



**Notice of a public meeting of
Executive**

To: Councillors Carr (Chair), Gillies, Lisle, Orrell, Rawlings, Reid, Runciman and Waller

Date: Thursday, 7 December 2017

Time: 5.30 pm

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

A G E N D A

Notice to Members – Post Decision Calling In:

Members are reminded that, should they wish to call in any item* on this agenda, notice must be given to Democratic Services by **4:00pm on Monday 11 December 2017**.

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

1. Declarations of Interest

At this point, Members are asked to declare:

- any personal interests not included on the Register of Interests
- any prejudicial interests or
- any disclosable pecuniary interests

which they may have in respect of business on this agenda.

- 2. Minutes** (Pages 1 - 16)
To approve and sign the minutes of the last Executive meeting, held on 15 November 2017, and of the Executive (Calling In) meeting held on 23 November 2017.

- 3. Public Participation**
At this point in the meeting, members of the public who have registered to speak, can do so. The deadline for registering is **5.00pm on Wednesday 6 December 2017**. Members of the public can speak on agenda items or matters within the remit of the Committee.

To register to speak, please contact the Democracy Officer for the meeting, on the details at the foot of the agenda.

Filming, Recording or Webcasting Meetings

Please note that, subject to available resources, this meeting will be filmed and webcast, or recorded, including any registered public speakers who have given their permission. This broadcast can be viewed at <http://www.york.gov.uk/webcasts> or, if recorded, will be uploaded onto the Council's website following the meeting.

Residents are welcome to photograph, film or record Councillors and Officers at all meetings open to the press and public. This includes the use of social media reporting, i.e. tweeting. Anyone wishing to film, record or take photos at any public meeting should contact the Democracy Officer (whose contact details are at the foot of this agenda) in advance of the meeting.

The Council's protocol on Webcasting, Filming & Recording of Meetings ensures that these practices are carried out in a manner both respectful to the conduct of the meeting and all those present. It can be viewed at http://www.york.gov.uk/download/downloads/id/11406/protocol_f_or_webcasting_filming_and_recording_of_council_meetings_20160809.pdf

- 4. Forward Plan** (Pages 17 - 22)
To receive details of those items that are listed on the Forward Plan for the next two Executive meetings.

- 5. Purple Flag** (Pages 23 - 32)
The Corporate Director of Health, Housing & Adult Social Care to present a report which sets out details of the Associate For Town Centre Management Purple Flag Scheme and asks the Executive to consider embedding the principles of the scheme within relevant high level strategies, including the Community Safety Plan.
- 6. Procurement of ICT Managed Services** (Pages 33 - 42)
The Assistant Director, Customer & Digital Services, to present a report which seeks approval for a proposed approach to procure a technology provider to deliver the council's essential managed network services.
- 7. Application for 100% Business Rates Retention Pilot in 2018-19** (Pages 43 - 52)
The Deputy Chief Executive / Director of Customer and Corporate Services to present a report which seeks approval for the council's inclusion in the 100% business rates retention pilot in 2018-19, should the application submitted in October be successful.
- 8. Discretionary Rate Relief Awards 2018-2020** (Pages 53 - 68)
The Assistant Director, Customer & Digital Services, to present a report which provides details of new applications for Discretionary Rate Relief for 1 April 2018 to 31 March 2020 and asks the Executive to approve any new awards, based on cost and the available budget.
- 9. Review of Fees and Charges** (Pages 69 - 80)
The Deputy Chief Executive / Director of Customer and Corporate Services to present a report which seeks approval to increase a range of the council's fees and charges, with effect from 1 January 2018.
- 10. Lord Mayoralty 2018-19** (Pages 81 - 84)
The Assistant Director, Legal & Governance, to present a report which asks the Executive to consider the points system for the annual nomination of the Lord Mayor of York and to confirm that the political group with the most points be invited to make the nomination for the coming municipal year.

11. A Further Phase of the Older Persons' Accommodation Programme: Deciding the future of Windsor House Older Persons' Home (Pages 85 - 134)

The Corporate Director of Health, Housing and Adult Social Care to present a report which sets out the results of consultation with residents, relatives and staff on the option to close Windsor House Older Persons' Home and asks Executive to decide whether to close the Home and, should they decide upon closure, to approve the examination of alternative uses for the site, including as a possible location for the Centre of Excellence for Disabled Children.

12. Delivering Health and Wellbeing facilities for York: Sports Pitches at the Askham (Ashfield Estate) Site and a Health Hub at Burnholme (Pages 135 - 170)

The Corporate Director of Health, Housing and Adult Social Care to present a report which seeks consent to lease land at the Askham site to Bishopthorpe White Rose Football Club and to dispose of land at Burnholme for the provision of a health hub, in order to deliver improved health and wellbeing facilities for York.

13. Housing Delivery Programme - Establishing a Delivery Model and the Scope of the Programme (Pages 171 - 214)

The Assistant Director, Regeneration and Asset Management to present a report which refines the proposal to establish a housing development company, as approved in principle by Executive in March, explains the key work undertaken to date and seeks approval for the core vision and scope of the Programme, as well as approval to resource the next steps.

14. Housing Delivery Programme - Delivering the Lowfield Scheme (Pages 215 - 230)

The Assistant Director, Regeneration and Asset Management to present a report which outlines the site development business case for the former Lowfield School site and seeks approval for the necessary steps to take the development forward.

15. 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

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

- Registering to speak
- Business of the meeting
- Any special arrangements
- Copies of reports and
- For receiving reports in other formats

Contact details are set out above.

This information can be provided in your own language.

我們也用您們的語言提供這個信息 (Cantonese)

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

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

Bu bilgiyi kendi dilinizde almanız mümkündür. (Turkish)

یہ معلومات آپ کی اپنی زبان (بولی) میں بھی میا کی جا سکتی ہیں۔ (Urdu)

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City of York Council

Committee Minutes

Meeting	Executive
Date	15 November 2017
Present	Councillors Carr (Chair), Gillies, Lisle, Orrell, Rawlings, Reid, Runciman and Waller
In Attendance	Cllrs D'Agorne and Looker

PART A - MATTERS DEALT WITH UNDER DELEGATED POWERS

75. Declarations of Interest

Members were asked to declare, at this point in the meeting, any personal interests not included on the Register of Interests, or any prejudicial or disclosable pecuniary interests, that they might have in respect of business on the agenda. No additional interests were declared.

76. Exclusion of Press and Public

Resolved: That the press and public be excluded from the meeting should any discussion arise on Annex 6 to agenda item 11 (York Central – Preferred Access Route and Preparation for Planning) on the grounds that it contains information relating to the financial or business affairs of any particular person (including the authority holding that information). This information is classed as exempt under Paragraph 3 of Schedule 12A to Section 100A of the Local Government Act 1972 (as revised by the Local Government (Access to Information) (Variation) Order 2006).

77. Minutes

Resolved: That the minutes of the last Executive meeting held on 19 October 2017 be approved and then signed by the Chair as a correct record.

78. Public Participation

It was reported that there had been nine registrations to speak at the meeting under the Council's Public Participation Scheme, all in relation to Agenda Item 11 (York Central – Preferred Access Route and Preparations for Planning; Minute 85 refers).

Judith McNicoll spoke on behalf of the National Railway Museum, stressing the importance of the project to the local economy and supporting the recommendation for a Western access route.

Steven Hind spoke on behalf of Network Rail (NR), confirming NR's support for the recommendations, which would enable work to move forward on this key site for housing and commercial development.

Aileen Hingston spoke as a resident of Holgate Road, asking that mitigation of the effects of increased traffic along the access route, especially at junctions, be considered and built in at an early stage.

Kate Ravilous spoke on behalf of York Central Action, expressing doubts about a potential lack of independent scrutiny of decisions and asking that the final decision on access routes be deferred.

Claire McMahon-Harvey spoke on behalf of the Friends of Holgate Community Garden, drawing attention to the online petition against the southern access route, signed by over 1,400 people so far.

Ben Hall also spoke on behalf of the Friends of Holgate Garden, welcoming the rejection of the southern option whilst querying the recommendation to safeguard land for this option and noting that the recommended route also threatened green space in the city.

Dilys Jones spoke on behalf of the Homes & Communities Agency, supporting the recommended access option and stressing the importance of the project in meeting additional housing needs.

Stuart Kay spoke on behalf of York Bridge Club on Holgate Road, supporting the recommended access option and asking

that any uncertainty about the southern route be resolved as soon as possible.

Steven Maxwell spoke on behalf of the Trustees of Millennium Green, seeking clarity on the position of the Trust in terms of the changes it must report to Natural England.

79. Forward Plan

Members received and noted details of the items that were on the Forward Plan for the next two Executive meetings, at the time the agenda had been published.

In response to a Member's question, Officers confirmed that an item relating to the motion on Homelessness approved at Full Council in October was currently due to be scheduled on the Forward Plan for consideration in January.

80. New Council Homes – Newbury Avenue and Chaloners Road

The Assistant Director for Housing & Community Safety presented a report which provided an update on the proposal to develop new council housing for rent on two council-owned garage courts at Newbury Avenue and Chaloners Road.

The proposal had evolved from schemes previously approved by Executive and Cabinet, which had since been re-appraised and revised, as detailed in the report. The proposed development at Newbury Avenue was now for five one-bedroom bungalows designed to be accessible to older people and people with disabilities and adaptable over time, while that at Chaloners Road was for six two-bedroom semi-detached family houses.

Approval in general terms was sought in each case, to allow for some flexibility in the final design. Both schemes were in line with housing needs in their respective areas. Members were invited to approve, amend or reject the proposal.

Resolved: That the proposal to build new bungalows at Newbury Avenue and new houses at Chaloners Road, as detailed in the report (Option 1), be

approved.

Reason: To bring forward two new developments of much-needed affordable houses for rent, as part of the Council's house-building programme.

81. Refresh of Housing Revenue Account Business Plan

[See also under Part B Minutes]

The Assistant Director for Housing & Community Safety presented a report which provided an overview of the revised Housing Revenue Account (HRA) Business Plan (the Plan) for the next 30 years and details of the key priorities for the next five years.

The Plan was essentially a financial document, drawing upon information and analysis used in formulating the Council's HRA Asset Management Strategy for 2015/16 to 2044/45. It had been fundamentally revised to take account of the local impact changes announced after the 2015 general election, and subsequent events and legislation, including the Homeless Reduction Act 2017 and recent White and Green papers relating to housing.

Key areas within the Plan, which was attached in full at Annex A, were highlighted in paragraphs 20 to 54 of the report. They included: new build to address growing housing demand; repairs and maintenance, Housing Management, supported housing, adaptations, tenant involvement and information systems. Members were invited either to adopt the Plan (Option 1) or to ask Officers to revise it further (Option 2). It was noted that the Plan built upon the previous business plan and replenished the housing development fund, a key council priority. Any significant changes would require forecasts to be remodelled and so delay approval.

In response to Members' questions, Officers confirmed that:

- Money saved by not requiring a stock options appraisal would be used to conduct a stock condition survey;
- The definition of 'affordable rent' was variable but for new properties the 'social rent' definition had been retained, i.e. 60% of market rent;

- Quality on repairs and maintenance would be ensured by procuring contracts through the tender process, and using HouseMark guidance to improve efficiencies in-house.

The Executive Member for Housing & Safer Neighbourhoods commended the Plan and expressed the hope that it would receive cross-party support.

Resolved: (i) That Option 1, to adopt the HRA Business Plan set out in Annex A to the report, be approved.

Reason: The plan sets out the priorities for the HRA for the next five years and gives clear messages as to the commitment to continue to invest in the council's existing stock and local communities and to build much needed social rented housing.

(ii) That the use of Right to Buy receipts and the investment fund to purchase 'first refusal' council tenancies and appropriate properties on the open market, within the limits stated in the report, be approved.

Reason: In order to support the priorities in the HRA Business Plan.

(iii) That it be agreed that there is no longer a requirement to conduct a stock options appraisal.

Reason: In the light of the changes that have happened since the original decision was made at Executive and the expressed desire of residents' associations to remain with the authority.

82. Capital Programme - Monitor 2 2017/18

[See also under Part B Minutes]

The Deputy Chief Executive & Director of Customer & Corporate Services presented a report which set out the projected outturn position for 2017/18 including any under or over spends and adjustments, along with requests to re-profile budgets to and from current and future years.

The last update to the programme, in July, had resulted in an approved capital budget of £111.638m. Since then there had been a decrease of £3.728m in total, due to the re-profiling of budgets to future years and the addition of the Extension to Marjorie Waite Court scheme to the Housing Revenue Account (HRA) funded programme. These changes had resulted in a revised capital programme of £107.910m.

Details of the variations within each portfolio area were set out in paragraphs 8 to 35 of the report.

Resolved: (i) That the 2017/18 revised budget of £107.910m, as set out in paragraph 6 of the report and in Table 1, be noted.

(ii) That the re-stated capital programme for 2017/18 to 2021/22, as set out in paragraph 17, Table 2 and detailed in Annex A, be noted.

Reason: To ensure the effective management and monitoring of the council's capital programme.

83. 2017/18 Finance and Performance Monitor Quarter 2

The Deputy Chief Executive & Director of Customer & Corporate Services presented a report which provided details of the council's overall finance and performance position for the second quarter of the financial year, covering 1 July 2017 to 30 September 2017.

The financial pressures facing the council were projected at £446k, which was an improvement on the £636k projected in the Quarter 1 monitoring report and on Monitor 2 forecasts in previous years. It was predicted that, overall, out-turn would be within the approved budget of £119.6m.

With regard to performance, good progress continued to be seen, despite increasingly complex customer needs and demands for services. Of the 19 strategic indicators for which new data had been provided, 5 had improved in the last quarter. Two major public consultations were currently under way, on the pre-publication draft Local Plan and the council's 2018/19 budget. Details were set out in the report.

Resolved: That the finance and performance information set out in the report be noted.

Reason: To ensure that expenditure is kept within the approved budget.

84. Treasury Management Mid Year Review and Prudential Indicators 2017/18

The Deputy Chief Executive & Director of Customer & Corporate Services presented a report which provided a mid year update on Treasury Management activities, for the period 1 April to 30 September 2017.

The report, prepared in compliance with CIPFA's Code of Practice on Treasury Management, provided: an economic update for the first part of the 2017/18 financial year; a review of the Treasury Management Strategy Statement and Annual Investment Strategy; the prudential indicators; reviews of the council's investment portfolio and borrowing strategy; and a review of compliance with the Treasury and Prudential Limits.

With regard to the CIPFA consultation on revising the Treasury Management Code referred to in paragraphs 32 and 33 of the report, Officers advised that the results were unlikely to affect the council's borrowing.

Resolved: (i) That the Treasury Management activities to date during the 2017/18 financial year be noted.

(ii) That the Prudential Indicators set out in Annex A to the report, and the compliance with all indicators, be noted.

Reason: In accordance with legal requirements and to ensure the continued performance of the Council's Treasury Management function.

85. York Central – Preferred Access Route and Preparation for Planning

The Assistant Director of Regeneration and Asset Management presented a report which outlined progress to date on the York

Central project, in particular the recent public consultation on access options.

The adoption of a single access route was essential to enable the York Central Partnership (YCP) to proceed with a masterplan for the regeneration of this crucial development site, which was set to deliver up to 2,500 homes and £6.5k worth of jobs to the city. Consultation had been carried out on the three options judged to be technically deliverable within the required timescale for the scheme, namely:

- Option A1 – Western access off Water End across the edge of Millennium Green (cost estimate £58m-£68m)
- Option A2 – Western access off Water end through Millennium Green (cost estimate £15m-£25m)
- Option E – Southern access off Holgate Road at Chancery Rise (cost estimate £10m-£20m).

The results, as set out in detail in the consultation report at Annex 4, had demonstrated a preference for a Options A1 and A2. Further work was now being carried out by the YCP to develop a refined western option (A3) that would both mitigate the impact on Millennium Green and be less costly than Option A1. Further consultation on this option would be carried out as part of the masterplan consultation and detailed planning application.

The Deputy Leader suggested some revisions to the recommendations in the report, which were accepted and subsequently approved by Members (*see Resolution (vi) below*).

With regard to matters raised under public participation (*Minute 78 refers*), it was confirmed that the YCP proposed to support the Millennium Green Trust in engaging legal advice on their position.

After a full debate, and taking into account the comments made by all the public participants as well as the contents of the report, it was

Resolved: (i) That the recommendation of the York Central Partnership (YCP) - to develop a Western access option for inclusion in the York Central Masterplan and to undertake further design and legal work to ensure that the final alignment will seek to mitigate the effects of such a route on the Millennium Green

and control costs to ensure deliverability – be agreed.

(ii) That a change request be submitted to West Yorkshire Combined Authority (WYCA) to re-allocate funding to the revised access scheme.

(iii) That land within YCP's control that could be used for a Southern Option be safeguarded, in order to protect against any risk to the York Central development caused by circumstances preventing successful delivery of a Western Option.

(iv) That the plan for the YCP to undertake public consultation on a masterplan which will lead to the submission of planning applications be noted.

(v) That the allocation of £1.997m from the previously agreed York Central budget of £10m to meet project costs to planning submission be agreed, with these costs to be considered as a project cost for reimbursement from a future YCP development account.

(vi) That, in taking the project forward,

a) Council Officers be directed to:

- Focus on community engagement as an integral part of the process for the detailed design of the preferred access option, and the development of the York Central Masterplan (YCM), in accordance with the YCP principles;
- Consider how the development can become an exemplar of sustainable development through the detailed design of the preferred access option and the development of the YCM, in accordance with the YCP principles;
- Consider the potential for sustainable energy use and renewable energy generation as part of the development of the detailed design of the YCM, in accordance with the YCP principles;

- Consider affordable housing delivery as an integral part of the YCM;
- b) The Partnership be requested to maintain the current provision of information to ensure that the council and the public are able to understand the background to proposals, in order that the scheme will progress over the forthcoming decades.

Reason: To ensure the delivery of York Central and to ensure that the preferred access option has taken into account a range of considerations.

(vii) That the National Railway Museum (NRM) be supported in the development of the NRM masterplan and bids for funding, including Heritage Lottery funding, to support their expansion plans.

(viii) That a contribution of £200k be provided to the NRM towards the further development of their masterplanning and fundraising bids from the £10m York Central budget.

Reason: To support the future enhancement and expansion of the NRM as an important cultural anchor to the York Central development.

PART B - MATTERS REFERRED TO COUNCIL

86. Refresh of Housing Revenue Account Business Plan 2017 to 2047

[See also under Part A Minutes]

The Assistant Director for Housing & Community Safety presented a report which provided an overview of the revised Housing Revenue Account (HRA) Business Plan for the next 30 years and details of the key priorities for the next five years.

The Plan was essentially a financial document, drawing upon information and analysis used in formulating the Council's HRA Asset Management Strategy for 2015/16 to 2044/45. It had been fundamentally revised to take account of the local impact changes announced after the 2015 general election, and

subsequent events and legislation, including the Homeless Reduction Act 2017 and recent White and Green papers relating to housing.

Key areas within the Plan, which was attached in full at Annex A, were highlighted in paragraphs 20 to 54 of the report. They included: new build to address growing housing demand; repairs and maintenance, Housing Management, supported housing, adaptations, tenant involvement and information systems. Members were invited either to adopt the Plan (Option 1) or to ask Officers to revise it further (Option 2). It was noted that the Plan built upon the previous business plan and replenished the housing development fund, a key council priority. Any significant changes would require forecasts to be remodelled and so delay approval.

In response to Members' questions, Officers confirmed that:

- Money saved by not requiring a stock options appraisal would be used to conduct a stock condition survey;
- The definition of 'affordable rent' was variable but for new properties the 'social rent' definition had been retained, i.e. 60% of market rent;
- Quality on repairs and maintenance would be ensured by procuring contracts through the tender process, and using HouseMark guidance to improve efficiencies in-house.

The Executive Member for Housing & Safer Neighbourhoods commended the Plan and expressed the hope that it would receive cross-party support.

Recommended: That Council approve the creation of a new capital budget of £20m to fund the building of additional affordable homes over the period 2018/19 to 2022/23.

Reason: In order to support the adoption of the HRA Business Plan, which sets out priorities for the housing revenue account for the next five years and gives clear messages as to the commitment to continue to invest in the council's existing stock and local communities and to build much needed social rented housing.

87. Capital Programme - Monitor 2 2017/18

[See also under Part A Minutes]

The Deputy Chief Executive & Director of Customer & Corporate Services presented a report which set out the projected outturn position for 2017/18 including any under or over spends and adjustments, along with requests to re-profile budgets to and from current and future years.

The last update to the programme, in July, had resulted in an approved capital budget of £111.638m. Since then there had been a decrease of £3.728m in total, due to the re-profiling of budgets to future years and the addition of the Extension to Marjorie Waite Court scheme to the Housing Revenue Account (HRA) funded programme. These changes had resulted in a revised capital programme of £107.910m.

Details of the variations within each portfolio area were set out in paragraphs 8 to 35 of the report.

Recommended: That Council approve:

- (i) the adjustments resulting in a decrease of £3.728m in the 2017/18 budget, as detailed in the report and contained in Annex A and
- (ii) the amended financing of earmarked schemes from capital receipts, as set out in paragraphs 42 to 43 of the report and in Table 4.

Reason: To enable the effective management and monitoring of the council's capital programme.

Cllr D Carr, Chair

[The meeting started at 5.30 pm and finished at 7.21 pm].

Meeting	Executive (Calling-In)
Date	23 November 2017
Present	Councillors Carr (Chair), Gillies, Rawlings, Runciman, Waller, Lisle, Orrell and Reid
In Attendance	Councillors D'Agorne, Flinders and Williams

12. DECLARATIONS OF INTEREST

Members were invited to declare at this point in the meeting any personal interests not included on the Register of Interests, or any prejudicial or disclosable pecuniary interests, that they might have in the business on the agenda. None were declared.

13. PUBLIC PARTICIPATION

It was reported that one member of the public had registered to speak at the meeting and that one councillor had registered to speak as a Ward Member, both in respect of Agenda Item 4 (Called-in Item: Disposal of Willow House, Walmgate).

Grant McKenzie spoke on behalf of the Walmgate Community Association, re-iterating the Association's position against the proposed development, on the grounds that it would adversely affect both residents and tourism and set a dangerous precedent for harm to green space in the city.

Cllr Craghill spoke as Ward Member for the Guildhall Ward, underlining the concern expressed by local and other residents about the loss of open green space within the city walls and the effect of the proposed development on health, well-being and the historic setting of Walmgate Bar.

14. EXCLUSION OF PRESS AND PUBLIC

Resolved: That the press and public be excluded from the meeting should any discussion arise on Annex B4 to Agenda Item 4, on the grounds that it contains

information relating to the business or financial affairs of particular persons. This information is classed as exempt under paragraph 3 of Schedule 12A to Section 100A of The Local Government Act 1972 (as revised by The Local Government (Access to Information) (Variation) Order 2006).

15. CALLED-IN ITEM: DISPOSAL OF WILLOW HOUSE, WALMGATE

Members re-considered their decision, made at the Executive meeting on 19 October 2017, to approve the sale of Willow House to the highest bidder, Empiric PLC.

The decision had been called in for review by the Customer and Corporate Services Scrutiny Management Committee (CCSSMC) (Calling In). At their meeting On 6 November 2017, that committee had referred the matter back to the Executive for re-consideration, with a recommendation that the sale be delayed to explore options to protect open space on the site. Full details were set out in the report and the accompanying annexes, which included the report to Executive on 19 October.

Cllr Williams, as Chair of the CCSSMC (Calling In), presented and supported the committee's recommendation. Cllr Flinders, representing the three Members who had called in the decision, also spoke in support of the recommendation and of the points made under public participation.

