 17	2350	1602	2185	Yes	Yes	Local
NPI 112	LCCS	Under 18 conception rate	15.3%(2006)	24.8% (2007)	-18% result due Feb 2010	No	No	35
NPI 114	LCCS	Rate of permanent exclusions from school	0.25%	0.12%	0.13%	Yes	Yes	No
NPI 115	LCCS	Substance misuse by young people	12.0%	11.9%	No target set as 08/09 baseline year	Not Available	Yes	35
NPI 117	LCCS	16 to 18 year olds who are not in education, training or employment (NEET)	3.9%	4.2%	3.7% (Nov 08 - Jan 09)	No	No	35
NPI 119	PCT	Self-reported measure of people's overall health and wellbeing	No comparative outturn	Not Available	0.0%	Not Available	Not Available	No
NPI 130	HASS	Social Care clients receiving Self Directed Support per 100,000 (Direct Payments and Individual Budgets)	165.0	301.6	174.5	Yes	Yes	35
NPI 131	PCT	Delayed transfers of care from hospitals	No comparative outturn	1.5%	HCC Annual Health Check threshold for 2007 <= 3.5% PCT	Not Available	Not Available	No
NPI 132	HASS	Timeliness of social care assessment	61.78%	67.1%	80.0%	No	Yes	No
NPI 133	HASS	Timeliness of social care packages	92.33	90.3%	87.0%	Yes	No	No
NPI 134	PCT	The number of emergency bed days per head of weighted population	404615	425331 (Estimate)	No Target Set	Not Available	No	No
NPI 135	HASS	Carers receiving needs assessment or review and a specific carer's service, or advice and information	7.7%	17.1%	18.7%	No	Yes	35