Officers at the meeting reported that, due to the delay, Empiric PLC had withdrawn their original bid for the site and submitted a lower value bid. This meant they were no longer the highest bidder. It would therefore be necessary to review the remaining bids and bring a further report to the Executive. Members were reminded that:

- the open space in question did not fit the legal definition of public open space and
- the call-in did not affect the original decision to sell the site, made at the Executive meeting on 28 November 2016 (*Minute 74 of that meeting refers*).

After a full debate on all the matters raised, it was

Resolved: (i) That the decision to sell the whole of the Willow House site, within the boundaries illustrated in the site plan considered at the Executive meeting on 28 November 2016, be re-affirmed.

Reason: In order to generate a capital receipt to support the wider Older Persons' Accommodation Programme.

(ii) That a further report be received to determine who the site should be sold to.

Reason: In view of the decision of the highest bidder to withdraw their bid for the site and submit a lower bid.

(iii) That Officers be instructed to prepare a report for a future Executive meeting providing a wider re-assessment of green space across the council's holdings.

Reason: To enable residents' and Members' concerns about the lack of public green space, particularly in certain areas of the city, to be addressed in a broader context.

Cllr D Carr, Chair

[The meeting started at 5.00 pm and finished at 5.38 pm].

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Forward Plan: Executive Meeting: 7 December 2017

Table 1: Items scheduled on the Forward Plan for the Executive Meeting on 25 January 2018

Title and Description	Author	Portfolio Holder
<p>Future Operation of Rowntree Park Lodge and Park Purpose of report: To consider future uses of Rowntree Park lodge and how these uses relate to the park.</p> <p>Executive will be asked to: Consider a range of options for officers to work up into detailed proposals.</p>	<p>Nick Collins / Dave Meigh</p>	<p>Executive Member for Culture, Leisure & Tourism</p>
<p>Securing a Sustainable Future for Haxby Hall Older Persons' Home Purpose of report: To provide information on the consultation undertaken with care providers, residents, relatives and staff on the option to transfer Haxby Hall older persons' home into the ownership and management of a partner organisation and, following transfer, for improved accommodation to be developed on the site.</p> <p>Executive will be asked to: Decide if the Council should procure a partner to take on this opportunity.</p>	<p>Roy Wallington</p>	<p>Executive Member for Adult Social Care & Health</p>
<p>Re-procurement of Managed Stores Service for Building Services & Highways Purpose of report: To seek approval to proceed with the re-procurement of the Managed Stores services for Building Services and Highways departments, on the basis of a 6-year contract with provision for two 24-month extensions to a maximum of 10 years.</p> <p>Executive will be asked to: approve a recommendation to proceed as above.</p>	<p>Mike Gilsenan</p>	<p>Executive Member for Housing & Safer Neighbourhoods</p>

Title and Description	Author	Portfolio Holder
<p>Impact of Arts & Culture on the Economy – Scrutiny Review Purpose of report: To present the Executive with the final report arising from the ‘Impact of Arts & Culture on the Economy’ Scrutiny Review.</p> <p>Executive will be asked to: approve the recommendations arising from the review.</p>	Melanie Carr	
<p>Developing a pathway for Mental Health housing and support in York, with fit for purpose accommodation Purpose of report: To advise Members of a significant multi-agency project that is gearing up to improve the range of Mental Health housing and support available in the city, a priority area highlighted within both the Health & Wellbeing and Mental Health strategies.</p> <p>Executive will be asked to: note the report and agree to accept a further, more detailed report in early summer 2018.</p>	Chris Weeks	Executive Member for Housing & Safer Neighbourhoods
<p>Report on Full Council Motion on Homelessness Purpose of report: To set out the current position on homelessness, what the service is now, and what further options there are to tackle the issue of rough sleeping.</p> <p>Executive will be asked to: consider the options set out in the report.</p>	Becky Ward	Executive Member for Housing & Safer Neighbourhoods

Forward Plan: Executive Meeting: 7 December 2017

Table 2: Items scheduled on the Forward Plan for the Executive Meeting on 8 February 2018 (*meeting moved from 15 February*)

Title and Description	Author	Portfolio Holder
<p>Q3 Finance and Performance Monitor Purpose of report: To provide an overview of the council’s overall finance and performance position at the end of Quarter 3.</p> <p>Executive will be asked to: note and approve the report.</p>	<p>Debbie Mitchell & Ian Cunningham</p>	<p>Executive Leader (incorporating Finance & Performance)</p>
<p>Q3 Capital Programme Monitor Purpose of report: To provide an overview of the council’s overall capital position at the end of Quarter 3.</p> <p>Executive will be asked to: note and approve the report.</p>	<p>Emma Audrain & Debbie Mitchell</p>	<p>Executive Leader (incorporating Finance & Performance)</p>
<p>Financial Strategy Purpose of report: To present the Financial Strategy, including detailed revenue budget proposals.</p> <p>Executive will be asked to: recommend the proposals to Full Council.</p>	<p>Sarah Kirby</p>	<p>Executive Leader (incorporating Finance & Performance)</p>

Title and Description	Author	Portfolio Holder
<p>Capital Strategy 2018/19 to 2022/23 Purpose of report: To present the capital programme, including detailed scheme proposals.</p> <p>Executive will be asked to: recommend the proposals to Full Council.</p>	Emma Audrain	Executive Leader (incorporating Finance & Performance)
<p>Treasury Management Strategy Statement and Prudential Indicators Purpose of report: To set out the treasury management strategy, including the annual investment strategy and the minimum revenue position policy statement and prudential indicators.</p> <p>Executive will be asked to: recommend the strategy to Full Council.</p>	Debbie Mitchell	Executive Leader (incorporating Finance & Performance)

Table 3: Items Slipped on the Forward Plan

Title & Description	Author	Portfolio Holder	Original Date	Revised Date	Reason for Slippage
<p>Future Operation of Rowntree Park Lodge and Park Purpose of report: For details see Table 1 above</p>	<p>Nick Collins / Dave Meigh</p>	<p>Executive Member for Culture, Leisure & Tourism</p>	<p>7/12/17</p>	<p>25/1/18</p>	<p>Further work is required on the Business Case and further consultation with stakeholders before the report can be presented to Executive for consideration.</p>
<p>Securing a Sustainable Future for Haxby Hall Older Person's Home For details see Table 1 above</p>	<p>Roy Wallington</p>	<p>Executive Member for Adult Social Care & Health</p>	<p>7/12/17</p>	<p>25/1/18</p>	<p>To allow time to receive feedback from property and planning colleagues on suggestions raised during the recent consultation process.</p>

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Executive

7 December 2017

**Report of the Director of Housing, Health & Adult Social Care
(Portfolio of the Executive Member Housing & Safer Communities
and Executive Member Economic Development and Community
Engagement)**

PURPLE FLAG

Summary

1. At full council in April 2017 the council resolved:

To ask Council officers to:

- make contact with the Business Improvement District, Make It York, and North Yorkshire Police to start exploring an application for Purple Flag status for York city centre
- report back within three months to the Executive with an analysis of the costs, risks, and benefits of an application.”

This report sets out the detail of the Associate For Town Centre Management Purple Flag Scheme and asks the Executive to consider the principles of the purple flag and embedding them within relevant higher level strategic plans including the community safety plan.

Recommendations

2. Executive is asked to approve option 1

Option 1:

To continue the multi-agency work aligned to addressing issues relating to safety and economic growth within the city with a view to strengthening the relationship between Make It York, York BID, Safer York Partnership and the Health & Wellbeing Board. Ensure that the principles of the Purple Flag accreditation are embedded

within relevant high level strategies including the Community Safety plan.

Reason – It is felt by the partners that by embedding the principles of the purple flag in their higher level strategies which will boost the city's economy and ensure the city centre is safe.

Background

3. Purple Flag is an accreditation process similar to the Green Flag awarded for parks and the Blue Flag for beaches. It leads to Purple Flag status for town and city centres that meet or surpass the standards of excellence in managing the evening and night time economy. The scheme is administered by the Association for Town Centre Management (ATCM) and aims to raise the standard and broaden the appeal of town centres at night. It is designed to change both the perception and reality of town and city centres in the evening and night time economy through a virtuous cycle of improvement.

4. **Who can apply?**

Any body with a legitimate stake in the evening and night time economy of a town or city centre can apply provided they are working in partnership with health, licensing, security and safety, late night transport and public realm management, hospitality and entertainment, planning and development, residents and consumers. Purple Flag is designed to apply to all centres of entertainment or those areas with a leisure offer that is active and varied after hours.

5. **Application Process**

To apply requires registering interest and accessing the Purple Flag Entrants' Resource. For a city of York's population size, the application fee is currently £3,150 with an annual renewal fee of £1,250. Applications are assessed by ATCM trained assessors who undertaken overnight assessments, liaise with applicants and prepare recommendations for the accreditation panel. Each applicant location will be visited by two assessors as part of the application. Representatives from the assessor panel will also undertake spot checks and the 12 month interim renewal. Following the assessment, the application will be referred to the Purple Flag

accreditation panel made up of senior figures with experience of creating and managing successful town and city centres at night. The panel will then make a formal decision on whether Purple Flag is awarded.

6. What is being assessed?

Measure	Purple Flag Aim
Crime & ASB	A sustained reduction in night time economy related crime and disorder
Alcohol & Health	Reducing levels of alcohol misuse and harm
Composition	Increasing choice and balance of provision for consumers
Footfall	Increasing enjoyment of the centre in the evening and at night
Perceptions	More positive perceptions of the centre in the evening and at night
Volume and value	Increasing business
Patronage	Widening consumer representation in the centre in the evening and at night

Consultation

7. Research has been undertaken to look at the 42 towns and cities who have obtained Purple Flag Status. The majority of applications have been made by Business Improvement Districts or Town Centre Management Groups in recognition that achieving purple flag status impacts on various agendas.
8. North Yorkshire Police have expressed concern about the prospect of applying for Purple Flag. They feel that the scheme is similar to Best Bar None, in that it is highly labour intensive for little benefit. Furthermore, that achieving and promoting Purple Flag status could lead to an increase in York's popularity as a drinking destination, leading to increases in crime and anti-social behaviour.

9. The York BID are in the process of discussing Purple Flag. It does not feature in their work plan for 2017 due to capacity issues. Early views are that Purple Flag may bring some merit in providing a PR platform for the already well embedded partnership working that takes place in relation to keeping the city clean and safe. However, the BID do not have the staff in place to drive a Purple Flag application and the work involved to achieve the award.
10. Make It York are of the view that there is still work to be done in partnership to address some of the issues relating to the city centre before an application for Purple Flag should be considered.

Options

11. Option 1:

To continue the multi-agency work aligned to addressing issues relating to safety and economic growth within the city with a view to strengthening the relationship between Make It York, York BID, Safer York Partnership and the Health & Wellbeing Board. Ensure that the principles of the Purple Flag accreditation are imbedded within relevant high level strategies including the Community Safety plan.

Option 2:

To establish a meeting with the key organisations with an interest in the city centre to submit an application for Purple Flag Status. The emphasis any motivation to apply for purple flag status would focus on business and growth in the economy.

Analysis

12. York is one of the safest cities in the UK. It is ranked 3rd in the UK's 15 safest cities and 5th in the ranking of the Safest University towns and cities. Each year it attracts approximately 7 million tourists placing it in the top 20 best cities in Britain to visit 2017. As such, York is a popular destination for hen and stag parties because it is, safe and has a variety of facilities to offer from retail to tourist attractions and licensed premises all within a fairly contained area.
13. Unlike the majority of UK cities, York has a unique mix of residential properties within its city centre and these residents often come into conflict with the night time economy as the mix of volume footfall

combined with alcohol and the close proximity of shops, licensed premises and residential property often manifests in loud behaviour and disturbance.

14. Despite low crime levels, perception of crime differs between residents and visitors to the city. Visitors view York as a very safe place, adding to its attraction as a destination of choice. However, the perception of crime amongst York residents is disproportionately high and tolerance levels are very low in relation particularly to noise and low level anti-social behaviour linked to large groups of revellers.
15. Make It York is the city's Destination Management Organisation, established in 2014, with a role to promote and develop the city both nationally and internationally. York also established a Business Improvement District in 2015 as a partnership to drive improvement to York's city centre. Both organisations are well engaged with the local authority and the police in working to maintain York's low crime figures and increase feelings of safety amongst both residents and visitors to the city.
16. There are three Purple Flag towns within the Yorkshire region – Leeds, Halifax and Sheffield. Of the 42 Purple Flag towns and cities, the majority are large industrialised urban cities where crime rates are higher than York. Given the emphasis within the Purple Flag accreditation process on increasing footfall, patronage and vibrancy of economy, it is easy to see that carrying Purple Flag status would be attractive.
17. York's visitor numbers and popularity are testimony to its success as a tourist location. Over the years, the city centre has developed to offer a variety of small local businesses alongside a number of high-end and popular retail outlets. Research undertaken by British Transport Police with groups travelling to York for hen parties identified the safety and variety of what York offers as a major reason for it being the destination of choice.
18. Crime and anti-social behaviour in York is low. Licensing officers within City of York Council and North Yorkshire Police have worked closely with Safer York Partnership to ensure that licensing policy is used to control the impact of licensed premises on levels of crime and anti-social behaviour. This has included the introduction of a Cumulative Impact Zone (CIZ) which limits the number of licensed

premises within the city where it is felt that they could impact on levels of crime and anti-social behaviour. Within this area, both crime and anti-social behaviour have continued to fall. Best Bar None was introduced in York in 2002 but was discontinued as it was felt to be costly, labour intensive and only attractive to those licensees who behaved responsibly anyway. Purple Flag was briefly considered in 2012 but rejected for similar reasons of cost effectiveness and the intensive work required to achieve it.

19. Alcohol related incidents of anti-social behaviour have fallen year on year since 2013 in York.

	2013/14	2014/15	2015/16	2016/17
Alcohol Related ASB	2,341	1,852	1,749	1,495

Within the Alcohol Restriction Zone (ARZ) incidents of ASB peaked in 2014 and have reduced year on year since

	2013/14	2014/15	2015/16	2016/17
ASB within the ARZ	2,301	2,576	2,305	2,175

Within the Cumulative Impact Zone (CIZ) incidents of ASB peaked in 2014 and have reduced year on year since

	2013/14	2014/15	2015/16	2016/17
ASB within the CIZ	1,530	1,808	1,518	1,399

20. York has a strong history of partnership working to secure the safety of the city centre. In the 1980s it was part of the Government's Safe City Programme and this collaborative approach to city centre management has continued to develop through the establishment of Safer York Partnership, the creation of Retailers Against Crime in York (RACY) and more recently, York Business Against Crime (YBAC), Make It York and the BID. A number of successful multi-agency operations have been delivered aimed at reducing alcohol related crime and anti-social behaviour in

the city centre. These include Operation ALTN8 – engaging with revellers to provide water and encourage them to alternative alcohol with soft drinks; Operation STYLE (Safe Time in York, Let's Enjoy) – promoting safety messages and more recently Operation Erase – aimed at a low tolerance approach to alcohol related anti-social behaviour. All have resulted in reductions in crime and anti-social behaviour. Last summer, British Transport Police carried out some consultation which showed large groups were being deterred from coming to York solely to drink, complaints about anti-social behaviour had reduced and feelings that York was safe had increased.

21. Within the draft Community Safety Plan 2017-20, Making the City Centre Safe is identified as a strategic priority and within that theme, Operation Erase is undergoing a refresh which will again be underpinned by the collation of both quantitative and qualitative data.
22. In 2015, City of York Council established a joint Community Safety Hub which included the development of a uniformed Neighbourhood Enforcement team to work alongside the neighbourhood policing teams in tackling anti-social behaviour and environmental crime. This team supports Operation Erase and has contributed to the successful resolution of a number of anti-social behaviour issues within the city centre. In addition, the BID appointed uniformed BID Rangers in 2016 to provide a further patrolling presence to engage with visitors and residents and to identify issues within the city centre which may need to be addressed. This combined resource provides an increased visible reassurance presence within the city centre but due to its embryonic status, the impact has yet to be measured. This may be picked up through the consultation element of Operation Erase.
23. Given York's low crime/anti-social behaviour status, its popularity as a major tourist destination and the highly embedded multi-agency problem solving which goes into addressing emerging issues at the earliest opportunity, it is difficult to determine what added value could be achieved in terms of community safety by applying for Purple Flag status. The emphasis of Operation Erase has been to deter large groups from viewing York as a place where they are perfectly safe to consume large quantities of alcohol without coming to any harm. Given that in most cities where purple flag status has been awarded the focus was on expanding the

economy. There maybe merit in a meeting with the business community to discuss whether they wish to submit an application

Council Plan

24.. Purple flag relates to all three elements of the Council Plan:

- A prosperous City for All
- A focus on frontline services
- A council that listens to residents

25. Implications

Financial (*Contact – Director of Resources*)

Application for Purple Flag Status for a city with the population of York would cost £3,150 plus a further annual renewal fee of £1,250. In addition, the application requires significant support from both the local authority and partners. Internally, this would involve officers from Public Realm, Community Safety, Highways, Public Health and Licensing as well as requiring co-operation and contribution from partners such as Make It York, York BID and the police. Consideration needs to be given to the benefit that would be derived from achieving Purple Flag status versus the costs in officer time of applying, implementing and maintaining it.

- **Human Resources (HR)**

The only HR implications relate to internal officer time required to scope, develop and deliver the scheme

- **Equalities**

There are no equalities implications identified.

- **Legal**

Purple flag is not a legal status therefore there are no legal implications identified

- **Crime and Disorder**

An element of Purple Flag is linked to crime and disorder, the detail is set out in the body of the report

- **Information Technology (IT)**

There are no identified IT implications

- **Property**

There are no identified property implications

- **Other**

Due to the inclusion of public transport within the application criteria, there are some implications for Highways

Risk Management

26. There are no known risks associated with this report

Contact Details

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Tel No. 555742

Martin Farran
Director, Housing Health & Adult Social Care

Report Approved

Date

27 November 2017

Specialist Implications Officer(s)

None

Wards Affected: Guildhall

All

For further information please contact the author of the report

Background Papers:

Community Safety Plan 2017 - 2020

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Executive**7 December 2017**

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

Portfolio of the Executive Leader, Finance and Performance

Procurement of ICT Managed Services**Summary**

1. This report describes and seeks approval for the proposed approach to procure a technology provider to deliver the City of York Council's (CYC) essential managed network services that all the council's other Information and Communications Technology (ICT) services require to be highly available and fit for purpose. Network connectivity, be that internal or external, has become known as the fourth utility, and is a vital requirement to the council's frontline and supporting services as they cannot function without this service being in place, and it also underpins the council's current and future digital programme.
2. The council's current contract for the managed service expires in August 2018, and it is proposed that the new contract will seek to procure services that include, but are not restricted to, the design, management and support of the council's (and potential partners') highly resilient and robust data network services (fixed, mobile and wifi), access to the internet, office and mobile telephone services and a key part of the council's e-security protection services.
3. The current contract has delivered a number of very successful outcomes including a ground breaking future proof 'pure fibre' fibre network that has featured in a number of media releases (see paragraph 9 in this report for a recent example).
4. This means that York and CYC are well ahead of most other cities and councils in the UK, helping to establish and retain strong links with York University, and this leading position, has also been a key contributing factor when making successful submissions to secure additional

funding – the most recent example being the £2.8m Department for Transport’s “National Productivity Investment Programme” (NPiP) for the Smarter Travel Evolution Programme (STEP).

5. This new contract, when in place, will seek to extend the reach of the fibre network and also ensure that CYC continues to exploit our national position of being one of the best connected councils within a leading digital city with world-class connectivity, that helps our businesses to be more competitive, and attracts new jobs and investment to York.
6. The proposal will also include exploring options to work in collaboration with Harrogate Borough Council (HBC) as a joint client, as discussed and agreed at HBC’s Cabinet on 18th October 2017.

Recommendation

7. The Executive is asked to:
 - (a) Approve the proposed approach outlined within the report to explore options to procure a technology provider to deliver the managed infrastructure service.
 - (b) Approve the proposed approach outlined within the report to explore options to work in collaboration with HBC, as part of developing the benefits and opportunities of the existing shared head of ICT Services arrangements.
 - (c) Approve the council to act as the Accountable Body for the Local Full Fibre Network (LFFN) funding regime identified in paragraph 17 and any other relevant grant schemes that may become available in the future.
 - (d) Delegate authority to the Deputy Chief Executive and Director of Customer and Corporate Services to approve the procurement process, to approve the terms of relevant legal agreements and to award the resulting contract to the successful bidder following the conclusion of the process to secure a technology partner to deliver the managed infrastructure service.
 - (e) Delegate authority to the Deputy Chief Executive and Director of Customer and Corporate Services to determine the final terms in relation to the LFFN grant and any other relevant grant schemes

that may become available in the future and to give approval to the acceptance of such grants..

Reason: to comply with the council's procurement rules and ensure transparency around the strategic direction and spend relating to technology infrastructure.

Background

8. CYC has already established itself as a 'Fibre/well connected council' and is providing some unified services (CCTV, Urban Traffic Management (UTC), Education, Corporate, and Public Access) via the gigabit fibre infrastructure in the city. This has been possible because CYC chose a joint approach to delivering connectivity for its corporate, education, library/explore and UTC networks via a single managed service agreement (MSA) in 2009.
9. The forward thinking and bold steps that we have taken regarding making sure that we have excellent network connectivity within the council and York, has featured in a number of regional national media releases over the past few years, with the latest being in **The Times: "Public Sector Technology supplement, October 2017 - What is our future without critical infrastructure?"** which content included:

"Take York, for example - it is in fact one of the UK's most advanced examples of a Gigabit City in the UK. Our extensive full-fibre network connects hundreds of council offices, schools, libraries and community centres; it powers city-wide public WiFi, high-definition CCTV and traffic management; it provides affordable ultra-fast internet connectivity to York's business community. It has also served as a backbone for the UK's largest trial of fibre-to-the-home – the 'end-game' in residential broadband.

By attracting a private sector investment in its digital infrastructure, York has paved the way for new social and economic development opportunities such as smart city applications and inward investment from new business start-ups and multinational expansion. Public WiFi has also had a positive impact on the city's tourism offering, enabling visitors to use their smart phones to help them make the most of its celebrated attractions.

Local authorities in other towns and cities are now following suit by aggregating the build of ubiquitous fibre-to-the-premises infrastructure and future-proofing their community as data usage continues to grow exponentially in the home and the workplace”.

10. CYC and HBC have a joint ICT management service and in part, is a result of the strategic synergy between CYC and HBC’s current and future ICT requirements. Additionally CYC and HBC are very similar in terms of their demographic characteristics and both are considering their wider smarter place aspirations.
11. From a regional perspective, CYC and HBC are geographically close enough to achieve economies of scale when procuring the underlying infrastructure to drive their smart city and town aspirations.
12. Once the infrastructure is embedded, and a plan developed for delivery of services over the digital platform, it may also provide a spring board for rolling out the infrastructure and services to other agencies and interested partners in the region.
13. HBC has a number of disparate support and maintenance contracts and connectivity agreements in place with different providers and duration periods for its voice/data and CCTV connectivity layer and active network components.
14. Therefore, given the similarities and requirements of both CYC and HBC and the existing synergy that exists between the two organisations, this presents an opportunity to adopt a collaborative procurement approach to the renewal of CYC’s managed service contract and the consolidation and rationalisation of the current arrangements in place within HBC.

Approach

15. As the value of the contract will be in excess of the current EU threshold of £164,176, the procurement will be conducted using one of the processes prescribed in the Public Contracts Regulations 2015 . It is proposed that the project analyses the most appropriate procurement route and the resulting procurement process will be conducted by a project team consisting of representatives from Finance, Legal, Procurement, ICT and other service leads from both CYC and HBC with external support where required and appropriate.
16. As part of the joint discussions within CYC and HBC, and given the potential size of the contract - the preferred approach is to issue a Prior Information Notice (PIN) as part of process to engage with the market place and also to help inform the appropriate strategic procurement approach to enable the council to secure the best outcome and response from the market.
17. The project team will explore opportunities to secure funding from external sources. One such funding source is the LFFN funding stream that Department for Digital, Culture, Media & Sport (DCMS) announced in summer 2017.

Consultation

18. Given the scope of this requirement, an initial consultation process has been conducted as part of the work leading up to and informing this report which has taken a number of factors and potential implications into consideration including:
19. **HBC** - As part of developing the benefits and identifying new opportunities of the shared ICT Management arrangements, the Head of ICT has worked with the Director of Corporate Affairs for HBC to identify and establish a collaborative approach for the procurement of a single provider based on CYC's experience, that helped to inform the approved HBC Cabinet report which was discussed and agreed on 18th October 2017.
20. This collaborative approach will also help inform future and ongoing discussions between the Director of Corporate Affairs for HBC and the Assistant Director Customer and Digital Services regarding CYC/HBC future joint working opportunities.

21. **Property:** Access to a robust, high availability and agile network platform is an essential requirement to the council's changing and evolving use of its property estate in response to changing workforce/service and budget management. It is also a key platform for any potential additional commercial opportunities from onwards sale of service wrapped around the council's commercial estate.
22. **Urban Traffic Control:** The CCTV and UTC services are significant users of and are highly dependant upon, the council's network infrastructure as it connects the very high number of its street/road based equipment back to the council's control room facilities within West Offices.
23. Over the past five years virtually all of this estate has been migrated onto a single, unified city-wide network delivered as part of the current managed service arrangements. This has reduced the service revenue spend on communications considerably by allowing the termination of a number of individual connectivity provisions and contracts.
24. As the council moves towards the introduction of vehicles that are able to share data this will greatly enhance the tools we are able to use to actively manage the transport network. To maximise the council's ability to use this opportunity, we will need to continue expand the digital connectivity we have within the city to carry greater volumes of complex data. A managed service is the most effective way of ensuring the council's data networks develop in a way that support this aspiration.
25. **Department for Digital, Culture, Media & Sport (DCMS) -** Discussions have taken place with the LFFN project team within DCMS to clarify that our approach and thinking around the expansion of existing fibre connectivity network within York and into Harrogate, is aligned to and supportive of their LFFN programme. These discussions have, and will, continue to include the opportunity of making use of the LFFN funding stream that DCMS will be making available through a submission process that is yet to be confirmed.

Council Plan

26. As identified within this report, the digital connectivity and managed services provision is an essential requirement and a key enabler for the council and its partners and helps to underpin their collective focus on frontline service delivery.

27. The existing contract and the associated connectivity requirements provide the platform for the underpinning connectivity model that supports the local economy and residents and communities. This benefit has and continues to be realised within York, and this model and our example, is one that DCMS are looking for other cities to follow as part of their LFFN programme.
28. Our reach and ability to work within and with our communities is heavily dependant upon digital connectivity for all, and the current contract has allowed the enabling of fixed and wireless networks to expand into our communities through a blend of private and public sector funded initiatives, and this will continue as one of the outcomes should the recommendations be approved.

Implications

29. **Financial:** It is anticipated that the expected annual cost £1.3m of the contract will be accommodated within the existing budgets and external funding sources available for this service. However, any variations will be reported to members through the quarterly finance reporting in the usual way.

One Planet Council / Equalities: The standard better decision making process will be used in the detailed development of the specification for the ICT Managed Service to ensure wider factors are considered. This will include the One Planet York principles, with a view to maximising the positive impacts and minimising any negative impacts across the social, economic and environmental domain.

Legal: The procurement process will be conducted in accordance with the Public Contracts Regulations 2015 and the council's Contract Procedure Rules. Any grant funding will be obtained in accordance with the council's Financial Rules and any State aid implications will be fully considered and addressed appropriately.

Crime and Disorder: None.

Information Technology (ICT): Included within the report.

Human Resources (HR): None, other than the MSA supports the working infrastructure of the council without which many staff could not undertake their duties in support of our residents.

Property: Included within the report.

Risk Management

- 30. There are a number of risks associated with not undertaking the procurement of ICT Managed Services, and these include:
 - a) Failure to provide the required level of ICT Services that are essential and underpin the council's and its partner's frontline service delivery and their supporting services.
 - b) Creating the need for additional capital funding that would be required to meet the future growth requirements of the ICT services covered within the scope of the managed service agreement.
 - c) That the planned ICT savings in the current and next two years will not be delivered.
 - d) Restricting the council's success to secure additional Central Government and other funding stream opportunities that will emerge during the contract period and that can be linked to connectivity.

Contact Details

Author:

Roy Grant

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York and Harrogate
ICT

Tel: 01904 551966

Chief Officer responsible for the report:

Ian Floyd

Deputy Chief Executive and Director of
Customer and Corporate Services

**Report
Approved**



Date 27 October 2017

Specialist Implications Officer(s):

Financial:

Debbie Mitchell
Corporate Finance & Commercial
Procurement Manager
Tel: 01904 554161

Legal:

Cathryn Moore
Senior Solicitor Contract/Commercial
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Wards Affected: List wards or tick box to indicate all

All

For further information please contact the author of the report

Background Papers: None

List of Abbreviations Used in this Report

CCTV Closed Circuit Television
CYC City of York Council
DCMS Department for Digital, Culture, Media & Sport
HBC Harrogate Borough Council
HR Human Resources
ICT Information and Communications Technology
LFFN Local Full Fibre Network
MSA Managed Service Agreement
NPIP Department for Transport's National Productivity Investment Programme
PIN Prior Information Notice
STEP the Smarter Travel Evolution Programme
UTC Urban Traffic Management

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Executive**7 December 2017**

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

APPLICATION FOR 100% BUSINESS RATES RETENTION PILOT IN 2018/19**Summary**

1. In September the Government announced a decision to proceed with the expansion of the pilot programme for 100% business rates retention for 2018/19. These pilots will run for one year only. Applications for the 2018/19 pilot were required by 27 October 2017.
2. An application together with the current members of the Leeds City Region (LCR) business rates pool has been submitted. The application does not commit the Council to anything at this stage, but all the pool authorities are now being asked to formally agree that, if the application is successful, they are content to join.
3. Agreed pilots are expected to be announced in December 2017 before or alongside the draft local government finance settlement. If the LCR submission is successful but Executive decides not to proceed with the pilot, there is the option to revoke the application within 28 days of the announcement.
4. If the application to become a pilot is unsuccessful, all current members of the LCR business rates pool have indicated that they would like the existing pool arrangements to continue.

Recommendations

5. Executive are asked to approve the Council's inclusion in the 100% business rates retention pilot in 2018/19, should the submission be successful.

Reason:

To improve the financial stability of the Council and the Leeds City Region, by providing greater capacity to invest in improvement and transformation.

Background

Current System

6. Under the current system, business rates receipts are shared approximately 50% each between central and local government and amounts are equalised through a system of 'tariffs' and 'top-ups', according to need.
7. Tariff authorities that are successful in growing their rates are also liable for 'levies' which scale back the rewards of growth – by as much as 50% in some cases.
8. Groups of authorities may join together to form business rates pools. Pooling allows groups of 'tariff' and 'top-up' authorities to gain financial advantage by enabling levy payments to be paid to the pool rather than central Government.
9. City of York Council is a tariff authority and is a member of the LCR Business Rates Pool. Effectively, the Council currently keep c.27% of growth after shares have been paid to central Government and the LCR business rates pool under the current scheme.

100% pilot scheme

10. These new pilots will run alongside the current 100% pilots which have been in operation since April 2017 and are intended to test more technical aspects of 100% retention, to test authorities' strategic

decision-making over wider geographical areas and also to test the administrative aspects of 100% retention.

11. This Invitation is the clearest indication since the Queens Speech that Government continue to intend to implement some form of 100% business rates retention.
12. The technical consultation paper from DCLG is available at the following link: <https://www.gov.uk/government/publications/100-business-rates-retention-pilots-2018-to-2019-prospectus>
13. The table below sets out the approximate percentage of growth retained under the current and pilot scheme. Under the pilot scheme the council would retain 50% of growth compared to 27% under the current scheme.
14. In addition, the LCR pool would also receive twice as much growth. The LCR pool would allocate 50% of the monies back to the individual authorities based on population and amounts paid in. The other 50% will remain in the pool, which would be distributed on the same principles which are currently in place.

	CYC	LCR	Central Government
Current Scheme	27%	23%	50%
Pilot Scheme	50%	50%	0%

Allocation of retained growth

15. The governance agreement for the LCR pool sets out how the pool proposes to share and use additional business rates income, how member authorities will work together to manage risk and the provisions for dealing with residual benefits or liabilities.
16. Participation in the pilot scheme will have additional benefits for the region and for the member authorities, including:
 - As we move towards greater reliance on locally and regionally generated funding, the opportunity to consider how the related risks might be addressed both as individual authorities and on a wider geography;
 - Greater potential to explore 'invest to save' approaches, resourcing investment to promote economic growth and deliver improvements and efficiencies both locally and regionally;

- Greater opportunities for regional collaboration, including opportunity for greater involvement with the Leeds City Region's ambitious plans for an inclusive industrial strategy, as set out in the city region's responses to consultations on industrial strategy and the Shared Prosperity Fund;
 - Exploration of greater opportunities associated with regional devolution;
 - The opportunity to work with Government to explore options for the reform of local government finance.
17. This opportunity builds on many years of successful regional collaboration, not least through the existing pool, providing members and partners with the opportunity to further develop existing relationships and processes to help in the move towards powers, resources and decision-making being undertaken at the optimum level to deliver a growing, inclusive economy.

Consultation

18. Not applicable.

Options

19. Option One – To approve the Council's inclusion in the 100% business rates retention pilot in 2018/19, should the submission be successful.
20. Option Two – To reject the Council's inclusion in the 100% business rates retention pilot in 2018/19, should the submission be successful.
21. If the pilot bid is successful and option two is agreed, the current LCR pool arrangements will be revoked. There will be no opportunity to reinstate the pool arrangements for 2018/19.
22. If the application to become a pilot is unsuccessful, the government will assume that the current pool arrangements will continue. All current members of the LCR business rates pool have indicated that they would like the existing pool arrangements to continue if this is the case.

Analysis

Key differences between pooling under the current 50% arrangements and the proposed 2018/19 100% pilot scheme

Levy Payment

23. Under the current 50% scheme the main advantage of pooling is that the tariff authority members will pay lower, or no, levy payments to Government. These levy payments are instead paid into the LCR pool and are thus retained to be spent locally.
24. Under the proposed scheme, pilots would operate with a 'zero levy', i.e. they would not make levy payments to central Government, and, in the case of existing pool authorities, there would be no levy paid to the pool. Authorities would retain 100% of growth in business rates income instead of 50% of that growth (from which levies are currently paid). This, however, carries the risk that a 2018/19 pilot pool would also have to carry 100% of any fall in retained income instead of only 50%.

Safety Net Threshold

25. Under the current 50% scheme an authority would receive safety net payments where their retained rates income is less than their safety net threshold for the year. An authority's safety net threshold is set at 92.5% of the authority's baseline funding level for the year.
26. In a pooling arrangement the entire pool is treated as a single entity and has to experience a collective fall in retained income of 7.5% before a safety net payment would be received by the pool from Government: losses by individual members exceeding 7.5% of retained income but not triggering this collective threshold will not be met by Government. Current LCR pool arrangements are that 'safety net losses' by member authorities will be met from within the pool.
27. In recognition of this risk, under the proposed scheme, safety net thresholds will be set at 97% for these 2018/19 pilots (in line with existing pilots).

Loss of Revenue Support Grant and New Responsibilities

28. The Government has stated that authorities selected as pilots for 2018/19 will be expected to forego Revenue Support Grant (RSG) and Rural Services Grant, grants largely funded by the Government's current 50% share of business rates. At an individual authority level this may be a significant transfer of risk from Government to local authorities as income becomes subject to the volatility of business rates.
29. Under the current scheme the Council would receive RSG of £4.6m in 2018/19. In 2017/18 the council's local share of business rates income was £49.2m from which a tariff of £20.4m was paid.
30. The Government has assured authorities that the transfer of this funding will be cost neutral (excluding retained growth). Individual authorities and individual pools, will be exposed to different levels of risk because of gearing: authorities with higher tariffs or lower top ups relative to their business rates baseline are at greater risk of experiencing larger losses in retained income. If RSG and Rural Services Grant are the only 'new responsibilities' transferred top-ups will reduce and tariffs will increase, increasing the risk that individual authorities will lose safety net payments because they are in a pool. This risk will be partially off-set by the higher safety net threshold proposed, as discussed in paragraph 27 above.

No detriment clause

31. For the 2017 pilots Government agreed a 'no detriment' clause, guaranteeing that authorities would not be worse off as a result of participating in these pilots, and all 2018 pilots will also be subject to this clause. The LCR governance agreement has established an internal 'no detriment' arrangement to ensure as far as possible that no member would be worse off as a result of participation in this pilot. An additional 'no detriment' clause from Government provides further assurance should the Pool as a whole fail to realise the level of income it would have achieved under the current 50% retention scheme.

Valuation Appeals

32. The most significant risk associated with Business Rates retention remains the impact of successful appeals on the income. Under the pilot scheme the potential loss of income due to successful appeals will be

borne 100% by the authority. This would be managed by increasing the provision for appeals by the proportionate amount.

Council Plan

33. The proposals link and support the key priorities within the Council Plan, as follows;

- **a prosperous city for all** - where local businesses can thrive and residents have good quality jobs, housing and opportunities
- **a focus on frontline services** - to ensure all residents, particularly the least advantaged, can access reliable services and community facilities
- **a council that listens to residents** - to ensure it delivers the services they want and works in partnership with local communities.

Implications

Financial

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

Human Resources (HR)

35. There are no HR implications to this report

One Planet Council/ Equalities

36. There are no specific equality implications in this report, however equality issues are accounted for at all stages of the financial planning process.

Legal

37. As part of the application a governance agreement has been submitted. This describes the relationship between the pooling authorities including setting out how the pooling arrangements will work in terms of financial distribution and service provision and evidencing how business rates income growth will be shared. The governance agreement also sets out how balances and liabilities will be treated if the pool were to be dissolved. As with the existing pool arrangements the proposal envisages that the pool will be managed by a Joint Committee consisting of the Leaders of the pooling authorities or their substitutes.

Crime and Disorder

38. There are no crime and disorder implications to this report.

Information Technology (IT)

39. There are no information technology implications to this report.

Property

40. There are no property implications to this report.

Other

41. There are no other implications to this report.

Risk Management

42. The provisions in the LCR Governance Agreement aim to minimise the direct financial risk to member authorities of participating in this pilot. However, they also represent a shared approach to managing the risk inherent in the business rate retention scheme, risks which will increase for local authorities as they are given more control over, and hence have a greater reliance on, locally raised funds.
43. The pool's ability to bring different authorities together with a diverse range of taxbases offers a level of protection against losses of income. The diverse taxbase offers a source of financial resilience of what can be, at the individual authority level, a highly volatile income stream.
44. The additional retention of regionally raised income will enable member authorities to manage internal risk through improved financial stability and greater capacity to invest in improvement and transformation for the longer term.

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Report
Approved



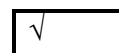
Date 16/11/17

Specialist Implications Officer(s)

Legal – Andy Docherty

Wards Affected: List wards or tick box to indicate all

All



For further information please contact the authors of the report

Background Papers:

Council Papers 23 February 2017 - Financial Strategy 2017/18 to 2021/22

Annexes:

None

List of abbreviations used in this report

DCLG – Department of Communities and Local Government

LCR – Leeds City Region

RSG – Revenue Support Grant

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Executive**7 December 2017**

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

Portfolio of the Executive Leader (incorporating Finance & Performance)

Discretionary Rate Relief Awards 2018 - 2020**Summary**

1. The purpose of this paper is to provide Executive with details of new applications in respect of Discretionary Rate Relief (DRR) for the period 1 April 2018 to 31 March 2020. This paper asks Executive to approve any new awards based on the cost and the budget available.

Recommendations

2. Executive are asked to consider and approve any or all of the new applications for discretionary rate relief set out at Annex B;

Reason: To provide a transparent process for awarding discretionary rate relief.

Background

3. Executive are requested annually to approve awards of discretionary 'top up' rate relief for a period of two years. Each application has been considered on its own merits before recommendation for approval.
4. The council has wide powers to award discretionary rate relief to any business rates payer. This report deals specifically with applications from those bodies who are already eligible for mandatory rate relief i.e.
 - Charities

- Community Amateur Sports Clubs (CASCs)
- Those eligible for Rural discretionary relief
- Those eligible for Rural top up.

It also considers applications from other non profit making bodies which may not be eligible for mandatory relief.

5. The council's aim is to ensure that services are designed around the needs of the people and place first. Some of these services may not be delivered directly by the council in future but by a combination of the council with partner organisations, other authorities, volunteers and community groups or directly by social enterprises or the commercial sector. The 'top up' discretionary rate relief provides additional financial support to those charities, community sports clubs and non-for profit organisations that form a key part of supporting this aim. This is an annual process and the council is fully committed to promoting this support out in the community to those groups and organisations who meet the qualifying criteria.
6. All applications for DRR are currently written submissions through a formal application process managed by the relevant council department. The applications are considered on an individual basis against council priorities and on their merits. The application is for a top up to the 80% mandatory award in respect of charities, CASCs and non-for profit organisations. This paper provides details of all applications for the 1st April 2018 – 31st March 2020 awards against the council's DRR budget.

Discretionary Rate Relief costs

7. In December 2016 Executive approved awards for the two year cycle 1st April 2017 – 31st March 2019 and these are set out at Annex A. Annex B of this paper sets out details of the organisations recommended for awards for the period 1 April 2018 – 31 March 2020 (after consideration of the individual applications). Table 1 below shows the cost to the council of existing awards (Annex A) including rural relief from 1st April 2017.

Table 1.

Category	Total Cost of DRR	CYC Share
Not-for Profit	£14,709	£7,354
Charities	£57,283	£28,641
CASC's	£7,750	£3,875
Rural Discretionary	£39,685	£19,843
Total Cost	£119,427	£59,713

8. Table 2 below shows the estimated cost of the proposed new awards (Annex B) for the period 1st April 2018 to 31st March 2020.

Table 2.

Category	Total Cost of DRR	CYC Share
Not-for Profit	£0	£0
Charities	£1124	£562
CASCs	£644	£322
Rural Discretionary	£0	£0
Total Cost	£1,768	£884

9. The council budget for DRR in 2018/19 is £83K. The cost of existing awards set out at Table 1 is £59,713. The new awards set out at Table 2 above and Annex B will increase the total value of awards to £60,597 in 2018/19. This leaves a residual budget of £22K for any new future year awards.

New Applications

10. Table 2 above sets out the number and value of new applications for DRR in each of the categories. Applications that have not met the qualifying criteria through the application process are not included in Table 2 but are set out at Annex C.
11. There are 3 proposed new applications recommended for discretionary top up relief for the April 2018 – March 2020 period. The lower volume and cost in comparison to last year arises as all

existing long term recipients (Pre April 2014) fell due for renewal in the April 17 – March 19 cycle.

12. The applicant organisations have been through a thorough application process with each organisation looked at on an individual basis against the set qualifying criteria:
 - 1) And/or the organisation is non-for profit;
 - 2) The organisation is a charity or CASC;
 - 3) Whether the organisation has membership fees;
 - 4) Membership is open to everyone;
 - 5) The percentage of users and or members who are York residents;
 - 6) Equalities e.g. that the organisation have a formally adopted equality and diversity policy;
 - 7) Whether discounts are provided for York residents;
 - 8) Whether the organisation is affiliated to any local or national organisation;
 - 9) How the organisation contributes to the community;
 - 10) The organisation's financial position.
13. In terms of equalities the organisations applying need to provide their Community Impact Assessments (CIAs) and equality and diversity policies. The information provided is reviewed by the council's Head of Communities and Equalities to ensure their aims are aligned to the council's own policies before they can qualify for top up rate relief as part of the overall application process.
14. Organisations are supported through the application process by the service areas and advice provided to those who have been declined in advance of the report deadline.

Options

15. There are two options associated with this report:
Option 1 – Approve any or all of the new applications for discretionary rate relief set out at Annex B;
Option 2 – Decline any or all of the new application of discretionary rate relief set out at Annex B.

Analysis

16. There is an ongoing demand on the DRR budget from current recipients of rural rate relief. Whilst the business rates multiplier was reduced as part of last year's revaluation exercise by the Valuation Office Agency (VOA) it will still continue to rise by the Retail Price Index (RPI). The multiplier is the percentage or pence in the pound of the Rateable Value that the customer must pay in business rates. As a result of this link there will continue to be inflationary pressure on the DRR budget. Annex A shows that last years awards total liability has risen by over £8K as a result of this.
17. There is sufficient budget to meet the current demand for the April 17 to March 19 (Annex A) recipients along with the new applications for the April 18 – March 20 period. The residual budget has fallen from £35K last December to £22K. To ensure all qualifying organisations receive discretionary top up support, and residual budget is retained for future awards and to meet inflationary pressures, the level awarded is less than the 20% maximum allowance as set out at both Annex A & B.

Council Plan 2015 - 19

18. The power to provide discretionary rate relief contained within the Local Government Finance Act 1988 & 2012 aligns with the council plan 2015 - 19 in providing residents with community assets that support the focus on frontline services providing health and wellbeing for their customers and making York a great place to live.

Implications

19.
 - (a) **Financial** – The changes in the Local Government Finance Act 2012 ensures that any new discretionary awards are met on a 50/50 basis with Central Government.
 - (b) **Human Resources (HR)** - There are no implications
 - (c) **Equalities** – There are no direct implications
 - (d) **Legal** – The council's power to award Discretionary Rate Relief is set out at Section 47 of the 1988 Local Government Finance Act. The qualifying conditions are set out in Para 3

of section 47 which allows for the award to be made for Rural, Sports, and Charitable organisations meeting the qualifying criteria.

- (e) **Crime and Disorder** - There are no implications
- (f) **Information Technology (IT)** - There are no implications
- (g) **Property** - There are no implications

Risk Management

20. The key risk associated with discretionary reliefs is a financial one. The risk is Low and is in the control of the authority through the implementation of proper policies and procedures.