Code	Lead for Collection	Indicator definition	2007/08 outturn	2008/09 Year End Performance	Target 2008/09	Met or Exceeded Target	Improving	LAA indicator (35? local? Education NPI?)
NPI 136	HASS	People supported to live independently through social services (all ages)	3281.24	3651.26	3364.00	Yes	Yes	No
NPI 138	HASS	Satisfaction of people over 65 with both home and neighbourhood	No comparative outturn	91.9%	No Target Set	Not Available	Not Available	No
NPI 138	Neighbourhood	Satisfaction of people over 65 with both home and neighbourhood	No comparative outturn	91.9%	No Target Set	Not Available	Not Available	No
NPI 139	HASS	People over 65 who say that they receive the information, assistance and support needed to exercise choice and control to live independently	No comparative outturn	29.9%	No Target Set	Not Available	Not Available	Local
NPI 140	Corporate Services	Fair treatment by local services	No comparative outturn	77.9%	No Target Set	Not Available	Not Available	No
NPI 141	HASS	Number of vulnerable people achieving independent living	52.19%	69.97%	68.5%	Yes	Yes	35
NPI 142	HASS	Number of vulnerable people who are supported to maintain independent living	No comparative outturn	98.4%	98.0%	Yes	Not Available	No
NPI 145	HASS	Adults with learning disabilities in settled accommodation	No comparative outturn	76.2%	No Target Set	Not Available	Not Available	No
NPI 146	HASS	Adults with learning disabilities in employment	No comparative outturn	5.8%	No Target Set	Not Available	Not Available	No
NPI 147	LCCS	Care leavers in suitable accommodation	83.0%	100.0%	100.0%	Yes	Yes	No
NPI 148	LCCS	Care leavers in employment, education or training	50.0%	50.0%	70.0%	No	Stable	No
NPI 151	City Strategy	Local economy - Overall employment rate	82.6%	83.82% (estimate)	2008/09 will set the baseline	Not Available	Yes	No
NPI 152	City Strategy	Working age people on out of work benefits	7.4%	7.1% (estimate)	7.1%	Yes	Yes	35
NPI 154	City Strategy	Net additional homes provided	523	451	580	No	No	No
NPI 155	HASS	Number of affordable homes delivered (gross)	51	151	165	No	Yes	35
NPI 156	HASS	Number of households living in Temporary Accommodation	209	167	170	Yes	Yes	35
NPI 157a	City Strategy	Processing of planning applications - major applications completed within 13 weeks	73.4%	76.59% (36/47)	70.0%	Yes	Yes	No
NPI 157b	City Strategy	Processing of planning applications - minor applications completed within 8 weeks	76.0%	72.54% (362/499)	80.0%	No	No	No
NPI 157c	City Strategy	Processing of planning applications - other applications completed within 8 weeks	87.7%	87.02% (1153/1325)	92.0%	No	No	No
NPI 158	HASS	% of decent council homes	9.84%	5.7%	7.3%	Yes	Yes	No
NPI 159	City Strategy	Supply of ready to develop housing sites	No comparative outturn	08/09 152%	>100%	Not Available	Yes	No
NPI 160	HASS	Local Authority tenants' satisfaction with landlord services	88.00%	85.2%	90.0%	No	No	No
NPI 161	LCCS	Learners achieving a Level 1 qualification in literacy	55	63	53	Yes	Yes	No
NPI 162	LCCS	Learners achieving an Entry Level 3 qualification in numeracy	8	18	20	No	Yes	No
NPI 163	City Strategy	Working age population qualified to at least Level 2 or higher	73.30%	74.9% (estimate)	75.8%	No	Yes	35
NPI 164	City Strategy	Working age population qualified to at least Level 3 or higher	53.90%	57.9% (Estimate)	55.9%	Yes	Yes	Local
NPI 165	City Strategy	Working age population qualified to at least Level 4 or higher	34.70%	37.6% (Estimate)	34.8%	Yes	Yes	35
NPI 166	City Strategy	Average earnings of employees in the area	£472.20 (1.02:1)	£472.60 (0.98:1)	0.9758	Yes	Yes	35
NPI 167	City Strategy	Congestion – average journey time per mile during the morning peak	No comparative outturn	3 min 24 secs	< 3min 26 sec	Not Available	No	35
NPI 168	Neighbourhood	Principal roads where maintenance should be considered	4%	3%	4%	Yes	Yes	No
NPI 169	Neighbourhood	Non-principal roads where maintenance should be considered	10%	9%	10%	Yes	Yes	No
NPI 170	City Strategy	Previously developed land that has been vacant or derelict for more than 5 years	No comparative outturn	0.96%	0.96%	Yes	Not Available	No
NPI 171	City Strategy	VAT registration rate	44.5	34.7 (estimate)	34.7	Yes	No	35
NPI 172	City Strategy	VAT registered businesses in the area showing growth	15.2% (estimate)	14% (estimate)	14.0%	Yes	No	No
NPI 177	City Strategy	Local bus passenger journeys originating in the authority area	14.85 M	15.3m	17m	No	Yes	No
NPI 178	City Strategy	Bus services running on time	No comparative outturn	a) 63.3% b) 1 min 32 secs	2008/09 will set the baseline	Not Available	Not Available	No
NPI 179	Corporate Services	Value for money – total net value of on-going cash-releasing value for money gains that have impacted since the start of the 2008-9 financial year	No comparative outturn	2753k	£1923k	Yes	Not Available	No
NPI 180	Corporate Services	Changes in Housing Benefit/ Council Tax Benefit entitlements within the year	No comparative outturn	1357 per 1000 caseload	1000 per 100 caseload	Yes	Not Available	No
NPI 181	Corporate Services	Time taken to process Housing Benefit/Council Tax Benefit new claims and change events DWP DSO	19 days (old rules)	18 days	18 days	Yes	Yes	No
NPI 182	Neighbourhood	Satisfaction of businesses with local authority regulation services	No comparative outturn	76%	80%	No	Not Available	No
NPI 183	Neighbourhood	Impact of local authority regulatory services on the fair trading environment	No comparative outturn	0.92%	No Target Set	Not Available	Not Available	No
NPI 184	Neighbourhood	Food establishments in the area which are broadly compliant with food hygiene law	No comparative outturn	88%	93%	No	Not Available	No
NPI 187	HASS	Tackling fuel poverty – people receiving income based benefits living in homes with a low energy efficiency rating	No comparative outturn	Low = 6.9% High = 60.4%	No Target Set	Not Available	Not Available	35
NPI 188	City Strategy	Adapting to climate change	Level 0	Level 0	Level 1	No	Stable	Local
NPI 189	City Strategy	Flood and coastal erosion risk management	No comparative outturn	100% (5/5)	100.0%	Yes	Not Available	No