Contact details:

Author:	Executive Member and Chief Officer responsible for the report:		
David Walker Head of Customer & Exchequer Services Phone No. 01904 552261	Cllr David Carr Executive Leader including Finance & Performance Pauline Stuchfield Assistant Director Customers & Employees Telephone: 01904 551100		
	Report Approved	√	Date 01/11/17
Specialist Implications Officer(s) None			
Wards Affected: All			√
For further information please contact the authors of the report			

Background Papers

Discretionary Rate Relief Awards 2017 – 2019

Annexes

- Annex A – Existing discretionary rate reliefs 2017 – 2019
- Annex B – New discretionary rate reliefs for approval 2018 - 2020
- Annex C – Applications that have been declined for discretionary rate relief 2018 - 2020

List of abbreviations used in this report

DRR	Discretionary Rate Relief
CASC	Community Amateur Sports Club
CIA	Community Impact Assessment
RPI	Retail Price Index (A measure of inflation)
VOA	Valuation Office Agency

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2017-18 DRR Decision CostingsCommunity Sports Clubs (CASC)

Primary Liable party name	Property Reference Number	Full Property Address	Decision to Award DRR				17-18 DRR				
			2017-19	17-19 Award %	17-18 DRR Award Value	17-18 CYC Contribution	17-18 % Award	17-18 DRR Award Value	2017 RV	18-19 DRR Award Value	18-19 CYC Contribution
Acomb Sports Club	0460913	Acomb Sports Club, The Green, Acomb, York, YO26 5LL	Y	13.45	568.13	284.07	13.50%	569.05	8800	£590.44	£295.22
Bishopthorpe Bowling Club	0863514	Bowling Green, Acaster Lane, Bishopthorpe, York, YO23 2SA	Y	13.45	38.09	19.05	13.50%	38.15	590	£39.59	£19.79
Dringhouses Bowling & Rec. Club	0342905	Bowling Club, Off Tadcaster Road, Knavesmire, York, YO23 1EJ	Y	13.45	71.02	35.51	13.50%	71.13	1100	£73.80	£36.90
Hamilton Panthers A.F.C.	2007885	Hamilton Panthers Changing Rooms, Knavesmire Road, York, YO23 1EJ	Y	13.45	219.50	109.75	13.50%	646.65	10000	£670.95	£335.48
Heworth Tennis Club	0464299	Heworth Tennis Club, East Parade, York, YO31 7TA	Y	13.45	112.98	56.49	13.50%	140.32	2200	£147.61	£73.80
Hopgrove Playing Fields Association	0922781	Malton Road, York, YO32 9TG	Y	13.45	968.40	484.20	13.50%	969.98	15000	£1,006.43	£503.21
New Earswick & District Bowls Club	0854171	New Earswick & Dist Bowls Club, Huntington Road, Huntington, York, YO3 1Y	Y	13.45	2,828.03	1,414.02	13.50%	2,657.41	36000	£2,354.27	£1,177.14
Osballdwick Sports Club	0856042	Osballdwick Playing Field, The Leyes, Osballdwick, York, YO10 3PR	Y	13.45	839.28	419.64	13.50%	840.65	13000	£872.24	£436.12
York City Rowing Club	0465598	York City Rowing Club, West Esplanade, York, YO1 6FZ	Y	13.45	373.38	186.69	13.50%	398.95	12000	£443.13	£221.57
York Squash Rackets Club	0852197	Squash Courts, Shipton Road, Clifton, York, YO30 5RE	Y	13.45	526.81	263.41	13.50%	546.86	7800	£523.34	£261.67
					£6,545.62	£3,272.81		£6,879.15		£6,721.79	£3,360.89
additional 2017 award cases											
Dringhouses Sports & Soc. Club	0465430	Dringhouses Sports & Soc. Club, St Helens Road, York, YO24 1HP	Y				13.50%	£824.48	12750	£855.46	£427.73
Strensall Bowls Club	0857987	Bowling Green, Northfields, Strensall, York, YO32 5XN	Y				13.40%	£166.88	2600	£173.15	£86.58
								£991.36		£1,028.62	£514.31
							CASC TOTAL	£7,870.51		£7,750.41	£3,875.20

Charity Top Ups

Primary Liable party name	Property Reference Number	Full Property Address	Decision to Award DRR				17-18 DRR				
			2017-18	17-18 Award %	17-18 DRR Award Value	17-18 CYC Contribution	17-18 % Award	17-18 DRR Award Value	2017 RV	18-19 DRR Award Value	18-19 CYC Contribution
1st Heworth Scout Group	0464266	Scout Headquarters, Bad Bargain Lane, York, YO31 0LW	Y	13.45	161.40	80.70	13.50%	161.66	2500	£167.74	£83.87
1st Huntington Scout Group	0904449	Huntington Scout Grp, R/O St Andrews, Huntington Road, Huntington, York, YO23 1EJ	Y	13.45	535.85	267.93	13.50%	536.72	8300	£556.89	£278.44
2nd Haxby & Wigg Scout Group	0853587	Ethel Ward Playing Field, York Road, Haxby, York, YO32 3HG	Y	13.45	331.89	165.95	13.50%	344.85	5100	£342.18	£171.09
2nd St Thomas Scout Group HQ	0461585	Scout Hut, Haxby Road, York, YO31 8JN	Y	13.45	119.27	59.64	13.50%	124.8	2325	£138.91	£69.45
Age Concern	0513939	19, Bishopthorpe Road, York, YO23 1NA	Y	8.50	568.06	284.03	8.50%	590.75	16250	£657.72	£328.86
Age Concern	0940410	7A Acomb Court, Front Street, York YO24 3BJ	Y	8.50	907.23	453.62					
									no longer in occupation		

Age Concern	0207910	215, Burton Stone Lane, York, YO30 6EB	Y	8.50	479.40	239.70	8.50%	478.4	11750	£496.38	£248.19
Age Concern	0200099	70, Walmgate, York, YO1 9TL	Y	8.50	589.91	294.96	8.50%	615.82	19000	£685.37	£342.68
Age Concern	0481834	77, Fourth Avenue, York, YO31 0UA	Y	8.50	410.75	205.38	8.50%	426.05	10500	£443.57	£221.79
Bell Farm Social Hall Management Co	0461778	Social Hall, Roche Avenue, York, YO31 9BB	Y	13.45	248.56	124.28	13.50%	254.68	3850	£258.32	£129.16
Wheldrake Recreation Association	0867265	Broad Highway, Wheldrake, YO19 6BG	Y	13.45	£656.86	£328.43	13.50%	678.98	10500	£704.50	£352.25
Community Furniture Store (York) Ltd	2001527	Unit 29, The Raylor Centre, James Street, York, YO10 3DW	Y	8.50	1,710.84	855.42	8.50%	1,078.95	26500	£1,119.49	£559.75
Copmanthorpe & Dist. Recr'Tn Centre	0863989	Copmanthorpe Recreation Centre, Barons Crescent, Copmanthorpe, York, YO19 6AA	Y	13.45	1,339.62	669.81	13.50%	0.00	20750	£1,392.22	£696.11
Dunnington & Grimston Play F'Ld Ass	0890233	Dunnington Sports & Soc Centre, Common Lane, Dunnington, York, YO19 6AA	Y	13.45	2,942.46	1,471.23	13.50%	2909.93	45000	£3,019.28	£1,509.64
Elvington Scout Group	0865407	Wheldrake Lane, Elvington, York YO41 4DW	Y	13.45	119.27	59.64	13.50%	126.51	3300	£140.62	£70.31
Foxwood Community Centre	0514272	Foxwood Community Centre, Cranfield Place, York, YO24 3HY	Y	13.45	425.10	212.55	13.50%	432.16	7000	£469.67	£234.83
Lord Mayors Own Scouts	0462613	Scout Hall R/O, Bootham Terrace, York, YO30 7DH	Y	13.45	96.80	48.40	13.50%	102.88	2800	£114.34	£57.17
North Yorkshire South Girl Guides	0867367	79, Main Street, Wheldrake, York, YO19 6AA	Y	13.45	271.15	135.58	13.50%	271.59	4200	£281.80	£140.90
Poppleton Road Community Centre Memorial Hall	0464960	Community Centre, Oak Street, York, YO26 4SG	Y	13.45	342.26	171.13	13.50%	358.51	6900	£399.01	£199.50
St Leonards Hospice	2007780	St Leonards Hospice, Tadcaster Road, York, YO24 1GL	Y	4.65	3,006.63	1,503.32	4.60%	2,973.64	129000	£3,013.31	£1,506.66
Strensall & Towthorpe Sport Assoc	0858435	Sports Ground & Premises, Durlston Drive, Strensall, York, YO32 5AT	Y	13.45	580.81	290.41	13.50%	604.32	9400	£630.69	£315.35
Strensall & Towthorpe Village Hall	0858399	Village Hall, Northfields, Strensall, York, YO32 5UP	Y	13.45	568.13	284.07	13.50%	569.05	8800	£590.44	£295.22
Tang Hall Community Centre Mgt Cttee	0957153	Tang Hall Community Centre, Fifth Avenue, York, YO31 0UG	Y	13.45	606.17	303.09	13.50%	616.76	12500	£686.31	£343.15
The City Of York Hockey Club	0853645	York Hockey Club & Heworth, Elmpark Way, Heworth Without, York, YO3 1YU	Y	13.45	1,081.38	540.69	13.50%	1083.14	16750	£1,123.84	£561.92
The Wilf Ward Family Trust	0534623	69, Green Lane, York, YO24 3DJ	Y	8.50	281.52	140.76	8.50%	280.93	6900	£291.49	£145.75
United Response	0514614	3/5, Tanner Row, York, YO1 6JB	Y	8.50	624.24	312.12	8.50%	639.83	9400	£468.18	£234.09
United Response	0513666	35-41, North Street, York, YO1 6JD	Y	8.50	724.20	362.10	8.50%	722.69	17750	£749.85	£374.92
Upstage Centre	2003033	Upstage Centre Youth Theatre, 41, Monkgate, York, YO31 7PB	Y	13.45	2,663.10	1,331.55	13.50%	2667.43	41250	£2,767.67	£1,383.83
Wigginton Bowling Club	0858800	Bowling Club, Mill Lane, Wigginton, York, YO32 2PY	Y	13.45	171.21	85.61	13.50%	175.39	1200	£128.13	£64.07
Wigginton Recreation Hall Committee	0859041	Village Hall, The Village, Wigginton, York, YO32 2PU	Y	13.45	453.06	226.53	13.50%	468.88	5900	£343.84	£171.92
York & Dist. Citizens Advice Bureau	2003552	Citizens Advice Bureau, West Offices, Station Rise, York, YO1 6GAY	Y	20.00	2,187.70	1,093.85	20.00%	2052.7	20500	£2,037.70	£1,018.85
York Blind & Partially Sighted Society	2008165	Gnd Flr, Rougier House, Rougier Street, York, YO1 6HZ	Y	8.50	1,456.64	728.32	8.50%	1,170.56	28750	£1,214.54	£607.27
York Blind & Partially Sighted Society	2008166	1st Floor (Rear) Rougier House, Rougier Street, York, YO1 6HZ	Y	8.50			8.50%	258.66	6800	£287.27	£143.63
York Early Music Foundation	0927220	Music Foundation, St Margaret'S Church, Walmgate, York, YO1 9TL	Y	13.45	2,876.49	1,438.25	13.50%	2898.97	49750	£3,337.98	£1,668.99
York Muslim Association	0900298	Muslim School, 76, Fourth Avenue, York, YO31 0UB	Y	13.45	546.24	273.12	13.50%	568.63	9000	£603.86	£301.93
York Sea Cadet Corps	0266240	Cadet Headquarters, 21/22, Skeldergate, York, YO1 6DH	Y	13.45	542.30	271.15	13.50%	543.19	8400	£563.60	£281.80
York Railway Institute	0465407	York Railway Inst. Gymnasium, Queen Street, York, YO24 1AD	Y	13.45	3,163.44	1,581.72	13.50%	3168.59	49000	£3,287.66	£1,643.83
York Railway Institute	0464777	Railway Institute Sports Club, Hamilton Drive, York, YO24 4NX	Y	13.45	1,839.96	919.98	13.50%	1842.95	28500	£1,912.21	£956.10
York Railway Institute	0464755	York Railway Institute Bowling Club, Ashton Lane, York, YO24 4HX	Y	13.45	477.74	238.87	13.50%	478.52	7400	£496.50	£248.25
York Railway Inst. Club	0465429	York Railway Institute Club, 22, Queen Street, York, YO24 1AD	Y	13.45	1,145.94	572.97	13.50%	1147.8	17750	£1,190.94	£595.47
York Railway Institute	0863387	Pikehills Golf Club, Tadcaster Road, Copmanthorpe, York, YO23 3UW	Y	13.45	2,991.50	1,495.75	13.50%	2818.77	42500	£2,851.54	£1,425.77
York Council For Voluntary Service	2001405	15/17 Priory Street, York, YO1 6ET	Y	20.00	15,414.27	7,707.14	20.00%	15,455.76	154000	£15,323.37	£7,661.68
					£55,659.35	£27,829.68		£52,700.40		£55,288.90	£27,644.45
additional 2017 award cases											
1st Copmanthorpe Scout Group	0889736	Scout Hq Recreation Centre, Barons Crescent, Copmanthorpe, York, YO23 3TZ	Y	13.40			13.40%	£315.23	4750	£316.34	£158.17
The York Bridge Club	0891747	York Bridge Club, 152/154 Holgate Road, York, YO24 4DQ	Y	13.50			13.50%	£1,487.20	25000	£1,677.38	£838.69
								£1,802.43		£1,993.72	£996.86
								£54,502.83		£57,282.61	£28,641.31

Not for Profit

Primary Liable party name	Property Reference Number	Full Property Address	Decision to Award DRR 2017-18	17-18 Award %	17-18 DRR Award Value	17-18 CYC Contribution	17-18 % Award	17-18 DRR Award Value	2017 RV	18-19 DRR Award Value	18-19 CYC Contribution
My Community Social Enterprise Ltd	0250066	The Melbourne Centre, Tx020/13100, Escrick Street, York, YO10 4AW	Y	67.23	2,888.47	1,444.24	67.20%	2,881.00	9200	£2,992.28	£1,496.14
Chapelfields Community Association	2002944	Sanderson Court Community House, Nd528/13100, Bramham Road	Y	67.23	2,592.12	1,296.06	67.20%	2,612.55	11250	£3,016.31	£1,508.15
Get Cycling CIC	0246275	22 Hospital Fields Road, York, YO10 4DZ	Y	67.23	8,376.82	4,188.41	67.20%	8,376.82	26750	£8,700.38	£4,350.19
					<u>£13,857.41</u>	<u>£6,928.71</u>		<u>£13,870.37</u>		<u>£14,708.97</u>	<u>£7,354.49</u>
ALL AREAS								17-18 DRR Award Value		18-19 DRR Award Value	18-19 CYC Contribution
					<u>£76,062.38</u>	<u>£38,031.19</u>		<u>£76,243.71</u>		<u>£79,741.99</u>	<u>£39,871.00</u>

RURAL RATE RELIEF

Primary Liable party name	Property Reference Number	Full Property Address	17-18 % Award	17-18 DRR Award Value	2017 RV	18-19 DRR Award Value	18-19 CYC Contribution
Ms P H Brompton	0840073	The Pharmacy, The Green, Upper Poppleton, York, YO26 6DF	100%	3,473.04	14000	3879.13	£1,939.56
N Carling & C Carling	0840200	16, Allerton Drive, Nether Poppleton, York, YO26 6HN	100%	2,851.00	7200	3184.35	£1,592.18
City Of York Council (Education)	0857772	Primary School, Sa103/13100, The Village, Stockton On Forest, York, YO32 9UP	100%	6,525.83	21500	7288.86	£3,644.43
City Of York Council (Education)	0859369	Rufforth Primary School, Sa103/13100, Wetherby Road, Rufforth, York, YO23 3QF	100%	7,497.77	21500	9432.97	£4,716.49
Michael Hepworth (Chemists) Ltd	0866513	101, Main Street, Fulford, York, YO10 4PN	100%	3,369.37	7800	3763.33	£1,881.67
Fulford Parish Council	0866648	Fulford Sportsfield & Pavillio, School Lane, Fulford, York, YO10 4LS	100%	1,295.91	3100	1447.43	£723.72
Fulford Parish Council	0866659	Social Hall, School Lane, Fulford, York, YO10 4LS	100%	1,632.85	4850	1823.77	£911.89
Naburn Parish Council	0867163	Reading Room, Main Street, Naburn, York, YO19 4RR	100%	173.65	500	193.95	£96.98
City Of York Council (Education)	0867185	Naburn Ce School, Sa103/13100, Main Street, Naburn, York, YO19 4PP	100%	3,835.89	8500	4114.00	£2,057.00
Elvington Under Fives Playgroup The Chairman	0917613	Elvington Under 5'S, Elvington Primary School, York Road, Elvington, York, YO41 4HP	20%	570.01	7900	636.66	£318.33
St Marys C E Primary School	2000907	Day Nursery , The School House, School Lane, Askham Richard, York, YO23 3PD	100%	3,774.60	8100	3920.40	£1,960.20
				<u>£34,999.92</u>		<u>£39,684.86</u>	<u>£19,842.43</u>

TOTALS INCL. RURAL RATE RELIEF

17-18 % Award	17-18 DRR Award Value	2017 RV	18-19 DRR Award Value	18-19 CYC Contribution
	£111,243.63		£119,426.85	£59,713.43

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Primary Liable party name	Full Property Address	Current Relief Type	Decision to Award DRR 2017-18	18-19 Award %	18-19 DRR Award Value	18-19 CYC Contribution
<u>Community Sports Clubs</u>						
Heslington Village Hall Committee	Village Hall, Main Street, Heslington, York, YO10 5EB	Mandatory	Y	13.50	£93.93	£46.97
Rawcliffe Recreation Association	St Marks Grove, Shipton Road, York, YO30 5TS	Mandatory	Y	13.50	£550.18	£275.09
Sub Total					£644.11	£322.06
<u>Charities</u>						
Haxby Christian Cafe Ltd	30 The Village, Haxby, York, YO32 3HT	Mandatory	Y	13.50	£1,123.84	£561.92
Sub Total					£1,123.84	£561.92
Total Cost					£1,767.95	£883.98

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Annex C	
Organisation	Reason for Refusal
Stockton on the Forest Village Hall	Reserves too high
York & District Indoor Bowls Club	Reserves too high
British Red Cross	Reserves too high

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Executive

7 December 2017

Report of the Director of Customer & Corporate Services

Portfolio of Executive Leader (incorporating Finance & Performance)

Review of Fees and Charges

Purpose of report

- 1 The purpose of this report is to seek approval to increase a range of the council's fees and charges with effect from the 1st January 2018.

Recommendations

- 2 The Executive is asked to approve option 1 and increase the relevant fees and charges as set out in the attached annexes.

Reason: To enable the council to effectively manage its budget.

Background

- 3 Across the council a wide range of services operate fees and charges for services provided, some of which attract VAT at the current rate of 20%.

Options and Analysis

- 4 Option 1 (recommended option) – Agree the fees and charges as set out in the annexes to the report.
- 5 This report focuses on those fees that were last reviewed 12 months ago in January 2017. Service areas have reviewed their charging policies and various increases are proposed which aim to minimise the impact either on service users or the volume of activity in these areas.

- 6 The table below summarises each service areas total fees and charges considered for increase from 1st January 2018.

Service Area	£000
Registrars	617
Community Centres	40
Bereavement Services	1,937
Waste Services	174
Housing Services	45
Planning	366
Total fee income considered for increase from 1st Jan 2018	3,179

- 7 Additional income of 79k will be generated in 2018/19 from the increase in fees and charges proposed within this report. This is mainly from Bereavement Services (£45k).
- 8 The table below summarises the areas which will be examined further as part of the 2018/19 budget strategy and any proposals will be included in the overall financial strategy if appropriate. Some fees below are set by statutory or regulatory bodies and are therefore only permitted to increase from the 1st April. The remaining service areas are currently reviewing their charging policy, to ensure that any increase will minimise any adverse impact either on service users or the volume of activity in these areas.

Service Area	£000
Environmental Health & Trading Standards	237
Regulatory Services	681
Waste Services (includes Commercial Waste)	1,650
Housing	404
Parking	6,944
Planning	1,333
Public Health	27
Adult Social Care	10,885
Total fee income under consideration for increase from 1st April 2018	22,161

- 9 In addition to the income above, certain fees, such as planning fees, are set nationally and are increased at the appropriate time in line with national policy and specific details of these will not be included in the budget strategy report.
- 10 Option 2 – Agree a different increase to that proposed.

Consultation

- 11 No specific consultation has been carried out for this report. However, the level of all fees and charges is informed by the extensive consultation carried out as part of the development of the budget.

Corporate Priorities

- 12 Outcomes achieved by the activities covered in this report help to deliver priorities in the Council Plan 2015-19.

Implications

- 13 The implications are:
- Financial - the fees and charges increases outlined in the annex to this report will generate additional income of £20k in the remainder of the current financial year with a full year effect of £79k in 2018/19. This assumes there will be the same level of activity across all services.
 - Human Resources - there are no specific human resource implications to this report.
 - Equalities – all council services complete Equalities Impact Assessments to ensure that the charges levied on users are fair and take into account any equalities issues.
 - Legal - the Council has a general power to charge fees to cover the costs of providing discretionary services which are not provided for a commercial purpose. This power cannot be used to make a profit from the provision of a service. Various specific charging powers also exist in relation to individual statutory functions. In relation to allotments these are contained in the Allotments Act 1950 which provides that land let as an allotment shall be let at such rent as a tenant might be reasonably be expected to pay. There is a power to let at a lower rent in

special circumstances. The Cremation Act 1902 provides a power to charge fees for cremations. The Local Authorities Cemeteries Order 1977 provides a power to charge such fees as the Authority considers proper in connection with burials, the erection of memorials and adding inscriptions to memorials.

- Crime and Disorder - there are no specific crime and disorder implications to this report.
- 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

- 14 There is a risk that the increase in charge could result in users deciding not to use a service. Individual service areas will continue to monitor activity to ensure any loss of income is identified and mitigated by other savings.

Author:	Chief Officer Responsible for the report:		
Helen Malam Accountant Tel (01904) 551738	Ian Floyd, Director of Customer and Corporate Services		
	Report Approved	✓	Date 16.11.17
Wards Affected: All			
For further information please contact the author of the report			

Background Papers – None

Annexes

Proposed Fees and Charges –

- A - Registrars,
- B - Community Centres
- C - Bereavement Services
- D - Waste Services
- E - Housing Services
- F - Planning

List of Abbreviations Used in this Report

VAT – Value Added Tax

REGISTRAR OF BIRTHS, DEATHS AND MARRIAGES	1st Jan 2017	1st Jan 2018	
	Charge (inc VAT if applicable)	Proposed Charge (inc VAT if applicable)	Increase
	£	£	£
Standard certificate - same day, or posted 1st class on same day	18.00	25.00	7.00
Standard certificate requiring same / next day postal delivery	31.00	32.00	1.00
Certification of a venue for marriage ceremonies (valid for three years)	3,250.00	3,250.00	-
Non-refundable booking fee for all weddings	50.00	50.00	-
Marriage and Civil Partnership Ceremonies			
Attendance of Registration Staff at Approved premises			
Large marriage room at Register Office Mon-Thurs	245.00	250.00	5.00
Large marriage room at Register Office Fri-Sat	330.00	340.00	10.00
Small room at Register Office Mon - Thurs	140.00	145.00	5.00
Small room at Register Office Fri - Sat	195.00	200.00	5.00
Approved Premises (venues) Mon-Thurs	510.00	520.00	10.00
Approved Premises (venues) Fri - Sat	590.00	605.00	15.00
Approved Premises (venues) Sun / Bank Holidays	640.00	655.00	15.00
Nationality Checking Service			
- Adult	82.00	90.00	8.00
- Child	41.00	45.00	4.00
Joint Citizenship & Passport service (NEW)			
- Adult	92.00	100.00	8.00
- Child	51.00	55.00	4.00
Citizenship Ceremonies	140.00	143.00	3.00
Passport Service (NEW)		45.00	
GRO fees* (NEW)			
Correction by Superintendent Registrar (SR)		75.00	
Correction by Registrar General (GRO)		90.00	
Consideration of divorce/dissolution docs outside British Isles by SR		50.00	
Consideration of divorce/dissolution docs outside British Isles by GRO		75.00	
Consideration of reducing the 28 day waiting period		60.00	
Addition of forename within 12 months of registration		40.00	
RG's Licence		15.00	
Baby Naming Ceremonies			
At Register Office	225.00	230.00	5.00
Approved Premises (venues)	250.00	255.00	5.00
Renewal of Vows			
At Register Office	230.00	230.00	-
Approved Premises (venues)	255.00	255.00	-
Sale of Goods and Miscellaneous Charges :-			
- Baby Folders	2.00	2.00	-
- Business Card Advertising	125.00	128.00	3.00

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

BURTON STONE COMMUNITY CENTRE	1st Jan 2017	1st Jan 2018	
	Charge (inc VAT if applicable)	Proposed Charge (inc VAT if applicable)	Increase
	£	£	£
<u>Room Hire</u>			
Main Hall Local	11.30	11.60	0.30
Main Hall Voluntary & Non Profit	16.40	16.80	0.40
Main Hall Profit	25.95	26.60	0.65
Birthday Party	15.25	15.60	0.35
<u>Meeting Rooms</u>			
Local	6.80	7.00	0.20
Voluntary & Non Profit	8.70	8.90	0.20
Profit	11.30	11.60	0.30
<u>Gym Hire</u>			
Local	11.30	11.60	0.30
Voluntary & Non Profit	16.40	16.80	0.40
Profit	25.95	26.60	0.65
<u>Badminton (per person per hour)</u>			
York Card Standard	4.10	4.20	0.10
York Card Concession	3.25	3.30	0.05
Non York Standard	4.75	4.90	0.15
Non York Concession	4.10	4.20	0.10

BEREAVEMENT SERVICES	1st Jan 2017	1st Jan 2018	
	Charge (Inc VAT if applicable)	Proposed Charge (Inc VAT if applicable)	Increase
	£	£	£
CREMATORIUM			
CREMATIONS (VAT EXEMPT)			
Adult (including medical referee fee)	855.00	875.00	20.00
Still Born	0.00	0.00	0.00
Up to Six Months	0.00	0.00	0.00
Six Months to Sixteen Years	0.00	0.00	0.00
INTERMENT (VAT EXEMPT)			
Interment of Ashes	47.00	48.00	1.00
SCATTERING OF ASHES (VAT EXEMPT)			
Ashes received from external sources	78.00	80.00	2.00
Ashes forward to other places	0.00	0.00	0.00
Additional Service Time	98.00	100.00	2.00
EXHUMATIONS			
Exhumation fee	185.00	190.00	5.00
BEARING SERVICE	22.00	23.00	1.00
FUNERAL SERVICE	175.00	175.00	0.00
RECORDINGS			
CD recording	44.00	45.00	1.00
DVD recording	56.00	57.50	1.50
Webcast	56.00	57.50	1.50
MEMORIALS AND PLAQUES			
PLAQUES			
60 letter inscription 10 years	380.00	389.00	9.00
60 letter inscription 20 years	523.00	536.00	13.00
Display for a further 5 years	122.00	122.00	0.00
MEMORIALS			
Memorial Plaque with rose tree 10 yrs	436.00	446.00	10.00
Memorial Plaque with rose tree 20 yr	575.00	590.00	15.00
Memorial seat with plaque (10 yrs)	1,231.00	1,260.00	29.00
Memorial seat plaque renewal (5yrs)	211.00	211.00	0.00
Granite Seat (10 yrs) - new fee	1,311.00	1,345.00	34.00
Granite vase Block 10years	628.00	644.00	16.00
Granite vase Block 20years	1,022.00	1,047.00	25.00
Vase Block Plaque	171.00	175.00	4.00
Bronze rose memorial plaque on stake (10 yr)	531.00	544.00	13.00
Bronze rose memorial plaque on stake (20 yr)	671.00	688.00	17.00
Circular bench memorial plaque (10 yrs)	451.00	463.00	12.00
Circular bench memorial plaque (20 yrs)	626.00	641.00	15.00
Babies garden memorial plaque (10yrs)	350.00	358.00	8.00
Granite mushroom memorial plaque (10 yrs)	381.00	390.00	9.00
Granite mushroom memorial plaque (20 yrs)	539.00	552.00	13.00
Memorial Disc	435.00	445.00	10.00
Granite Shaped Planter	515.00	528.00	13.00
Summer House Memorial Plaque	410.00	420.00	10.00
URNS			
Cardboard Box	14.50	15.00	0.50
Polytainer	17.00	17.50	0.50
Baby Urn	35.00	36.00	1.00
Urn	48.00	49.00	1.00
Casket	68.00	70.00	2.00

NICHES			
Niche 10 years	780.00	799.00	19.00
Niche 20 years	1,300.00	1,333.00	33.00
Sanctum 2000 (Average Charge)	1,055.00	1,080.00	25.00
Second Plaque on Sanctum 2000	399.00	408.00	9.00
Inscription (second Plaque/Renewals)	340.00	349.00	9.00
Additional inscription p/letter over 80 letters	4.50	4.50	0.00
BOOK OF REMEMBRANCE			
2 line entry	83.00	85.00	2.00
5 line entry	129.00	132.00	3.00
5 line entry with floral emblem	179.00	184.00	5.00
5 line entry with badge, bird, crest & shield	206.00	211.00	5.00
8 line entry	159.00	163.00	4.00
8 line entry with floral emblem	216.00	222.00	6.00
8 line entry with badge, bird, crest & shield	246.00	252.00	6.00
8 line entry with coat of arms	286.00	294.00	8.00
FOLDED BOOK OF REMEMBRANCE CARDS			
5 line entry with floral emblem	139.00	142.00	3.00
5 line entry with badge, bird, crest & shield	175.00	179.00	4.00
8 line entry with floral emblem	193.00	197.00	4.00
8 line entry with badge, bird, crest & shield	211.00	216.00	5.00
8 line entry with coat of arms	256.00	262.00	6.00
Regimental Badge Etc	included above	included above	
MEMORIAL CARDS			
2 line card	57.00	58.00	1.00
5 line card	74.00	76.00	2.00
8 line card	87.00	90.00	3.00
Regimental Badge	included above	included above	
<u>DRINGHOUSES CEMETERY</u>			
INTERMENT (VAT EXEMPT)			
Adult (4ft 6" grave)	799.00	820.00	21.00
Child up to 12 years	0.00	0.00	0.00
Interment of Ashes	225.00	235.00	10.00
Exhumation (negotiated at cost)	at cost	at cost	
Exhumation of Cremated Remains	185.00	189.00	4.00
MEMORIALS			
Headstones	156.00	160.00	4.00
Add Inscription	84.00	86.00	2.00
Marking out grave	21.00	22.00	1.00
Removal of grave memorial by stonemason prior to interment	92.00	95.00	3.00
Cremation plot with exclusive Right of Burial for period of 50 yrs.	430.00	440.00	10.00

WASTE SERVICES	2017/18	1st Jan 2018	
	Charge (inc VAT if applicable)	Proposed Charge (inc VAT if applicable)	Increase
	£	£	£
Bulky Household Collections			
10 items	43.00	44.00	1.00
White Goods - Fridges/Freezers only (domestic collections)	26.00	26.00	-
Bonded Asbestos Collections for quantities up to 200 kg, including assessment visit (incs VAT)	100.00	103.00	3.00
Bonded Asbestos Collections greater than 200 kg, price quoted on application (excluding VAT)	n/a	n/a	n/a
Trade Waste Charges			
Waste to be charged per tonne or part thereof :-			
Residual Waste to Landfill per tonne	154.00	158.00	4.00
Minimum Charge	79.00	81.00	2.00
Recycling or Waste for Composting per tonne	79.00	81.00	2.00
Minimum Charge	40.00	41.00	1.00
Minimum percentage of waste be recycable to qualify for charge for recycling or waste for composting rate = 85%			

HOUSING SERVICES	1st Jan 2017		1st Jan 2018		
	Proposed Charge	Increase	Current Charge	Proposed charge	Increase
Houses in Multiple Occupation Licences	£	£	£	£	£
New Licence Applications					
Band A	945	30	945	995	50
Band B	1,105	40	1,105	1,160	55
Band C	1,260	50	1,260	1,325	65
Band D	1,340	60	1,340	1,410	70
Licence Renewals					
Band A	655	30	655	690	35
Band B	690	40	690	730	40
Band C	725	50	725	770	45
Band D	780	60	780	830	50
Penalty fee*	180	30	180	200	20
Letters of Advice	75	25	75	100	25
Immigration Inspection	130	30	130	150	20
Mobile Homes Licensing (Mobile Homes Act 2013)					
New Licence Application	720	30	720	750	30
Transfer of Licence (no variations)	220	30	220	250	30
Variation to Licence	500	25	500	550	50
Annual Inspection - 50 units or more	500	25	500	550	50
Annual Inspection - 49 units or fewer	380	25	380	430	50
Landlord Accreditation Scheme					
Membership Fee**	50	-	50	-	No change proposed
Plus Administration Fee based on No of Properties					No change proposed
1-5 properties	35	-	35	-	No change proposed
6-10 properties	75	-	75	-	No change proposed
11-30 properties	105	-	105	-	No change proposed
31-100 properties	210	-	210	-	No change proposed
100+	310	-	310	-	No change proposed
Additional Fee Per 50 Properties over 100	300	200	300	-	No change proposed
1 x 3 hour Landlord Training course per person	75	-	75	-	No change proposed
2 x 3 hour Landlord Training course per person	100	-	100	-	No change proposed
New online training course	75	75	75	0	No change proposed
Charging for Notices					
Charging for Housing Notices			Hourly rate up to a maximum of £300	No maximum	Hourly rate
Works in default			Officer's Hourly rate		Hourly rate
	Per Hour				
Officer (Grade 8)	£54.56				
Officer (Grade 9)	£60.05				
Officer (Grade 10)	£66.40				
Officer (Grade 11)	£74.56				
Officer (Grade 12)	£79.96				

Notes

*Penalty fee where the Council identifies that a HMO should be licensed

**For an individual landlord whose portfolio includes a current House in Multiple Occupation, the £50 membership fee will be waived for the first year of membership

PLANNING	1st Jan 2017	1st Jan 2018	
	Charge	Proposed Charge	Increase
	(exc VAT) £	(exc VAT) £	£
Land Charges			
Basic search - over the counter	106.00	110.00	4.00
Basic search - electronic	106.00	110.00	4.00
Business search	210.00	220.00	10.00
Optional enquiries	50.00	52.00	2.00
Additional enquiries	25.00	26.00	1.00
Naming & Numbering			
Renaming of property	35.00	36.00	1.00
Naming of new property	77.00	83.00	6.00
New developments up to 10 units	206.00	212.00	6.00
New developments over 10 units (per additional unit)	35.00	36.00	1.00
Confirmation of address	35.00	36.00	1.00
Development Management			
Set nationally:			
Discharge of planning conditions (non-householder)	97.00	97.00	-
Discharge of planning conditions (householder)	27.00	28.00	1.00
Discretionary:			
Copies of S106 Agreements	53.00	54.00	1.00
Other			
Tree Preservation Orders	44.00	45.00	1.00
Sites & Monuments Record (HER) search (per hour)			
HER commercial - basic search	110.00	110.00	-
HER commercial - enhanced search	220.00	220.00	-
HER commercial - rapid response within 2 working days (this charge is in addition to the basic or enhanced charge above)	110.00	110.00	-

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Executive

7 December 2017

Report of the Assistant Director, Legal & Governance

LORD MAYORALTY 2018/19

Summary

1. The purpose of this report is to ask the Executive to consider the points system for the annual nomination of the Lord Mayor for the City of York Council and confirm that the Group with the most points under that system should be invited to appoint the Lord Mayor for the coming municipal year, 2018/2019.

Recommendations

2. Members are asked to invite the Liberal Democrat Group to nominate the Lord Mayor for 2018/2019, in line with the existing accumulated points system.

Reason: To ensure that the Council secures the necessary leadership to undertake its civic functions and provides continuity for future selection.

Background

3. Members will be aware that the system for nominating the Lord Mayor is based on an accumulation of points determined by the number of seats held by each particular group on the Council. The party having the largest cumulative total of points on Lord Mayor's Day each year is invited to nominate the Lord Mayor for the following year. A party loses 47 points when nominating the Lord Mayor. It should be noted that a nominee for Lord Mayor requires at least five years' service as a City of York Councillor.
4. Under the system, a party which loses all its seats on the City Council may have any accumulated points frozen until seats are once again gained by that party on the Council.

5. Under the current points system, the number of points accumulated by each party is as follows:

PARTY	POINTS ACCUMULATED AT AGM – MAY 2016	LOSS FOR LM	POINTS ACCUMULATED AT AGM – MAY 2017
Labour	33	-47	$33-47+13^* = -1$
Lib Dem	30		$30 + 12 = 42$
Green	-15		$-15+4 = -11$
Conservatives	22		$22+14 = 36$
Independent (Cllr Warters)	6		$6 + 1 = 7$
Independent (Cllr Hayes)	2		$2+1 = 3$

***Note:** As at the May Annual Meeting in 2017, the Labour Group were reduced to 13 elected Members, pending the By-Elections for Micklegate and Hull Road Wards, which took place in June 2017.

6. The above table shows that the Liberal Democrat Group with a total of **42** points will qualify for the Lord Mayoralty in 2018/2019, under the existing points system.
7. Traditionally, the Outgoing Lord Mayor assumes the mantle of Deputy Lord Mayor the following year.

Consultation

8. The political groups are aware that this is the process usually applied to select the mayoralty for the year ahead. Beyond this, there is no specific need for consultation.

Options

9. The options available for consideration are either to invite the Liberal Democrat Group to nominate the Lord Mayor for the municipal year 2018/2019 or to consider reviewing the points system currently adopted for nominations.

Analysis

10. The nomination of a Lord Mayor is an annual event which is undertaken by way of a points system to ensure a fair and robust outcome. If Members wish to make changes to this process they would need to consider developing a new process, which would require the approval of Council as a change to a previously agreed procedure.

Council Plan 2015-2019

11. The appointment of the Lord Mayor in York is a fundamental part of the city's continuing historic traditions. The role of Lord Mayor is firmly enshrined in the Council's Constitution, as an ambassador for the city and its cultural and economic ambitions. As such, the appointee will promote the Council's priorities in general but specifically will have the opportunity to promote a 'prosperous city for all'.

Implications

12. There are no specific direct implications in relation to financial, human resource, legal or equalities arising from the recommendations in this report, which is concerned with the process for and invitation to nominate for the appointment of a Lord Mayor.

Risk Management

13. Failure to appoint a Lord Mayor in the second most traditional city outside of London could have a significant impact on the Council's reputation in terms of maintaining its civic heritage. It is important that an equitable and robust system is applied to the nomination process.

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	Report Approved	√	Date 9 November 2017
Wards Affected: All			√
For further information please contact the authors of the report			

Background Papers/Annexes: None



Executive

7 December 2017

Report of the Corporate Director of Health, Housing and Adult Social Care from the portfolio of the Executive Member for Adult Social Care and Health

A Further Phase of the Older Persons' Accommodation Programme: deciding the Future of Windsor House Older Persons' Home

This report will provide Members with the results of the consultation undertaken with the residents, relatives and staff of Windsor House residential care home to explore the option to close the home with current residents moving to alternative accommodation, and for Members to make a decision about whether to close Windsor House.

Should a decision to close the home be made, the report will also ask Executive to sanction the re-use of the site as the possible location for the Centre of Excellence for Disabled Children and their families, subject to the development of the business case and further engagement with stakeholders.

Recommendations

1. The Executive will be asked to:
 - a) Receive the outcome of the consultation undertaken with residents, family, carers and staff of Windsor House to explore the option to close the home with current residents moving to alternative accommodation.
 - b) Make a decision about whether to close Windsor House residential care home and, if a decision is made to close it, require that residents' moves to their new homes are carefully planned and managed in line with the Moving Homes Safely protocol.
 - c) Agree that the alternative uses of the Windsor House site, in total 0.45 acres, be examined in accordance with the revised Corporate Asset Strategy with one use being for the Centre for Excellence for Disabled Children and their families and, should this use not be feasible, for housing use and should this use not be possible, then for the site to be sold forthwith in order to generate a capital receipt to support the wider Older Persons' Accommodation Programme.

Background

2. York's older population is growing rapidly with the number of 75+ residents expected to increase by 50% by 2030. York does not currently have sufficient accommodation with care to cater for this rising population. Further, current supply is no longer fit for purpose, particularly Council run Older Persons' Homes (OPHs) which are outdated and lack modern facilities; for example, just 16 of the 105 bedrooms have en-suite facilities.
3. On 30 July 2015, the Council's Executive agreed detailed plans for Older People's Accommodation in the city. These plans seek to address the needs of York's ageing population, replacing the council's seven out-dated Older People's Homes with more modern accommodation.
4. One of the key aims of the plan is to maximise use of York's existing Sheltered Housing stock, converting some to Extra Care Housing and therefore making it more accessible for people with higher care needs by increasing the care and support available. We have re-named the Extra Care schemes the "Independent Living Service" (ILS). This will include increasing overnight care services and developing individual packages of care so people can remain independent in their own home. This work has begun: Auden House, Glen Lodge and Marjorie Waite Court Independent Living Services now have 24/7 care available. These changes allow a person with high care needs – including dementia - to live in these services as a viable alternative to residential care. Glen Lodge in November 2017 benefited from the opening of a 27 home extension, with facilities specifically designed for the needs of people with dementia.
5. The Older Persons' Accommodation Programme will provide accommodation to facilitate the replacement of the Council's remaining OPHs. Furthermore, it creates additional capacity in order to allow for population change. The provision of accommodation for those with high care needs is particularly important as it means that the needs of the increasing number of people with complex care needs including dementia can be met. The expected outcomes are listed in Table 1 below:

Table 1: Expected outcomes achieved by the Programme

Where	When	Total	High Care Needs	Medium Care Needs	Low Care Needs
Auden House Independent Living	Apr - 15	41	16	15	10

Where	When	Total	High Care Needs	Medium Care Needs	Low Care Needs
Glen Lodge ILS (existing)	Feb - 16	42	17	15	10
Marjorie Waite Court ILS	Q1 -17	42	17	15	10
Chocolate Works Care Home	Q2 -17	90	90		
Glen Lodge ILS (extension)	Nov - 17	27	20	4	3
Fordlands Care Home	Q1-19	64	64		
Carlton Tavern	Q1-19	74	74		
Burnholme Care Home	Q2-19	80	80		
New Lodge – Care Home	Q2 -19	46	46		
New Lodge - Independent Living	Q2-19	105	35	35	35
<i>Regency Mews ILS extension</i>	Q3-19	25	9	8	8
<i>Oakhaven ILS Scheme</i>	Q3 -19	56	24	16	16
<i>Marjorie Waite Court extension</i>	Q4-19	33	20	8	5
<i>Lowfield Green Care Home</i>	Q4-19	70	70		
<i>Green Lane Care Home</i>	Q4-19	66	66		
<i>New Haxby Hall Care Home</i>	2020	65	65		
TOTAL		926	713	116	97

Note: items marked in italics are subject to receipt of planning consent.

6. Westfield ward is well served with accommodation with care for older people, particularly given its demographic profile which is younger than other areas, with 169 units of accommodation with care, giving a rate 16 beds/homes per 100 people over 75 compared to a city wide average of 8. These numbers increase to 239 and an incidence of 22 per 100 over 75s when the plans for the new care home at Lowfield Green are taken into account.
7. The Older Persons' Accommodation Programme should also be seen in the context of our wider efforts to re-model the provision of care services and, in particular, our work with Health colleagues to modernise reablement services, align step-down and short stay provision and extend support for people living with dementia. In the last two years we have delivered a 26% increase in the support to older people to help them to continue to live independently in their own home.

The Context for the Consultation

8. Following the decision of Executive on 28th September 2017 to agree “that, this autumn, a six week period of consultation is undertaken with the residents, family, carers and staff of one of the Council’s Older Persons’ Homes to explore the option to close the home, with current residents moving to alternative accommodation and that a further report on the outcome of this consultation be received by Executive before a final decision to close is made and that this process is repeated in the first half of 2018 in respect of a further Council operated Older Persons’ Home” it was agreed that Windsor House on Ascot Way [Westfield ward] is the subject of this consultation on closure. The reasons for choosing this home are described in **Annex 1**.
9. Permanent residents of Windsor House have come from across the city – few are local to the area, as shown on the map in **Annex 2**. Similarly, their relatives also live across the city and further afield, as shown in **Annex 2**.
10. While half of residents have moved into Windsor House recently, the other half have been there for a longer period of time.

Moved in 2017 or 2016	Moved in 2015	Moved in 2014 or before
50%	0%	50%

The Consultation Process

11. It was agreed that we would follow the same approach to consultation and, subject to Member decision, closure, as was followed for other homes. For these homes we used the Moving Home Safely Protocol which proved to be appropriate and successful. It was reviewed and updated following its earlier. A copy is attached as **Annex 3**.
12. Residents, relatives and staff have been engaged in consultation. Each was invited to a meeting on 9th October 2017. Everyone received a letter giving more detail of the reasons why closure was being considered, setting out how the consultation would be conducted and informing them of when a response to the consultation will be received. Residents also received a copy of the Moving Homes Safely Protocol which was discussed at the meeting, and individuals were offered the support of an independent advocate, should they wish one, and were also informed that they could meet with their Ward Councillors if needed.
13. The consultation allows for the opportunity for each person who would

be affected by closure to talk on a one-on-one basis about the proposals. Vitally, each resident who had the capacity to do so was able to be consulted individually and face-to-face with a care manager. Residents had the option to have a family member or close friend present, and could request support from an independent advocate. At meetings we:

- a) Talked through and explained the proposals and discussed wishes.
 - b) Explained and explored the options that could be open to the resident should the closure be agreed. This is based on each individual resident's need and could include moving to Independent Living Extra Care accommodation or to an alternative care home.
 - c) Talked through the Moving Homes Safely protocol so residents are able to fully understand – and hopefully be reassured – by the process that would be followed should closure be agreed.
14. Residents and their family/friends were also able to respond to the consultation in writing. All communications with residents and family were recorded.

The Outcome of the Consultation

15. The consultation closed on 20th November 2017.
16. The response to the consultation has been calm. Residents and relatives have received the information and engaged in discussion of the issues and opportunities that the option to close presents. Residents were offered the opportunity to speak with their Ward Councillors as part of this consultation.
17. Several residents and relatives have already begun to look at new accommodation. Since the consultation begun some have chosen to move in order to meet their current care needs. By 20th November five residents will have moved leaving 17 permanent residents in the home. Each move has been undertaken in the clear knowledge that no decision has yet been taken to close the home.
18. An on-line petition was begun by the relative of a previous resident of Windsor House but has now been taken down.
19. One resident's family member was concerned regarding the process for consultation, the overall programme of change in accommodation with care for older people, and whether it is correct to only consult on one OPH at a time rather than the all homes. A meeting was held with this relative.

Residents and their relatives

20. Windsor House had the capacity to accommodate 27 residents. By the end of the consultation the home had 17 permanent and 3 temporary residents. The care home has 33 staff in total, the majority of who work part time.
21. The following engagements were made and/or responses received:

Residents and relatives	<p>21 letters inviting to October meeting sent to residents and relatives.</p> <p>18 courtesy calls made to relatives to inform of and discuss meeting.</p> <p>12 residents and their relatives attended the meeting on 9th October 2017.</p> <p>Each resident and relative given a copy of the Moving Homes Safely protocol.</p> <p>1 phone call received.</p> <p>1 email received.</p> <p>1 letter received.</p>
Staff	<p>Staff briefing attended by 21 members of staff.</p> <p>Each member of staff received a letter explaining the consultation process.</p> <p>Five drop in sessions ran from 16 October to 30 October and was attended by a total of 33 staff.</p> <p>No further comments were received during the consultation.</p>

22. Nine residents wished to meet and begin their review during the consultation period, thirteen wanted to wait until the Executive decision was made. Discussions with both residents and their relatives with the care home managers and review manager have been recorded. A significant number of residents do not have the capacity in terms of decision making to fully engage with the consultation process, and in these cases relatives have been contacted and discussions with them have taken place. Since the end of the consultation one resident has moved out and one is planning to move. These moves are in

accordance with their care plan and are undertaken in the full knowledge that no decision has yet been taken to close the home.