Code	Lead for Collection	Indicator definition	2007/08 outturn	2008/09 Year End Performance	Target 2008/09	Met or Exceeded Target	Improving	LAA indicator (35? local? Education NPI?)
NPI 191	Neighbourhood	Residual household waste per head	663 kg	629kg	640kg	Yes	Yes	35
NPI 192	Neighbourhood	Household waste recycled and composted	43.37%	45.13%	45.13%	Yes	Yes	No
NPI 193	Neighbourhood	Municipal waste landfilled	57.45%	55.14%	55.30%	Yes	Yes	No
NPI 195a	Neighbourhood	Improved street and environmental cleanliness (levels of litter)	8%	8.9%	8.0%	No	No	No
NPI 195b	Neighbourhood	Improved street and environmental cleanliness (levels of detritus)	9%	11.0%	8.0%	No	No	No
NPI 195c	Neighbourhood	Improved street and environmental cleanliness (levels of graffiti)	2%	4.7%	2.0%	No	No	No
NPI 195d	Neighbourhood	Improved street and environmental cleanliness (levels of fly posting)	0%	1.1%	0.0%	No	No	No
NPI 196	Neighbourhood	Improved street and environmental cleanliness – fly tipping	2 (effective)	3 (not effective)	2 (effective)	No	No	No
NPI 197	City Strategy	Improved local biodiversity – active management of local sites	28%	40.0%	35.0%	Yes	Yes	35
NPI 198a	LCCS	% of children travelling to school (age 5-10) who travel to school by car (including vans and taxis).	27.63%est	31.2% est	27.0%	No	No	No
NPI 198b	LCCS	% of children travelling to school (age 11-15) who travel to school by car (including vans and taxis).	8.4%est	9.3% est	8.0%	No	No	No
NPI 199	LCCS	Children & young people's satisfaction with park and play areas	No comparative outturn	42.4%	No Target Set	Not Available	Not Available	No
BVPI 219b	City Strategy	% of conservation areas in local authority area with an up-to-date character appraisal	3.00%	9.0%	14.0%	No	Yes	Local
BVPI 9	Corporate Services	% of council tax collected	97.3%	97.4%	97.5%	No	Yes	No
BV 212	HASS	Average time taken to re-let local authority housing	19.37 days	21.46 days	18 days	No	no	No
CYP 8.10	LCCS	% of pupils living in the 30% most deprived areas in the country (IDAC) gaining 5 A*-C, including maths and English, at GCSE	29%	28% Est	33%	No	Yes	Local
EDE1.4	City Strategy	Av. gross weekly earnings	71.9% (average 2002-2007)	70% Estimate	72% (average 06/08)	No	No	Local
H4	HASS	Urgent repairs completed within Government timescales	90.0%	95.3%	99%	No	yes	No
H5	HASS	Average time taken to complete non-urgent repairs	7.97 days	6.63 days	8 days	yes	yes	No
LPSA 12.2	LCCS	% of children and young People's participation in high-quality PE and sport (2 hours a week)	90.0%	94.0%	91.0%	Yes	Yes	No
RM 13	LCCS	Number of pupils permanently excluded in the secondary sector	38	8	25	Yes	Yes	No
RM 15	LCCS	Number of fixed term exclusions in the primary sector	195	122	180	Yes	Yes	No
RM 16	LCCS	Number of fixed term exclusions in the secondary sector	1049	702	700	Yes	Yes	No
VJ15a	City Strategy	York's unemployment rate below the regional rate	1.5% below	1.47% below	1.5% below	No	No	No
VJ15b	City Strategy	York's unemployment rate below the national rate	1.1% below	1.03% below	1% below	No	No	No
VJ15c	City Strategy	Business confidence: the balance of firms expecting turnover to rise in the future rather than fall	28.10%	11.0%	20.0%	No	No	No
VJ15d	City Strategy	Balance of firms where turnover has grown rather than fallen	21.08%	1.7%	20.0%	No	No	No