23. No direct comments from external parties were received during the consultation process.

Responses to the issues raised during consultation

24. Issue: Windsor House has recently been awarded a “Good” rating by the Care Quality Commission so why is the Council considering closing the home.

25. Response: The recognition of the good care delivered by staff at Windsor House is very welcomed and is celebrated. However, the building is no longer fit for purpose and it is for this reason that the home is being considered for closure.

26. Issue: Older, vulnerable, people who are living with dementia being moved to an unfamiliar environment.

27. Response: Moving to an unfamiliar environment, where they might not necessarily know anyone, can understandably be a stressful and difficult time for residents. To help cope with moves such as this the council in 2011 developed and adopted the Moving Homes Safely protocol in order to minimise stress to residents where possible. The protocol’s most recent iteration was developed in summer 2016. One addition to the protocol is a new handover check list for care staff to follow to ensure a smooth transition to the new home. As part of this additional task, residents will be visited by staff that they are familiar with in their new care homes within the first month of their move. This will help them to express any concerns they have regarding their new home with a familiar face, this will hopefully help to alleviate any stress of being moved to an unfamiliar environment.

28. Issue: Residents like the home, its location and facilities and don’t want/need en-suite bathroom facilities.

29. Response: We recognise that existing residents choose to live at Windsor House and therefore value its facilities and accept the limitations of the building including the lack of ensuite facilities, narrow corridors and limited social space. However, modern care standards require better ease of movement around a care home, particularly for those with bariatric care needs, a range of social spaces and ensuite toileting facilities. Older people also expect these and are increasingly unwilling to share toilet and bathroom facilities. The Programme is designed to deliver improved care homes for the current and future generation of older people.

30. Issue: Residents and relatives expressed some concern about searching for alternative care.
31. Response: Each resident will have a one-on-one review with the review manager, which their relatives or close friends will be able to attend with them. During this meeting their future care needs and the move can be discussed. The review manager will be able to assist with providing vacancy lists for City of York Council contracted beds in other care homes within York. Residents currently have a monthly review and these sessions can be used to try and anticipate their future care needs to reduce the risk that the residents will need to move again in the future. Residents will not be rushed throughout this process and will be able to complete it within their own time.
32. Issue: The choice of accommodation available.
33. Response: There are a range of options for new accommodation available to residents, and the review manager either has or will work through and discuss these options with each resident to allow them and their relatives to come to a conclusion on where they move to. This will take into account each individual resident's needs. Some residents will be able to move to a nursing care home, which the council cannot provide ourselves, giving them the opportunity to have access to a higher level of care that better deals with their needs. Other residents may perhaps feel they can move into Independent Living Extra Care, a number of which are council run, giving them an option for greater independence. The council-run residential care home Haxby Hall remains an option for residents.
34. Issue: The cost of new accommodation available.
35. Response: When the Council funds a care bed on behalf of a resident who is assessed as being eligible for support, we seek to buy the most appropriate bed to meet their needs, at the best price. Our Actual Cost of Care bed rate guides these discussions. The resident only pays what they can afford with this determined by a nationally agreed calculation of need. For customers who fund their own care, we can assist in them finding a suitable home but the cost of that care remains their responsibility until they, too, become eligible for local authority financial support.
36. Issue: The suitability for Independent Living Extra Care accommodation for people living with dementia.
37. Response: Independent Living Extra Care accommodation can provide an appropriate, stimulating and safe home for people living with dementia. National research and local experience proves this point.

However, any move to council-supported Independent Living Extra Care accommodation is accompanied by a thorough review of care needs and the suitability of that accommodation to help meet those needs.

38. Issue: The approach to consultation and, specifically, why all homes were not the subject of consultation on the option to close at the same time.
39. Response: A wide community of interest has been engaged in the development of the Older Persons' Accommodation Programme. During this engagement it was identified that an incremental approach to consultation and, subject to the outcome of that consultation, closure, would be best for each home and its residents and for the care system overall.
40. Issue: The timing of availability for new accommodation and its impact upon the care market in York.
41. Response: As stated above, some new accommodation has already been provided and more is scheduled in the next two years. Planning consent is in place for three new care homes with construction on two scheduled to begin in Q1 2018 with completion in 2019.
42. To date, the impact of change upon the care market in York has been benign, as illustrated in section entitled "The operation of the care market in York", below.

Staff concerns

43. Discussions with staff will continue.
44. Windsor House has 29 members of staff (4 staff have left during the consultation) the majority of who work part-time. Staff were informed of the consultation on closure and its implications at a staff briefing held on 9 October 2017. Five drop in sessions were also held throughout the consultation period for staff members to discuss these issues, and a letter with guidance was delivered to each individual member of staff. In accordance with Council policy, members of staff will be assessed for redeployment to other teams – this is particularly viable with the opening of Glen Lodge – or voluntary redundancy.
45. Should a decision to close be made, a dedicated resource from the Workforce Development Unit would work one day per week with individual staff to tailor training and support to ensure staff are up-skilled and competent in their role moving forward. This includes ensuring there is a benchmark for all staff to achieve i.e. NVQ Level 2 in care.

Courses relating to change management and development are an integral part of this.

Windsor House Transition Plan

46. Should the decision be made to close Windsor House, we have assessed what a likely transition plan would look like.
47. There are currently 17 permanent residents at Windsor House as at the time of writing. Should Members decide to close the home, individuals will be moved following a robust assessment in line with the Moving Homes Safely Protocol within a timescale which suits the needs of the resident and their families. The remaining reviews will take place in the next 4 weeks.
48. Of the 17 permanent residents at Windsor House, 2 have a low dependency score, 12 a medium score and 3 are assessed as having high dependency.
49. There is currently a good supply of alternative accommodation options available including Glen Lodge.

The future use of the Windsor House site

50. Should Windsor House close, the site could be redeveloped as the location for the Centre of Excellence for Disabled Children and their Families, for housing or sold, with the capital receipt helping to fund the wider Older Persons' Accommodation Programme and so benefit more older persons in the city.
51. One option, should it be feasible, is to house the Centre of Excellence for Disabled Children and their families on the Windsor House site, should it become vacant. This new building and provision will provide:
 - **Safe, accessible space** for children, young people and families to meet and work with all the different professionals that provide them with services and offer them support.
 - **A range of support services** to enable children to remain in their families in the community.
 - **Flexible short break provision** to meet the needs of children and young people with Autism, Learning Disabilities and/or additional health needs
 - **Family Intervention Rapid Support Team (FIRST) and Therapeutic Short Breaks** a specialist Clinical Psychology led intensive assessment and intervention service for families with

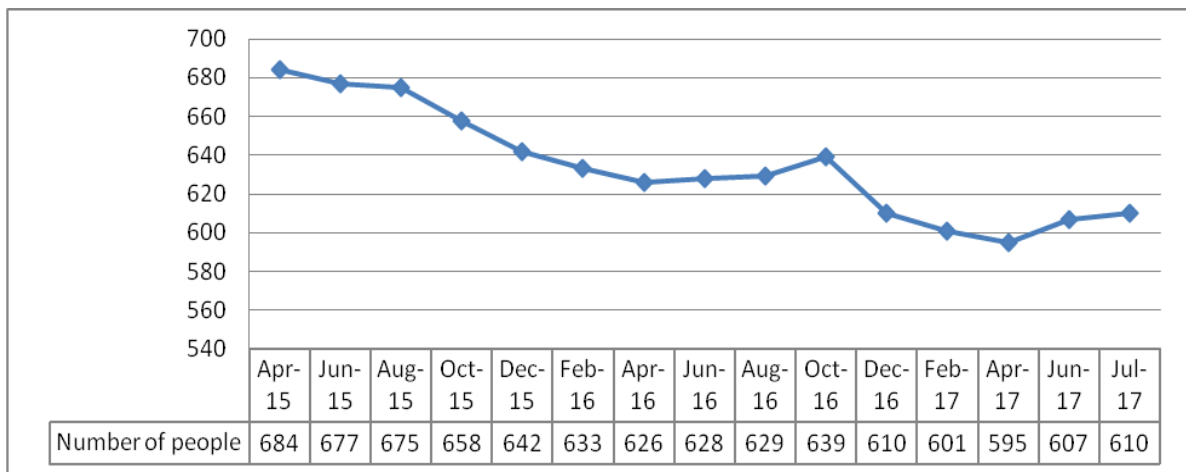
children and young people who have autism and learning disability and challenging behaviour which affects their ability to live in the local community.

52. The Centre of Excellence is part of the wider development of services for disabled children and young people across the city and provides the Council with an opportunity to:
- a) Invest capital in developing a 'Centre of Excellence for Disabled Children' which has the potential to be a leader in innovative practice both regionally and nationally.
 - b) Make York Home for more disabled children and young people by reducing Out of Area placements.
 - c) Develop and invest in service provision in order to generate future savings and income generating potential.
 - d) Deliver better outcomes for disabled children and young people including those with the most complex needs.
53. Work is currently being undertaken to assess the quantity of land needed for the Centre of Excellence. This work is incorporating exploring the benefits of developing shared external space, amenities and facilities with the Hob Oaks Moor School which is adjacent to the Windsor house site.

The operation of the care market in York

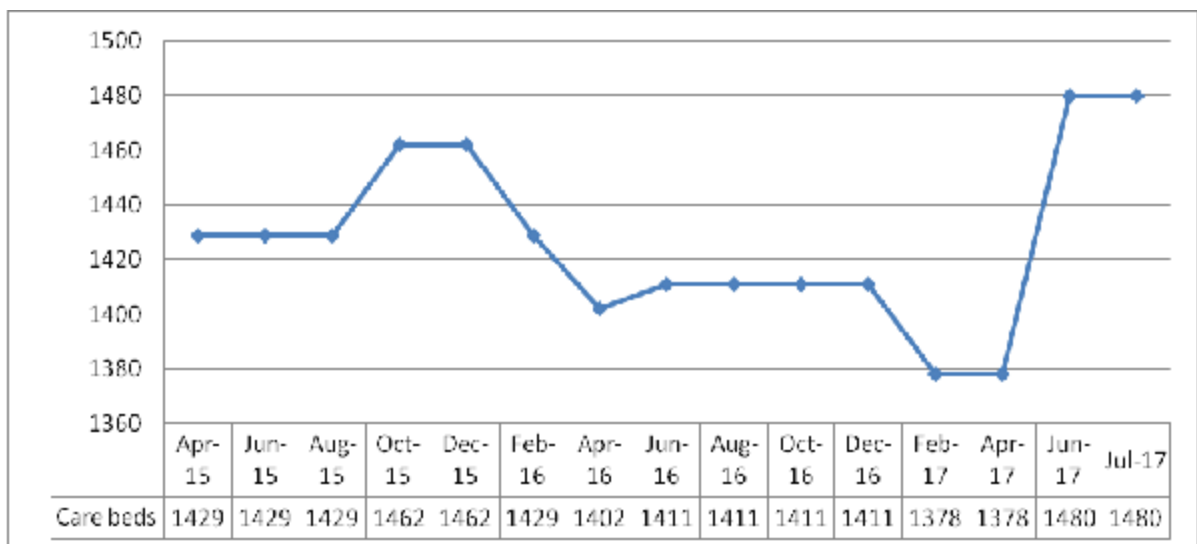
54. As the Programme has progressed, and as we continue to drive to support people to living independently in their own home as an alternative to nursing and residential care, we have seen a slow but steady reduction in the number of older people who are supported by the Council to live in permanent residential and nursing care, as shown in Table 2.

Table 2: Numbers of people in permanent residential and nursing care funded by the council, both CYC provision and independent sector (Snapshot at month end)



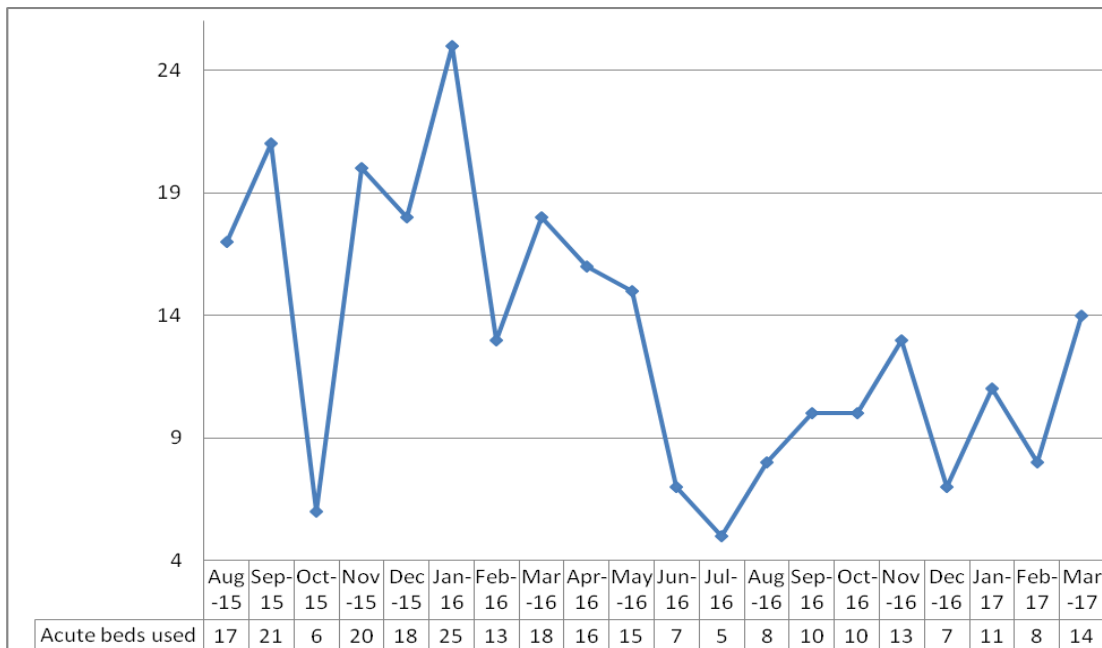
55. At the same time, the total number of care beds available for use in the city has initially fallen (as Council-run homes are closed) and is now beginning to increase as new provision, such as The Chocolate Works, is brought into use, as Table 3 shows.

Table 3: Care beds available for use



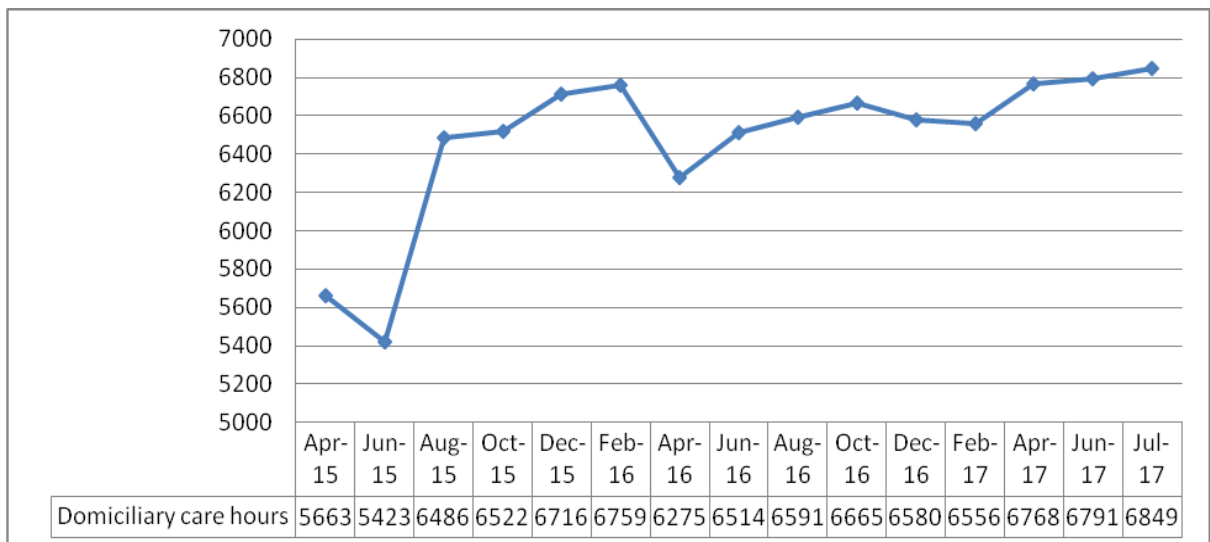
56. The changes in the number of residential care beds over the same period and including the closure of Grove House, Oakhaven and Willow House, does not appear to have had a detrimental effect upon the number of people awaiting discharge from hospital, as the graph in Table 4 shows.

Table 4: Numbers in acute hospital beds occupied by someone “awaiting discharge” (Snapshot on last Thursday of month)



57. Finally, we see from the trend in use of domiciliary care over the same time period that more activity is recorded, suggesting that those with higher care needs are being helped to continue to live independently at home, as Table 5 shows.

Table 5: Net change in domiciliary care hours



Consultation

- 58. The portfolio holder for Adult Social Care and Health is responsible for this Programme and will receive regular briefings and updates on its progress to ensure that it is delivered in a timely and effective manner.
- 59. Ward Members have been briefed and kept informed.

60. Briefings have also been offered to the Central York MP.
61. The Health and Adult Social Care Policy and Scrutiny Committee will scrutinise delivery of this Programme and assess and monitor its impact upon the health and social care services in the city.
62. The Health and Wellbeing Board will also be kept informed.
63. We have followed the approach that has served us well when previously consulting on the potential to close OPHs: delivering sensitive messages in a careful, well managed sequence:
 - a) Briefing key external stakeholders who have been actively involved to date (e.g. Age UK York and York Older People's Assembly).
 - b) Briefing OPH Managers/staff & Care Management colleagues.
 - c) Updating OPH residents/relatives.
 - d) Updating all other stakeholders, including NHS commissioner and provider organisations.
 - e) Media briefing.

Council Plan 2015-2019

64. The Programme is set in the context of the Council Plan for 2015-19 and will contribute to achieving its ambitions. Based on our statutory responsibilities and the aims of the new administration, the plan focuses on three key priorities:
 - a prosperous city for all - where local businesses can thrive and residents have good quality jobs, housing and opportunities
 - a focus on frontline services - to ensure all residents, particularly the least advantaged, can access reliable services and community facilities
 - a council that listens to residents - to ensure it delivers the services they want and works in partnership with local communities
65. To support these corporate priorities and under the guidance of the Health & Wellbeing Board, York has developed proposals to achieve a new focus for adult health and social care which delivers:
 - a) self care and self management;
 - b) better information and signposting;
 - c) home is best;

- d) early intervention and prevention;
- e) reablement and intermediate care (targeted resources);
- f) managing long term conditions; and
- g) delivering services at a community level where this is desired and possible;
- h) to reduce loneliness and increase social interaction amongst older persons and their communities;
- i) that York becomes a dementia friendly environment.

IMPLICATIONS

Balancing Competing Priorities

66. In order to make a decision on the future of the residential homes, members must take into account a number of factors. The following is a summary of matters which Members are asked to consider:
- The views expressed in the consultation process by participants including residents of Windsor House and their relatives, staff working at Windsor House and their union representatives and members of the Older Persons' Accommodation Programme reference group including Age Uk and York Older Persons' Assembly.
 - Legal responsibilities such as those pertaining to the Human Rights Act and Equality Act. A copy of the Equality Impact Assessment dated 14th August 2017 is attached at **Annex 4**.
 - Potential impact on residents and families.
 - Financial impact on the authority and its Council Tax payers.
 - Responsibilities to staff.
 - Future demand and needs as expressed through commissioning strategies.
 - Research and knowledge about demand for older people's accommodation.
 - Central Government policies, directives and financial targets.
 - Value for money in service delivery.
 - Current standards of care.

- Supply and demand for residential care in City of York
- Occupancy levels of each home.
- The estimated cost of maintaining or improving the buildings.
- The availability of alternative provision.
- The service development opportunities in that location.

67. All these issues have been considered extensively in the work to date on this Programme and covered in the reports to Executive on the matter and listed at the end of this report.

Equalities

68. In considering this matter the Council must have regard to the public sector equality duty. In summary, those subject to the equality duty must, in the exercise of their functions, have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equalities Act 2010.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.

69. The Equalities Act 2010 explains that having due regard for advancing equality involves:

- Removing or minimising disadvantages suffered by people due to their protected characteristics.
- Taking steps to meet the needs of people from protected groups where these are different from the needs of other people.
- Encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low

70. An Equality Impact Assessment for the Older Persons' Accommodation Programme was produced for the 15 May 2012 Executive Report and was reviewed and most recently updated in August 2017. It particularly highlighted the potential implications of the programme for the health, security and wellbeing of frail residents and also female members of staff who are older and also carers themselves.

71. The Equality Impact Assessment for the Older Persons' Accommodation Programme has been further reviewed and updated in November 2017 to take account of the specific circumstances at Windsor House and the following additional considerations addressed:
- a) The 'Moving Homes Safely' Protocol that was originally developed in 2012, has been continuously reviewed and updated and will be implemented should the decision to close the home be taken. The protocol, which is provided to residents and their relatives, outlines what will happen at each stage of the closure to ensure that the process is clear. It has been used successfully to guide the closures of Fordlands, Oliver House, Oakhaven, Grove House, Willow House and Woolnough House care homes.
 - b) The project team will continue to work with OPH managers, staff, trade unions and Human Resources to ensure a fair and transparent process for staff should the decision be taken to close Windsor House. The majority of staff will be able to transfer to a new OPH or take voluntary redundancy. A formal consultation with staff will take place should the home be subject to closure.
72. The Equality Impact Assessment for the Older Persons' Accommodation Programme dated 21 November 2017 is attached as **Annex 4**.
73. An OPH Wider Reference Group has been established to act as a sounding board for the development of plans as the implementation of the Programme unfolds. The project team also continues to use established channels to communicate with, and gather the views of, OPH managers and staff, care management staff and Health colleagues.

Financial

74. The annual net cost of running Windsor House is £551,000 per year.
75. Should some customers require it, provision has been made to fund care beds in the independent sector. Provision has also been made to fund the cost of staff change.
76. Overall, the Older Persons' Accommodation Programme is forecast to deliver an annual recurring savings of £553k by 2019/20.
77. The capital receipts anticipated from a possible sale of Windsor House will be used to fund the wider Programme.
78. It is estimated that, should the decision be made to not to close or delay the closure Windsor House the authority will incur an additional monthly cost to the Programme of £46,000.

Legal

79. The consideration of the closure of existing council run OPHs should follow a clear and consultative path. There are a number of potential challenges to local authorities during the process of closing OPHs which have been considered. Previous advice is held and has been updated by specialist legal colleagues. This advice includes an examination of the application of the Human Rights Act and the Equality Act. The Equality Act considerations are highlighted in preceding paragraphs. A decision to close the home might impinge on the human rights of residents. In particular the right to respect for private and family life and, in some circumstances, the right to life. The right to respect for private and family life is not an absolute right and proportionate interference can be justified on public interest considerations. These include economic grounds, protecting the rights and freedoms of other people and protecting health. By following the Moving Home Safely process the Council will minimise any risk to residents.
80. Legal advice has been sought and has guided the approach to consultation and the wording of letters.

Human Resources

81. HR held a number of drop-in sessions for staff based at Windsor House. The closure of the home can be achieved via a combination of re-deployment, vacancy management and voluntary redundancy.

Property Services

82. Windsor House was built in the late 1960s as a purpose build care home. It has been kept in good repair but the changing care needs of residents' means that it is no longer fit for purpose.
83. Windsor House sits on a 0.45 acre site in a residential street close to both local authority rented and privately owned housing. It backs on to Hob Moor Oaks School and is next to Lincoln Court sheltered housing scheme. Windsor House shares mechanical and electrical services with Lincoln Court. The boiler for Lincoln Court is in the basement of Windsor House and the water header tank for Windsor House is in the attic of Lincoln Court.
84. Should a decision be made to close Windsor House then the boiler that serves Lincoln Court would need to be relocated and replaced, at an estimated cost of c£100,000. Other maintenance and investment needs prompt an investment review for this building including **potential** re-modelling to ensure its longer term future **supporting** independent living for older people in this area.

85. If members decide to close the care home the future use of this site will be decided in accordance with the Corporate Asset Strategy. The Strategy has already identified that the site could, potentially, make a good location for the Centre for Excellence for Disabled Children & their families and this option is being pursued via the business case for the Centre. The site would also make a good housing development site.
86. However, should no relevant use be identified for the site then it should be sold for its capital receipt with this being used to further the objectives of the Older Persons' Accommodation Programme. Windsor House is currently valued by our external advisers at £300,000.

Better Decision Making Tool

87. This matter forms part of an existing project agreed by Executive and which has been the subject of extensive scrutiny of the Business Plans and Equality Impacts and, therefore, a Better Decision Making Toolkit form has not been prepared.

Other Implications

88. There are no other implications arising from this report.

RISKS

89. The process of closure of care homes, should that be the decision made, has risks associated with it; these have been identified, will be kept under review and will be carefully managed. However, because the authority has done this before, and followed a similar process, it is believed that these risks are manageable.

ref	Risk	Mitigating Action
a)	Options for accommodation for older people do not match the expectations and aspirations of current residents.	A wide range of options are made available and current residents are supported to assess these against their needs and wishes.
b)	Those with high care needs and their carers/advisers/assessors do not recognise Extra Care accommodation as suitable because there are limited examples in York of this type of accommodation and the care pathways are unclear.	A dedicated care manager will work with residents to explore with them and their relatives how Extra Care operates, how it can be a flexible model for those with high care needs and how it operates elsewhere as a viable alternative to residential care.
c)	The Windsor House site does	Work closely with partners & the

ref	Risk	Mitigating Action
	not realise the anticipated level of capital receipt included in the financial model.	Council property team to maximise the capital receipt including open marketing and a competitive bidding process.
d)	Insufficient funding to deliver all elements of the project.	The Programme financial model is regularly reviewed and is expected to deliver both its revenue and capital targets.
e)	Title / related property issues, incorrect procurement of capital works and/or development.	Applying due diligence to ensure Council's normal approach to the disposal of land, procurement of capital works and/or a development partner is applied.
f)	Risk of the new developments/deals driving up the price the Council pays to external residential care providers	Undertaking negotiations with Independent providers. Actual Price for Care rates agreed and is proving to be at a level to secure beds.
g)	Loss of OPH staff morale leading to negative impact on service provided to existing OPH residents	Maintain staff morale and focus through regular, open and honest briefings/updates; engagement through OPH Managers and staff groups; investment in staff training, support & development.
h)	The cost of any associated redundancy is greater than estimated.	The financial model has been "stress tested" to assess the impact of a 50% increase in the cost of staff change and is still viable. Staff change will be managed carefully in order to minimise cost and legal risks.
i)	Challenge and negative publicity from existing OPH residents and relatives, OPH staff/TUs, other stakeholders, opposition parties, wider public	Development of well planned Communications approach through briefings to Residents and relative, Executive, group leaders, TUs, OPH Management & Staff, OPH Review Wider Ref

ref	Risk	Mitigating Action
		Group, Media.

End

Contact Details

Author:	Chief Officer responsible for the report:		
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	Report Approved	✓	Date 24 th November 2017
Specialist Implications Officer(s) Legal – Cathryn Moore (Ext 6006) and Melanie Perara (Ext 1087) Finance – Debbie Mitchell (Ext 4161) and Steve Tait (Ext 4065) Property – Tim Bradley (Ext 3355) and Ian Asher (Ext 3379)			
Wards Affected: Westfield			
For further information please contact the authors of the report			

Annex 1 - How have we decided which homes should be the first to be consulted on closure?

Annex 2 - Maps showing previous addresses of residents and current addresses of relatives

Annex 3 – The Moving Homes Safely Protocol

Annex 4 - Equality Impact Assessment

Plan of the Windsor House Site

Abbreviations:

CQC – Care Quality Commission

ILS – Independent Living Service

NHS – National Health Service

OPH – Older Persons' Home, previously referred to as – Elderly Persons' Homes

TUPE - Transfer of Undertakings (Protection of Employment) Regulations

2006, as amended by the 2014 amendment regulations

Background Papers:

19 July 2011	Report to Executive giving formal approval for the commencement of the Programme.
1 Nov 2011	Report to Executive giving the results of consultation and proposed a programme of closures, supported by a further consultation period on proposed closures of Oliver House and Fordlands.
10 Jan 2012	Report to Executive authorising consultation with staff, residents and their families and carers on proposal to close Fordlands and Oliver House, including changes to day care services as a result. Recommendation to close Fordlands and Oliver House.
15 May 2012	Report to Executive noting the successful homes closure and transition for residents
4 June 2013	Report to Executive seeking agreement on modernisation programme. The Council to fund the building of the two new care homes and so retain ultimate ownership of the buildings and the land with care homes designed, built, operated and maintained by an external provider.
3 Mar 2015	Report to Executive seeking approval of revised proposals based on creating new Extra Care Housing and reforming the Council's existing ECH stock; building a new care home on the Burnholme site as part of wider health and community facilities; and working more closely with current care providers to deliver more specialist dementia accommodation across the city.
30 July 2015	Report to Executive seeking approval of the Business Case for the Older Persons' Accommodation Programme and agreement to proceed.
29 Oct 2015	Report to Executive providing the results of the consultation undertaken with the residents, relatives and staff of Grove House and Oakhaven residential care homes to explore the option to close each home with current residents moving to alternative accommodation. Executive agreed to close Grove House and Oakhaven.
29 Oct 2015	Report to Executive regarding securing a viable future for the Burnholme school site in Heworth ward. Following extensive public consultation Members agreed to sanction further work to identify partners to progress the continued community and sports use of the site, complemented with wider health and enterprise services, the building and operation of a residential care home for older people and the provision of housing.
19 May 2016	Report to Executive that obtained consent to begin to deliver the Burnholme Health & Wellbeing Campus and secure a viable

	future for the former Burnholme Community College site (the Site) in Heworth ward.
14 July 2016	Report to Executive by the Director of Adult Social Care. Agreement to move forward with examination of the development potential for Lowfield, alternatives to closure of Haxby Hall and sanction to consult on the closure of a further two older persons' homes.
28 th Sept 2016	Report to the Audit & Governance Committee by the Programme Director, Older Persons' Accommodation, providing an update on progress of the Programme and actions taken to address External Audit recommendations.
24 th Nov 2016	Report to Executive by the Corporate Director of Health, Housing and Adult Social Care. The Executive received the results of the consultation undertaken with the residents, relatives and staff of Willow House residential care homes to explore the option to close the home with current residents moving to alternative accommodation, and agreement to close Willow House and sell the site.
7 th Dec 2016	Report to Executive by the Corporate Director of Health, Housing and Adult Social Care. The report obtained consent to complete the next phase of delivery of the Burnholme Health & Wellbeing Campus including sanction for the investment of £4.73m in new and refurbished community and library facilities, subject to Department for Education (DfE) approval to dispose of redundant land, as well as £200,000 in urgent repairs and works to the sports facilities on site.
9th Feb 2017	Report to Executive by the Corporate Director of Health, Housing and Adult Social Care. The Executive agreed to sell the site of the former Fordlands Road older persons' home to Octopus Healthcare who propose to develop a residential and nursing care home on the site.
16 th March 2017	Report to Executive by the Corporate Director of Health, Housing and Adult Social Care. The Executive received an update on progress made towards delivering health & wellbeing services at Burnholme and agreed to enter into a long lease with a care home developer over a portion of the Burnholme Health & Wellbeing Campus site. Executive also agreed to enter into a head lease over the Community & Library facilities and the disposal of the Tang Hall Library site.
16 th March 2017	Report to Executive by the Corporate Director of Health, Housing and Adult Social Care. The Executive received an update on progress made towards delivering an Extra Care facility at Oakhaven on Acomb Road. Executive agreed to sell the Oakhaven site to an Extra Care developer. As part of this

	procurement the Council will secure nomination rights to 25 affordable rented and discount sale apartments.
31 st August 2017	Report to Executive by the Corporate Director of Health, Housing and Adult Social Care. The Executive received the results of the consultation undertaken with the residents, relatives and staff of Woolnough House residential care homes to explore the option to close the home with current residents moving to alternative accommodation, and agreed to close Willow House and the site be examined in accordance with the revised Corporate Asset Strategy and should it be concluded that sale is the preferred option that it be sold forthwith in order to generate a capital receipt to support the wider Older Persons' Accommodation Programme.
31 st August 2017	Report to Executive by the Corporate Director of Health, Housing and Adult Social Care and the Corporate Director of Children, Education and Communities. Executive received information on the outcome of public consultation concerning the future of Burton Stone Lane Community Centre and agreed to confirm its closure and approve investment into the provision of a 33 home extension to Marjorie Waite Court Extra scheme to provide accommodation for older people and new community facilities.
28 th September 2017	Report to Executive by the Corporate Director of Health, Housing and Adult Social Care and the Corporate Director of Children, Education and Communities. The Executive received information that demonstrated the progress of the Older Person's Accommodation Programme towards delivering over 900 new units of accommodation with care for older people. The Executive gave consent to undertake consultation on the option to close two further Council run older persons' homes.

Annex 1 – How have we decided which homes should be the next to be consulted on closure?

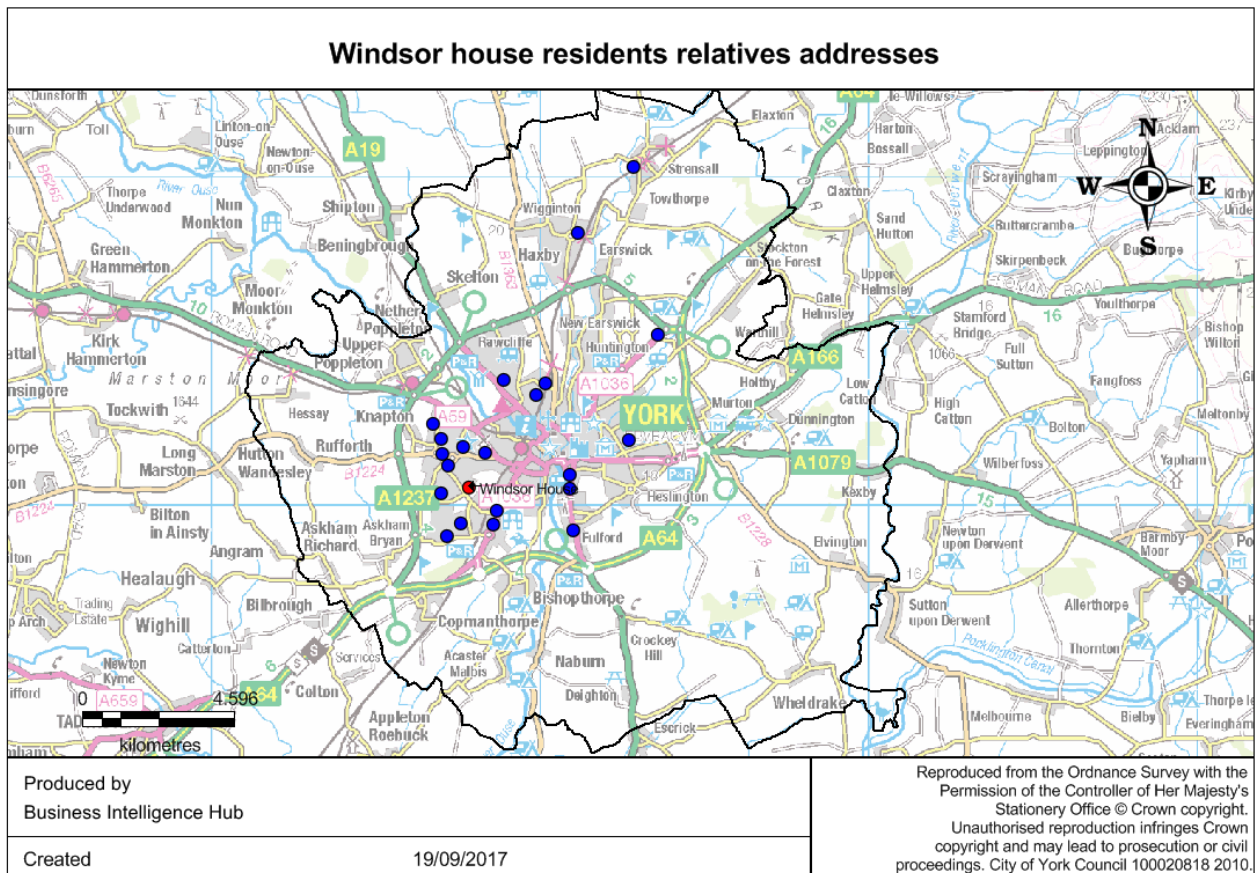
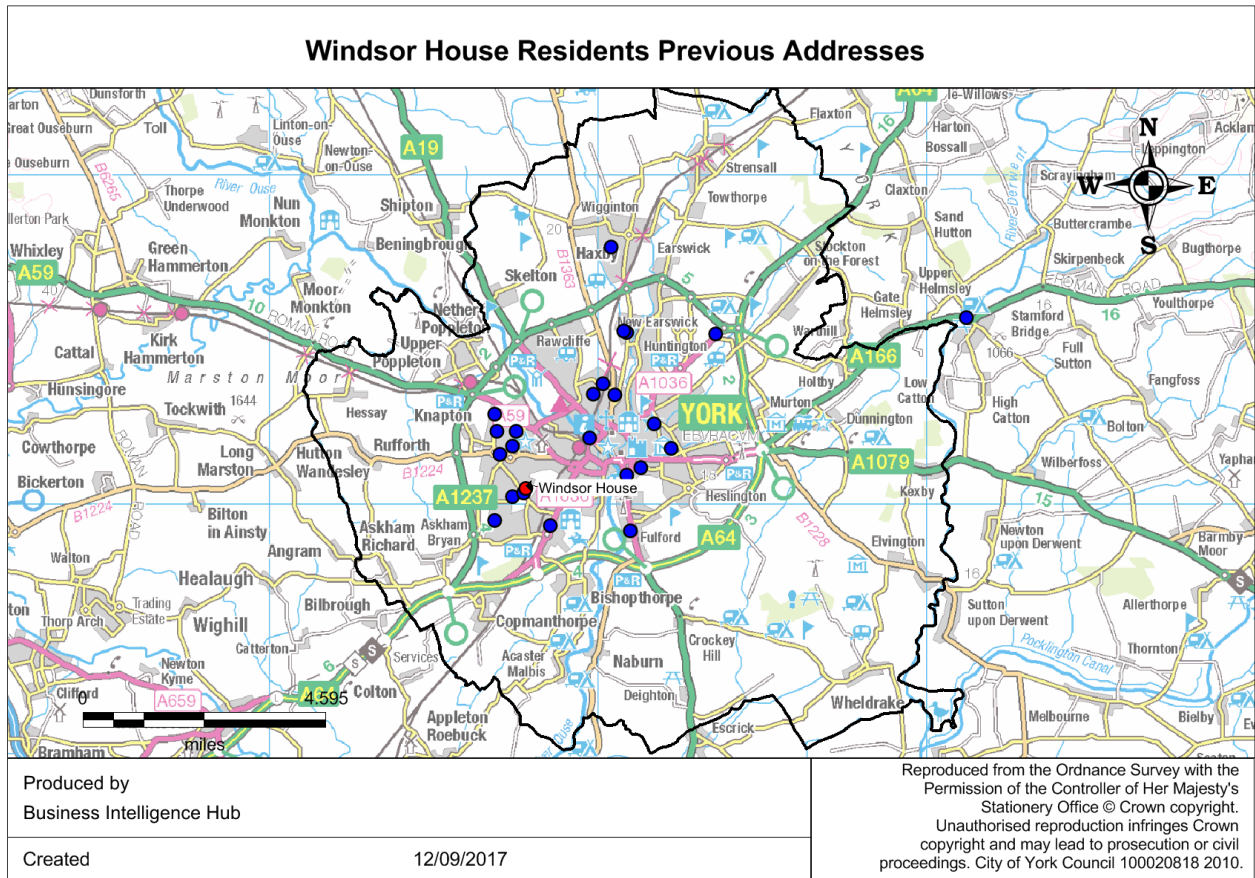
1. The criteria for deciding which should be the next are:
 - a. the presence of serious physical or other building related problems which, if they cannot be addressed in a cost-effective manner, would impact on the quality of care provided to residents;
 - b. the potential alternative uses for the OPH site in order to deliver the wider Older Persons' Accommodation Programme;
 - c. whether a home accommodates a resident who has already been moved from another Council run OPH which was the subject of closure; and
 - d. the size of the home, with the smaller homes struggling to provide a cost-efficient service to residents.
2. These are the criteria which were applied and that guided the decision to consult residents, relatives and staff at Grove House, Oakhaven, Willow House and Woolnough House.
3. Applying these criteria to the remaining two homes we find that:
 - a. None of the homes are known to have serious physical or building related problems. However, we spend more on repairs and maintenance each year on Windsor House than we do at Morrell House, and Windsor House has only one ensuite bedroom compared to the eight at Morrell House.
 - b. None of the have strong potential for alternative uses for the current site although Windsor House is a good location for the proposed Centre for Excellence for Disabled Children & their families.
 - c. One resident living at Morrell House previously lived in another Council run care home.
 - d. Both Morrell & Windsor House have a similar number of bedrooms but Windsor House has the smaller number of permanent residents.

OPH	Residents (permanent)	Ward	No Physical Problems	Alternative Programme Uses	Residents who have moved previously
Morrell House	29 (at time assessed 29 perm)	Clifton	✓	x	✓
Windsor House	27 (at time assessed 26 perm)	Westfield	✓	x	x

Note: ✓ means that the selection criteria is positive and therefore applies

4. Reviewing this information in the round it was agreed that we identify **Windsor House** as the next home to be the subject of consultation on closure because it has the smallest number of permanent residents and physically is the least attractive of the two. Windsor House provides care to some residents living with dementia and it is hoped that, should the decision be made to close the home, some of these residents may choose to move to the new dementia friendly Independent Living Extra Care accommodation.

Annex 2 – Maps showing previous addresses of residents and current addresses of relatives



Annex 3 – The Moving Homes Safely Protocol



A Protocol/Residents Guide For

Moving Home Safely
How City of York Council
Will ensure residents move safely
When faced with a planned care home
closure

**How City of York Council will support the residents of care homes
which are facing planned closure**

CONTENTS

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Purpose of this document

This document describes the process that will be followed when a registered care home, run by the council, faces planned closure, and its residents need to be re-assessed and moved to a new home. In developing this protocol we have considered the evaluation undertaken by York St. John University of the initial Moving Homes safely Protocol, guidance from the Department of Health, Association of Directors of Adult Social services (ADASS), CQC, and Southwark Council Care Home Closure Protocol.

Once we know that a home is expected to close we will make sure we tell you, and your representative as soon as we can. We know this will be worrying news for everyone concerned, and so we will make sure we tell you in a way which gives you as much support as possible. We will explain things clearly and simply. We will involve families and friends, or appointed advocate, and we will ensure that you know who to speak to if you have any questions.

Following this, there are four main stages within the process:

- Stage 1 – Re-assessment
- Stage 2 – Choosing a new home (this includes all accommodation as detailed on page 9)
- Stage 3 – Moving safely to a new home
- Stage 4 – Reviewing the move.

This document outlines what will happen at each stage of the process, and who will be involved in supporting you (the resident) along the way.

We recognise that moving home can be a stressful event for anyone. The aim of this document is to help reassure you and your family and friends that

we plan to do everything possible to ensure that your move to a new home is well planned and carefully managed. You will be involved in all aspects of the decision as to where you move.

Basic principles underpinning the process

There may be some occasions where a decision has to be made urgently but if we have to decide to close a home we will, wherever possible, consult with residents and representatives before a decision is taken.

We will make you aware of the reasons why a move is necessary.

We will review your needs (where necessary a full reassessment may be carried out) and planning your move to a new home we will ensure that:

- Your wishes, preferences and hopes are identified and considered.
- Your current support needs are taken into account, and that changing or future support needs are also considered.
- Discussions are conducted in your preferred language and in a way that suits you.
- You can have support from your family and friends and/or an independent advocate to support you if you wish (we talk more about advocates on page 6).
- All available options will be fully shared with you – we will be open and

honest about the reasons if any preferred option is not available.

- Your review will be timely, efficient and comprehensive and will be carried out in a sensitive way.
- You will be kept up to date with what is happening.

Stage 1 –Re-assessment

A Review manager will lead the process to review and reassess your needs and help you move to a new home. Where a full reassessment is needed a social worker will be involved.

The allocated Review Manager will co-ordinate your re-assessment and support planning. The Review Manager will work with you and with a number of other people and professionals, for example:

- Your family and friends
- An independent advocate
- Care Home Manager (Manager registered with the Care Quality Commission)
- Care home staff – and especially your key worker
- Health Care Professionals
- Social Worker

You will have a detailed review and reassessment of your care and support needs.

The manager in your current home will highlight any areas of support where you may have specialist needs or be vulnerable.

The manager and staff in your current care home know you well and will be heavily involved in supporting you through the whole process of re-assessment, choosing your new home, and moving into it.

Advocacy is a very important part of the moving home process. You may be happy for a friend, family member, or an organisation who knows you to help

you to think about what the move means for you. If you do want more advice and support you and your family/friends will have access to independent information, support and advocacy services. Here are some examples of advocacy services.

- York Advocacy is a local advocacy service, which offers support to people who are able to make their own choices but may find it helpful to have someone to talk things over with.
- Older Citizens Advocacy York-support for older people.
- Cloverleaf is a specialist advocacy service for people who may not have the mental capacity to make a reasoned choice, or anyone who is able to act on their behalf. An IMCA (Independent Mental Capacity Advocate) will be appointed to talk to the person and to try and understand what their views may be and how their wishes for the future can be met. An IMCA is also appointed where there is a potential disagreement between the local authority and the person acting on your behalf. In these instances, a Best Interest Meeting is held to capture everyone's opinions and views and to resolve any issues.
- Older Citizens Advocacy York-support for older people
- Deprivation of Liberties Safeguards (DoLS) - Residents who do not have the mental capacity to consent to their care and accommodation arrangements must be considered for DoLS by the home before they move. The home applies to CYC and a Best Interest Assessor and Mental Health Assessor will be allocated to assess them against the DoLS criteria. This will be authorised (if appropriate) by CYC.

- If you want help contacting an advocacy organisation, or another organisation that you would trust to help you, we will help you to do this. Please let either your Review Manager, or a member of staff know.

Life Profile. Many care homes already complete a 'This is me profile' with each resident as a means of recording personal aspects of your life. The content is decided by you and can include such things as a personal history, likes and dislikes, relationships, education, memories, and interests and photographs both past and present. This profile can go you when you move. A member of staff at your current care home, probably your key worker, will work with you to ensure that you have such a profile and that it is fully up to date before your move.

*Social care assessment and Support Plan record. **The Review manager will complete a social care assessment and Support plan record - which represents the assessment information collected from yourself, the care staff, and any family members / friends and will reflect your care and support needs prior to your move to a new home. This will be shared with yourselves and the home – if you are in agreement. You will also have an opportunity to meet staff from your new location who will also gather information regarding your care and support needs.***

Stage 2 – Choosing a new home

It is important for you to feel that you have choice and control over your future home and support arrangements. This means making sure that you are able to:-

- Consider all available options
- Make a positive choice about which future support service you prefer

The options for you to consider will include: –

- Another registered residential or nursing care home in York or in an area nearer family and friends.