Place Survey results for 2008/09

## Annex 4

Indicator	2008/09 result	LAA target?	Low = good High = good	Comparative quartile
NI 4 - % people feel can influence decisions in their locality	31.5%	Yes	High	Top
NI 5 - general satisfaction with local area	87%	No	High	Top
NI 17 - % people concerned about anti-social behaviour	11.2%	Yes	Low	Top
NI 21 – Council & Police dealing with anti-social behaviour and crime	29.3%	No	High	Top
NI 23 - people treat one another with respect and consideration	23%	No	High	Top
NI 27 - Understanding concerns about anti-social behaviour	29.4%	No	High	Top
NI 41 - % of people who feel drunk or rowdy behaviour is a problem	18.4%	No	Low	Top
NI 42 - % of people who feel drug use/drug dealing is a problem	17.3%	No	Low	Top
NI 138 - Satisfaction of over 65s with home and neighbourhood	91.9%	No	High	Top
NI 140 - Fair treatment by local services	77.9%	No	High	Top
NI 1 - % people from different backgrounds get on well together	79%	Yes	High	2nd
NI 6 - Participation in regular volunteering	23.1%	Yes	High	2nd
NI 119 – Overall health & well-being	79.3%	No	High	2nd
NI 2 - % feel that they belong to their neighbourhood	54%	No	High	3rd
NI 3 - Civic participation in the local area	12.3%	No	High	3rd
NI 22 - parents taking responsibility for the behaviour of their children	28.6%	No	High	3rd
NI 37 - Awareness of civil protection arrangements	14.6%	No	High	3rd
NI 139 - Older people receive support they need to live independently	29.9%	Yes	High	3rd

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<b>Executive</b>	23 <sup>rd</sup> June 2009
Report of the Assistant Director of Resources (Finance)	

## **Budget Process and Resource Alignment Arrangements for 2010/11**

### **Summary**

1. This report sets out the proposed arrangements to support the preparation of the 2010/11 budget and the alignment of resources based on the Council's strategic and corporate priorities.

### **Background**

2. In line with recognised best practice in financial management and performance management, the Council needs to ensure its budget for 2010/11 is robust and sustainable and fundamentally aligned to the strategic themes detailed in the Corporate Strategy 2009/2012.
3. Furthermore, in response to the statutory requirement to have sound, transparent plans in place to deliver the specific efficiency savings required in 2010/11 and beyond, it is essential the Council has a clear understanding of its financial position and future challenges as expressed through the Medium Term Financial Strategy (MTFS).
4. The processes outlined in this report will ensure robust financial management is maintained whilst enabling early decisions and actions to be taken that will result in the containment of identified budget pressures through 2010/11 and the Medium Term.
5. The MTFS 2009-2013 (Table 1 below) was considered and approved by Full Council on 26<sup>th</sup> February 2009 and outlined a financial forecast of the main risks and key future influences on the Council's financial position.

<b>MEDIUM TERM FINANCIAL PLAN</b>			
	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>RESOURCES</b>			
Increase in Grants and Council Tax	4.00	3.20	2.90
Corporate Efficiency Savings	3.25	5.15	7.15
Service Savings	0.00	0.00	0.00
<b>TOTAL RESOURCES AVAILABLE</b>	<b>7.25</b>	<b>8.35</b>	<b>10.05</b>
<b>INDICATIVE ALLOCATIONS</b>			
Cash Increase in budgets (Pay/prices)2% pa	2.20	2.20	2.20
Treasury Management	1.00	1.00	1.00
IT Development	0.40	0.40	0.40
Capital Programme	0.75	0.75	0.75
Recycling and Waste	0.40	0.40	2.00
Concessionary Fares	0.30	0.30	0.30
Contingency Sum	0.80	0.80	0.80
Other unknown pressures/priorities	1.40	2.50	2.60
<b>TOTAL INDICATIVE ALLOCATIONS</b>	<b>7.25</b>	<b>8.35</b>	<b>10.05</b>

Table 1 – Revenue Plans 2010-13

6. The MTFFS demonstrates a clear need for the delivery of £15m net real efficiency gains over the 3 year period. These savings are essential in order to sustain a balanced budgetary position over the period 2010/11 to 2012/13. It should be noted that although service savings are shown as Nil within the MTFFS over the next three years, there may need to be flexibility to change that assumption should there be significant changes to financial pressures, or timing issues on the achievement of efficiency savings.

7. The Government's Budget revealed that local government's 3% CSR07 efficiency target has been increased nationally from £4.9bn to £5.5bn, with councils expected to find 4% efficiency savings in 2010-11. The Government has said that the additional £600m will be retained by councils to reinvest in services. Beyond CSR07, the government will seek additional £9bn per annum efficiency savings across the public sector by 2013-14. It is not clear what local authorities' share of these savings will be but it is reasonable to assume that we will need to increase the level of efficiencies in the coming years. The Council's partnership with NKA demonstrates that positive and pro-active action is being taken to plans are in place to ensure these savings are delivered.
8. The impact of the economic downturn will have led to the deterioration of the financial position expressed in the current MTFS. The impact of low interest rates on the Council's investments, together with an increased demand for council services from citizens in weakening financial situations will inevitably mean that pressures exist to drive out further savings than originally planned. Therefore, whilst the efficiency programme target at present is to deliver £15m savings in a three year period, the likelihood is that we will need to achieve more. In this context, the Council needs to demonstrate flexibility in its approach to the nature and scale of efficiency savings over the next few years. As part of the proposed new process it is intended that an updated MTFS is produced in July that will provide a firmer indication of the financial issues facing the Council over the next few years.
9. In the context of this challenging financial position, it is essential to further develop the integration of priority setting and resource alignment if the Council is to be successful in setting a robust budget that can effectively deliver the desired outcomes. The proposals outlined in this report will build on the recommendations contained in the existing financial strategy and will support further effective decision making on the 2010/11 budget. The process will also provide clear evidence that resources are being actively aligned to priorities through a structured, transparent and effective process.

## **Proposal**

10. In order that budgetary decisions are taken in the context of updated priorities, identified financial pressures and VFM considerations, it is essential that a systematic and robust approach is undertaken in the build up to the setting of the 2010/11 budget. Annex A identifies the proposed process and time-line to deliver the 2010/11 budget constructed around a planned, structured methodology and focused on the use of critical financial intelligence.
11. The budget process will support both the continued development of the Council's robust financial strategy and the effective alignment of resources to its stated priorities, whilst ensuring that a risk-based

approach is maintained in determining the adequacy of levels of reserves.

## **KEY ELEMENTS OF THE PROPOSED PROCESS**

12. The existing financial strategy has established broad principles for the development of future budget processes and these can now be clearly defined as part of the development of the 2010/11 budget. A fundamental maxim of the proposed process is that Directorates are clearly responsible for the robust and effective self-management of their existing financial resources and that restraint is exercised in bidding for additional budget. It is proposed that the key elements of the 2009/10 financial strategy are:-

- **Cash Limit Budgets**

13. Pre-agreed cash increases to base budgets for each service resulting in clearly defined and strictly enforced cash limits within which Directorates must contain their net expenditure. The existing approved financial strategy is predicated on a cash increase of 2% to Directorate budgets in 2010/11 with a clear expectation that Directorates self-manage all non-exceptional budget pressures within this cash limit.

- **Base Budget Reviews**

14. Explicitly linked to self-management within defined cash limits will be the need for directorates to demonstrate the re-allocation of a minimum of 1% of their net budget to contain internal financial pressures. This process will take the form of a focused Base Budget Review within Directorates and will enable the Council to clearly demonstrate the re-distribution of existing resources to areas of greater pressure. This will provide tangible evidence that the Council is allocating financial resources on the basis need, and is moving away from an entirely incremental approach to budget allocation. The figure of 1% is recommended as a minimum. In many cases Directorates may wish to identify a higher level of reprioritisation, and this will in particular be the case should there be a number of cost pressures that need to be addressed. Fundamentally this process is about self management of pressures within Directorates, and will provide absolute transparency in terms of showing how pressures are being addressed.

- **Growth Bids**

15. Traditionally, the budget process at CYC has encouraged bidding for additional funding for relatively minor budget pressures. In the future, the process outlined above, based on self management of financial pressures through focused Base Budget Reviews will need to be followed to avoid long lists of relatively minor growth bids.



In the present challenging budget climate it is considered that a more appropriate and effective approach to bidding for additional resource be agreed. In order to limit the volume of growth bids and as a result facilitate more effective decision making on resource allocation, it is recommended that de-minimus levels are established for all growth bids in future budget planning exercises.

It is expected that the principle of financial self-management within cash limits will instil a discipline of internal re-prioritisation of less significant 'growth' issues within existing directorate budget allocations.

In addition, the bids above the de-minimus levels need to be defined, developed and submitted within one of two distinct categories of growth:-

- **Unavoidable Major Corporate Growth** – this will include areas of expenditure for which the Council **must** make budgetary provision (examples will include Waste Management, Concessionary Fares and the impact of the economic downturn on the Treasury Management function). It is expected that these areas would go forward as part of the budget process as “Unavoidable” and would be clear recommendations from the Director of Resources in terms of the need for the Council to provide for these amounts. It is proposed that a de-minimus level of £100k is established for bids falling within this category.
- **Meeting Corporate Priorities** – this category will include bids that relate to the achievement of priorities that are strictly defined within the Corporate Strategy. A clear corporate process will be established to consider the legitimacy and relative ranking of these bids involving workshops/officer groups to ensure the approach to the allocation of resource to Corporate priorities is dealt with effectively and transparently . Given the limited financial resources available to support these bids, it will be essential to ensure that all scope for internal re-direction has been explored within Directorates prior to bids being recommended for approval. It is proposed that a de-minimus level of £25k is established for bids falling within this category.

- **Efficiency Targets**

16. The MTFS presented as part of the Budget report to Council on 26<sup>th</sup> February identified a cumulative 3 year target of £15m net real efficiency gains (2010/11 £3.25m, 2011/12 £5.15m, 2012/13 £7.15m). These targets were considered necessary in order to ensure the

Council could meet forecast future financial pressures without the need for cuts or reductions in services.

In order to provide assurance on the delivery of the efficiency savings it will be critical that robust and effective validation of efficiency proposals takes place in order to ensure that savings targets are realistic and deliverable.

Both the validation of savings proposals, and the ongoing monitoring of the actual achievement of savings will take place during the upcoming and future budget planning periods. The scale and nature of the projected efficiency savings, together with the critical dependence on these savings as part of the achievement of the MTFs, inevitably mean that, from a risk perspective, significant financial management controls will need to be established in order to provide corporate assurance that the identified savings are realistic and deliverable.

- **Reserves**

17. The effective management of financial reserves will be tactically critical if the Council is to meet the targets contained within the MTFs. As part of the planning process for the 2010/11 budget, a fundamental review of reserves will be undertaken corporately. The objective of this review will be to determine the optimum scale and nature of the reserves required over the next 5 years in order to both deliver the MTFs and ensure strong financial management is maintained throughout what will be an extremely challenging financial period.

The review will establish a 5 year strategy for the Council's Financial reserves based on a fundamental understanding of identified risks and known future commitments. This will result in a clear Reserves Policy that will form a critical element of the Council's overall financial management framework.

- **Capital Programme**

18. Although an effective framework currently exists for the development and monitoring of the Council's Capital Programme, further improvements can be made to the process. Enhancements to the capital planning process can provide further assurance that the Council is optimising the use of its capital resources in meeting the stated priorities within the Corporate Strategy. Improvements will include the development of more explicit linkages between the development of the revenue and capital budget to ensure that the optimum overall financial funding strategy is achieved by the Council.

A review of the CRAM process will also ensure that the existing model for the ranking of capital projects remains relevant and fit for purpose.

There is a need for significant revenue contributions to the capital programme in coming years, and these will need to be “unavoidable” revenue budget growth. Furthermore, due to the current pressures on the Capital Programme, it is unlikely that any further Major Schemes will be considered.

### **Budget Process Timeline**

19. In order that budget planning decisions are taken in the context of stated Corporate Priorities, identified financial pressures and savings identified through the efficiency programme, it is essential that a systematic and robust approach is undertaken in the build up to the setting of the 2010/11 budget. Appendix A identifies the proposed timeline to deliver the 2010/11 budget based on a planned and structured methodology which is focused around the use of critical financial intelligence.

### **Consultation**

20. As part of the recognised budget planning process, statutory consultation will take place with the business community. Consultation will also take place with citizens and consideration is being given to reviewing how best to effectively engage as part of the planning process.

### **Options**

21. **Option 1** – Executive support the proposed arrangements for budget planning and resource alignment for the 2010/11 Budget as outlined in this report.
22. **Option 2** – Executive propose alternative arrangements to those contained in this report. However, it should be noted that the proposed approach has been developed to ensure a robust, transparent and sustainable budget is produced in line with statutory requirements and best practice. Any alternative approach would necessarily need to meet these requirements.

### **Corporate Priorities**

23. Reviewing the financial planning processes, to ensure best practice, long term planning, and effective links with efficiency and corporate planning is a key objective of the Effective Organisation theme of the Corporate Strategy 2009/12. Financial capacity has been built into the

MTFS to ensure that future funding is available to deliver corporate priorities.

## Implications

24.

- (a) **Financial** These are covered in the main body of this report.
- (b) **Human Resources (HR)** None
- (c) **Equalities** None
- (d) **Legal** The council has a legal duty to set a balanced budget on an annual basis. The Local Government Act 2003 places responsibilities on the Council's Chief Finance Officer to advise the Council on the robustness of budget proposals and the adequacy of its financial reserves. The proposals in this report will support both the Council and the Chief Finance Officer in meeting these legal responsibilities.
- (e) **Crime and Disorder** None
- (f) **Information Technology (IT)** None
- (g) **Property** None
- (h) **Other** None known.

## 25. Risk Management

If the recommendations contained within this report are not agreed, there is a risk that the Council's financial management arrangements could be judged unsound. This may result in reputational criticism and could adversely affect the Council's Use of Resources score which forms part of the Comprehensive Area assessment.

**26. Recommendations**

Executive are asked to:

agree the proposed budget planning process as outlined in the body of this report.

Reason

*To ensure robust financial management arrangements are in place to support the preparation of the 2009/10 budget and the Medium Term Financial Strategy.*

**Contact Details**

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<b>Specialist Implications Officer(s)</b>			
<b>Wards Affected:</b>			<b>All</b> √
<b>For further information please contact the author of the report</b>			

**Background Papers:**

Recommendations of the Executive on the Council's Detailed Revenue Budget Proposals for 2009/10 and the Council's Capital programme Budget for 2009/10 to 2013/14 – **Budget Council 26 February 2009**

Financial Strategy 2009-13 – **Executive 16<sup>th</sup> February 2009**

Capital Programme Budget 2009/10 to 2013/14 - **Executive 16<sup>th</sup> February 2009**

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**ANNEX A****BUDGET PREPARATION TIMELINE 2010/11****June**

- Report on Proposed Budget Planning process to CMT\EXEC
- Report on 2008/09 Out-turn to CMT\EXEC
- Validation of NKA Efficiency Savings Proposals
- Growth Bids prepared over £100k for Major Corporate Growth and £25k Meeting Priorities (to September)
- Directorates commence evidencing of 1% of budget re-prioritisation as part of a focused Base Budget Review

**July**

- Interim update of MTFS
- 2009/10 1<sup>st</sup> Quarterly Financial Monitoring statement including progress against 2009/10 Budget Savings to CMT\EXEC
- Update of Capital Programme including Resource Forecasts

**September**

- Growth bids for meeting priorities assessed and ranked in the context of the Corporate Strategy priorities

**October – December**

- Executive\CMT consider and agree budget proposals on:-
  - Growth
  - Savings
  - 1% Base Budget review Prioritisation

**February 2010**

- Executive agree final budget strategy recommendations to Budget Council
- Budget Council formally agree 2010 Budget

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By virtue of paragraph(s) 5 of Part 1 of Schedule 12A  
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