Some people may want to think about other options that can increasingly help people live with support in their own homes. If you are interested in thinking about other options these may include:

- Extra Care Housing, where you would have your own apartment with on site support and a flexible care team for residents
- Sheltered Accommodation with monitoring & support available
- Independent/supported living
- Living with family and others.

If you have friends in your current care home that you would ideally like to move with, it is important to discuss this with them and your Review Manager as you explore the various options. If you have a pet that you would like to move with you, you will need to make this known. It may affect the

options open to you, as some homes may not be able to accept pets.

Once you have decided which option you want to pursue, your Review Manager will find out as much information as possible about what support and services are available. We will encourage and support, with the help of the current care home staff, opportunities to visit potential accommodation.

If we have any information that suggests that some of the options may not be suitable to meet your needs we will discuss this with you. For some people we recognise the number of choices may be limited.

The Review Manager will have up-to-the-minute information on vacancies in registered care homes and extra care/sheltered housing units and will try, as far as possible, to match people's preferred choices with available places.

Funding Arrangements of various options will be considered and discussed and, where necessary, financial assessments can be reviewed, so that you have all the information you need about future costs before making a final decision about which is the best option for you.

Stage 3 – Moving to a new home

Moving to a new home is a significant event for anybody, and needs to be carefully planned.

Staff at your current care home will work closely with you in the lead up to the move to ensure that everything that needs to be done is done. We have developed a series of checklists which will be worked through with you to ensure that everything is covered. For example, we will help notify everybody who needs to know about your move (e.g. GP, bank, DWP).

We will make sure your new home has all the information they need to care for you properly and ensure continuity of care for you.

In terms of your own furniture and possessions, you will need to think about what you want and are able to take with you to your new home. We will provide opportunities for you to visit your new home before the move, ensuring your new environment meets your needs. We will give you updated information of the date of your move, and the staff who will support you on the day of the move. We will also provide help with packing up your belongings and unpacking them in your new home.

The actual day of your move will be carefully planned so that the right staff support and transport is available, to ensure the move is managed as smoothly as possible.

If you have any worries or problems we want to know about them as soon as possible so that we can try to sort them out.

Stage 4 – Reviewing the move

A review of your new care arrangements will be co-ordinated by your Review Manager 4/6 weeks after you have moved into your new home. An earlier review can be arranged if required. A review can involve you, a relative or friend, your Review Manager, the manager from your new home, and anyone else you would like to involve (e.g. advocate, your key worker or manager from your old care home).

The review will consider what went well with your move and what is working well in your new home, but it will also explore any difficulties that may have arisen or concerns you may have. It will consider what you had hoped to experience in your new home and consider whether your actual experience has met these expectations. It will also identify whether there are new opportunities you would like to access in your new home, and how this might be achieved. Your Support plan record will be amended as necessary as a result of the discussion at the review and a written review form will be completed with actions as required.

Even if the first review does not raise any issues of note that need attention, your Review Manager will continue to be your allocated worker for a further 28 days to ensure consistency in case of any issues that arise. At the end of this period the responsibility for monitoring your placement will transfer back to the team responsible for reviewing placements. Reviews will take place annually, assuming that you are funded by the Local authority. An annual review for those customers self funding their placement can be arranged directly with the home management or you can ask the local authority to do this on your behalf should you wish.

For more information

Terminology:

For more information please speak to your current Care Home Manager in the first instance. He or she should be able to help you or advise you on who is best placed to deal with your specific query or concern.

If, however, you wish to speak to someone else please try the following contacts.

Care Management Team	(01904) 555858
York Advocacy	(01904) 414357
Cloverleaf	(01904) 557644
Older Citizens Advocacy - York	(01904) 676200

We will be able to give you a list of all the care homes in York and other housing options. This information can also be accessed at <http://www.york.gov.uk>.

The Care Quality Commission is another source of information on the quality of care provided by different homes, see <http://www.cqc.org.uk/>. Your friends, family, or advocate may help you to get information you want, but we can also help you get information on the homes you are interested in.

Mental Capacity Act: making decisions GOV.UK. See <https://www.gov.uk/government/mental-capacity-act-making-decision>

City of York Council Website home page:

<https://www.york.gov.uk>

Older Citizens Advocacy York
52 Townend Street
York
YO31 7QG

Tel: 01904 676200

Email: info@ocay.org.uk

York Advocacy – www.yorkadvocacy.org.uk

The Care Act 2014 – <https://www.york.gov.uk> – Under Adult Social Care

Our complaints procedure

If you have not been able to sort out a concern or problem through talking to us, or you are unhappy about the service you have received please contact the Complaints Manager, who will agree with you how best to deal with your complaint - Tel: (01904) 554080 or email haveyoursay@york.gov.uk.

Annex 4 - Equality Impact Assessment

City of York Council

EQUALITY IMPACT ASSESSMENT

1	Name and Job Title of person completing assessment	Programme Director, Older Persons' Accommodation
2	Name of service, policy, function or criteria being assessed	Policy regarding the future provision of accommodation for older people, especially residential care.
3	What are the main objectives or aims of the service/ policy/ function/ criteria?	<p>The Older People Accommodation strategy is based on meeting people's needs and in-particular the demographic challenges we face. This is a modernisation programme to support more people to maintain living independently i.e. through the provision of more extra care (new Independent Living Communities). The provision of the right care in the right place at the right time This is expected to be achieved through:</p> <ol style="list-style-type: none"> 1. Re-providing up-to-date fit for purpose accommodation with care for those who are in residential accommodation at the moment. 2. Investing in supporting older people to stay in their own homes and live independent lives for as long as possible. 3. An increase in overall capacity to meet the growth in demand; as we recognise that the current Council's physical provision is poor and does not reflect what we would expect from other providers. 4. Care will be provided throughout the locality using key partners. Currently the minority of relatives live within a 3 mile radius of the two homes detailed in phase one of the

		modernisation programme. Therefore movement across the City is expected. Many residents have only lived in each area for a short amount of time. Re-provision will include extra care (Independent Living Communities), and alternative residential or nursing care.
4	Date	21/11/2017 (Updating the EIA of 14/08/2017)

Stage 1: Initial Screening

5	What evidence is available to suggest that the proposed service/policy/function/criteria could have an adverse impact on quality of life outcomes (as listed at the end of this document) for people (both staff and customers) with protected characteristics? Document the source of evidence, (e.g. past experience, anecdotal, research including national or sectoral, results of engagement/consultation, monitoring data etc) and assess relevance of impact as: <i>Not relevant / Low / Medium / High.</i>
---	---

Protected Characteristic	Not relevant	L/M/H		Source of evidence that there is or is likely to be adverse impact			
		Cust	Staff	Cust	Staff	Customers	Staff
a	Race	X	X			Consultation with communities of Interest	Consultation with staff
b	Religion/Spirituality/ Belief	X	X			Consultation with communities of Interest	Consultation with staff
c	Gender	X			L	Consultation with communities of interest	The OPH staff profile shows that the majority of the current workforce are women and those who are older may suffer adversely if seeking alternative work

Protected Characteristic	Not relevant		L/M/H		Source of evidence that there is or is likely to be adverse impact		
	Cust	Staff	Cust	Staff	Customers	Staff	
						and may have the added responsibility of caring obligations. However, over the next period our capacity will need to increase as we develop further provision for Older People, which will give staff a greater opportunity of employment.	
d	Disability		X	H		National studies show that older and significantly frail residents may face poorer prospects in terms of health and wellbeing.	Consultation with staff.
e	Sexual Orientation	X	X			Consultation with communities of Interest	Consultation with staff
f	Age			H	H	National studies show that older and significantly frail residents	The OPH staff profile shows that the majority of the current workforce are women and those who are

Protected Characteristic	Not relevant		L/M/H		Source of evidence that there is or is likely to be adverse impact		
	Cust	Staff	Cust	Staff	Customers	Staff	
						may face poorer prospects in terms of health and wellbeing.	older may suffer adversely if seeking alternative work and may have the added responsibility of caring obligations.
g	Pregnancy/ maternity	X			L	Consultation with communities of Interest	Consultation with staff (one staff member affected)
h	Gender Reassignment	X	X			Consultation with communities of Interest	Consultation with staff
i	Marriage and Civil Partnership	X	X			Consultation with communities of Interest	Consultation with staff
j	Carers of older and disabled people			M	M	Information in our corporate Carer's Strategy shows that there may be adverse effects on the carers of older and frail people if they do not settle in their new environment	Information in our corporate Carer's strategy, as well as information from the York Carers' Centre, shows that middle-aged women who are carers themselves find it difficult to find and keep any type of employment.

If you assess the service/policy/function as not relevant across ALL the characteristics, please proceed to section 11. If you assess the service/policy/function as relevant for ANY of the characteristics, continue to Stage 2, Full Equality Impact Assessment.

Stage 2: Full Equality Impact Assessment		
6	Are there any concerns that the proposed or reviewed service/policy/function/criteria may be discriminatory, or have an adverse impact on members of the public, customers or staff with protected characteristics? If so record them here	
a	Public/ customers	Yes – possible negative effects on health, security and well-being of frail residents.
b	Staff	Yes – older women especially those who are also carers in their home environment with limited ability to move and find other jobs.
If there are no concerns, go to section 11. If there are concerns, go to section 7 and 8 amend service/ policy/ function/ criteria to mitigate adverse impact, consider actions to eliminate adverse impact, or justify adverse impact.		
7	Can the adverse impact be justified? E.g. in terms of community cohesion, other legislation, enforcement etc. NB. Lack of financial resources alone is NOT justification!	
Customers – Yes. There are studies that show that frail residents may suffer detriment if moved from current homes. However, our quality assurance studies as well as the results of consultation showed that the current OPHs, whilst in reasonably good condition, are 40-50 years old and no longer meet current residents' needs and also are not fit for the future. Their size and design make it more difficult for staff and other practitioners to care for people living with dementia and high dependency care needs. Staff – Yes because staff consultation shows that above all else they want to improve the care environment for our customers and also are obliged by changes in national policy to deploy resources differently.		
8	What changes will you make to the service/policy/function/criteria as result of information in parts 5&6 above?	
There will be no changes to the proposed policy of re-provision. However, we shall put in place a number of remedial actions, which are listed in item 10 below.		
9	What arrangements will you put in place to monitor impact of the proposed service/policy/function/criteria on individuals from the protected characteristics?	
OPA Programme Board will oversee the consultation over the review proposals, and subsequent implementation of Members' decisions. Assessment & Safeguarding Care Managers and OPH Managers will monitor the impact of any changes on individual residents. They will also track feedback from relatives and, where appropriate request independent advocates looking out for the interests of individual residents. Commissioning & Contracts Managers will monitor the quality of service provided in whatever model of service provision is decided upon by		

<p>Members. OPH Managers, Human Resources, and Trade Unions will support OPH staff through any change process that flows from the Members' decision on this OPH Review.</p>		
10	<p>List below actions you will take to address any unjustified impact and promote equality of outcome (as listed at the end of this document) for staff and other people with protected characteristics. Consider action for any procedures, services, training and projects related to the service/policy/function/criteria which have the potential to promote equality in outcomes.</p>	
Action	Lead	When by?
<p><u>Customers</u> We have developed a 'Moving Homes Safely' protocol. The document describes the process that will be followed when a care home faces planned closure, and its residents need to be re-assessed and moved to a new home. The document is written in Plain English and outlines for residents and their relatives what will happen at each stage of the process, which includes: Re-assessment; Choosing a new home; Moving to a new home; Reviewing the move; and who will be involved in supporting them along the way. Age UK, Older Citizens Advocacy York (OCAY) and the York LINK Readability Panel has previously commented on the protocol to ensure that, from a resident's perspective, the process and document are clear and make sense.</p>	<p>Head of Service (Operations)</p>	<p>Until the project has been completed. Consultation Discussed 9 October 2017.</p>
<p>The Older Persons' Accommodation Programme is focused on the delivery of a range of accommodation with care options for older people, both those affected by home closure and the growing older population who follow them. Within this provision is a focus on accommodation suitable for people living with dementia.</p>	<p>Programme Director Older Persons' Accommodation</p>	<p>Until the project has been completed.</p>

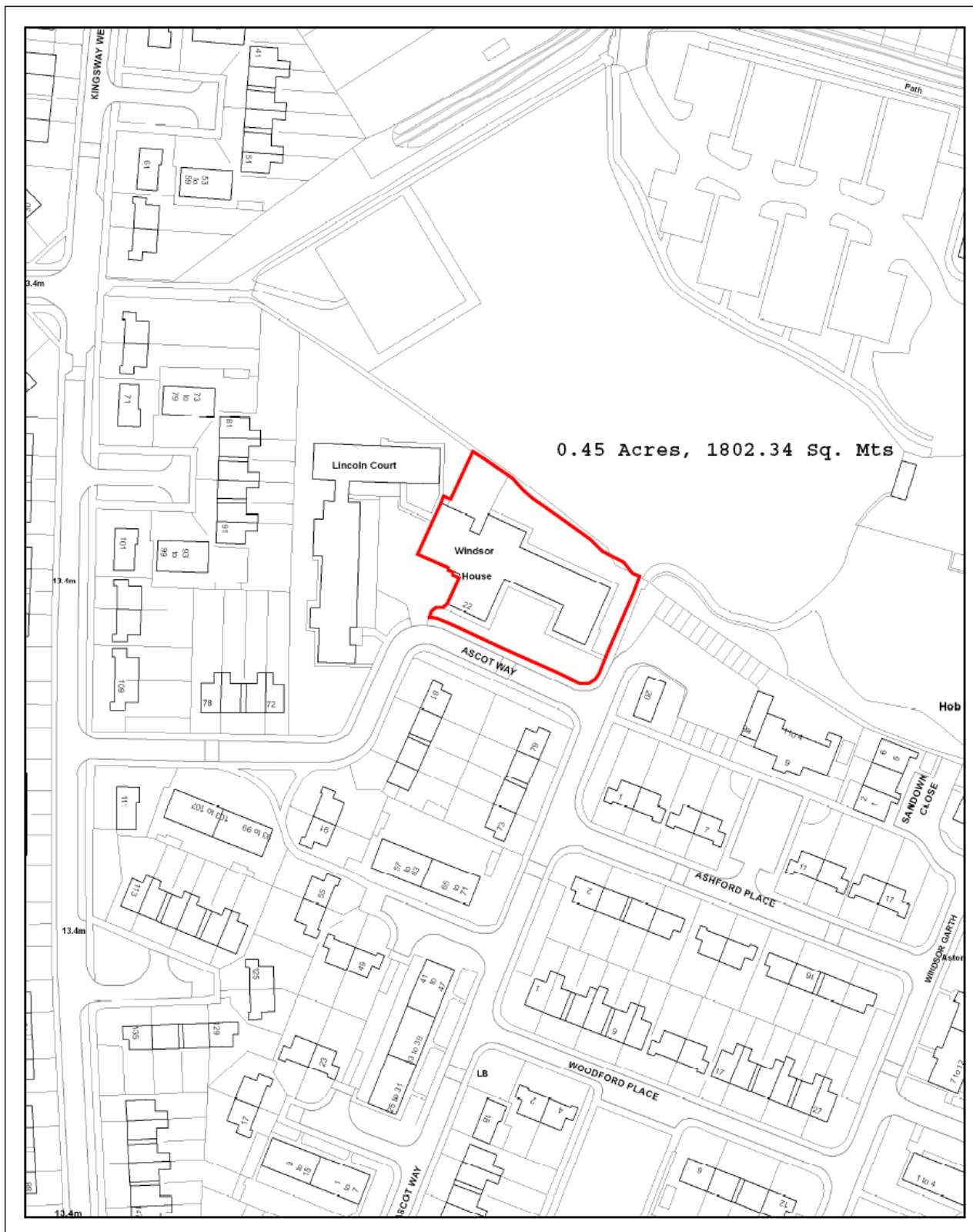
<p><u>Staff</u> The modernisation programme agreed will take in the order of three years to implement. This timescale (2015-2018) combined with current vacancies and requests for early retirement indicate that there will be minimal need for compulsory redundancies. We will work closely with OPH Managers and staff, the Trade Unions and Human Resources to ensure that there is a fair, open and transparent process for dealing with staff moves between current homes, and into the new care homes, when built.</p>	Head of Service (Operations)	Until the project has been completed.
11	Date EIA completed	21/11/2017 (Updating the EIA of 14/08/2017)
<p>Author: Roy Wallington Position: Programme Director, Older Persons' Accommodation Date: 21/11/2017</p>		
12	Signed off by	[signature removed for on-line publication]
<p>I am satisfied that this service/policy/function has been successfully equality impact assessed. Name: Martin Farran Position: Director – Adult Social Care Date: 21/11/2017</p>		

Quality of Life indicators
(aka 'The 10 dimensions of equality')

We must ensure there is no adverse impact in terms of:

- ❑ Longevity, including avoiding premature mortality.
- ❑ Physical security, including freedom from violence and physical and sexual abuse.
- ❑ Health, including both well-being and access to high quality healthcare.
- ❑ Education, including both being able to be creative, to acquire skills and qualifications and having access to training and life-long learning.
- ❑ Standard of living, including being able to live with independence and security; and covering nutrition, clothing, housing, warmth, utilities, social services and transport.
- ❑ Productive and valued activities, such as access to employment, a positive experience in the workplace, work/life balance, and being able to care for others.
- ❑ Individual, family and social life, including self-development, having independence and equality in relationships and marriage.
- ❑ Participation, influence and voice, including participation in decision-making and democratic life.
- ❑ Identity, expression and self-respect, including freedom of belief and religion.
- ❑ Legal security, including equality and non-discrimination before the law and equal treatment within the criminal justice system.

Plan of the Windsor House Site



Resources
Property Services

Windsor House



SCALE 1:1,250 DRAWN BY: GR

DATE: 10/12/2007

Originating Group: **Property Services**

Drawing No. **PS/A/4/107382**

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Executive

7 December 2017

Report of the Corporate Director of Health, Housing and Adult Social Care from the portfolios of the Executive Member for Adult Social Care & Health and the Executive Member for Culture, Leisure & Tourism

Delivering Health and Wellbeing facilities for York: Sports Pitches at the Askham (Ashfield Estate) Site and a Health Hub at Burnholme

This report deals with two matters, both intended to deliver improved health and wellbeing facilities for York:

- a) It will note the investment in the works to create sports pitches and related facilities on land at Askham (Ashfield Estate) shown edged red on the Plan attached at Annex 1 (“the Askham Site”) and seek consent to then grant a lease of it to Bishopthorpe White Rose Football Club on acceptable terms and pursuant to the Council’s Community Asset Transfer policy. These actions would deliver the commitments already made by Executive to deliver new football pitches in the West of the city and enable the development of the Lowfield Green site.
- b) It also seeks agreement to dispose (by way of a long lease) of land at Burnholme to facilitate the provision of a health hub. An update on the provision of sports facilities at Burnholme is also given. Executive in May 2016 agreed to develop the Burnholme site as a Health & Wellbeing Campus and seek a health centre and retained sports provision on the site, as part of that development. Investment is already underway for the new library and community centre on the site. Construction of the new Burnholme Care Home will begin shortly.

The report is presented in two parts.

Recommendations

1. The Executive will be asked to:
 - a) Note the net investment of approximately £400,000 in the works necessary to deliver sports pitches and related facilities on land at the Askham Site subject to submission and approval of the necessary planning application. This investment to be funded from the capital programme agreed by Council as part of the enabling

activities for the Lowfield Green site, from Section 106 monies held for the development of sport provision and by relevant grants.

- b) Agree to enter into a Community Asset Transfer by way of a long lease with Bishopthorpe White Rose Football Club for pitches and facilities on the land at the Askham Site on terms acceptable to both parties in accordance with the Council's Community Asset Transfer policy and Financial and Contract Procedure Rules.

Reason: So that improved sports and active leisure facilities are made available and pitches re-provided from Lowfield Green.

- c) Agree to dispose of land (by way of a long lease) on the former Burnholme Community College site to Priory Medical Group who propose to develop a Health Centre, residential accommodation and associated car parking (subject to obtaining planning permission and any other necessary statutory consents on terms acceptable to them) in accordance with the Council's Financial and Contract Procedure Rules and as part of the Older Persons' Accommodation Programme.

Reason: So that improved health care facilities are made available in the Burnholme, Heworth and Tang Hall areas.

- d) Note progress being made to enhance retained sports facilities at Burnholme.

Reason: So that improved sports facilities can complement the health and community provision at Burnholme.

SPORTS PITCHES AT THE ASKHAM SITE

BACKGROUND

2. Executive on 14 July 2016 agreed additions to the Older Persons' Accommodation Programme, and agreed to move forward with the redevelopment of the Lowfield School site in order to deliver health and wellbeing facilities, including a care home, family housing, homes for the over 60s and play and open space. Members also authorised the examination of the opportunity to create football facilities on land off Tadcaster Road.
3. On 7 December 2016 Executive agreed the spatial plan for the Lowfield Green site "in order to deliver approximately 162 new homes, a care home, newly built accommodation for health & other public services as well as public open space". Executive also agreed the procurement of a new residential care home on the site and the undertaking of enabling works. A budget of £993,000 for enabling works was subsequently agreed by Council. They also requested that a further report be brought

to them in 2017 that provides “details of the football facilities that can be created on land off Tadcaster Road”.

THE PROPOSAL

4. Public Health colleagues have examined options for the best location for community football provision in the west area. Land at Tadcaster Road (the Askham Site) is suitable for the exclusive provision of community sports facilities, thereby preventing a conflict of use with others such as those exercising dogs. It is 18.82 acres (7.6 hectares) in size.
5. The proposal is therefore to enter into a Community Asset Transfer by way of long lease for the land at the Askham Site behind the London Bridge service station to Bishopthorpe White Rose Football Club to be developed into community sports pitches. This will help to address the need for additional pitch space in the south and west of the city and allows us to re-provide the pitches on the former Lowfield school site, which the Council plans to redevelop to create the Lowfield Green development.
6. Bishopthorpe Football Club is in need of additional pitch space as their Club is expanding and there is no opportunity to expand on their existing pitch site. The Askham site is accessible from the village for the junior players via the Route 658 cycle track. We have agreed, in principle, to support them in this project and they are likely to be able to use this support to leverage commitments from funders, such as the Football Foundation, for money to develop the pitches and ancillary facilities. The Council will undertake the necessary pitch construction and other work. A proposed pitch layout is shown in **Annex 2**.
7. The proposals include:
 - a) preparing the land for use as sports pitches;
 - b) marking out three 11-a-side pitches, two 9-a-side pitches and three 7-a-side pitches in accordance with the plan below;
 - c) improving pedestrian and cycle access, providing essential vehicular access and, where relevant, delivering sessional car parking on the nearby Park & Ride site; and
 - d) provision of on-site facilities, where relevant.
8. The net cost of these works is estimated to be £400,000 with funding coming from the Football Foundation, the football club, local sponsorship and small grants with the remainder from the capital programme agreed by Council as part of the enabling activities for the Lowfield Green site and from Section 106 monies held for the development of sport provision.

9. The Club aims to raise money to fund some of the work and a video, produced by the children who play at the Club, is illustrative of their vision and can be found at <https://youtu.be/tzjcpW95LTc>.
10. The Council will carry out the necessary works to deliver the pitches on this site, therefore ensuring that the land is used for this purpose. Pitch work will need to take place on the site during the spring and summer months and will take at least a year to establish from seeding. It is therefore estimated that they may be available from the 2019/2020 playing season (Sept-May).
11. The land is currently let on an agricultural tenancy. Property colleagues have been in discussion with the tenant, who has now been served notice to quit. The fields are currently meadowland, comprising low grade grasses *Holcus lanatus* (Yorkshire Fog), *Phleum pratense* (Timothy), *Agrostis* sp. (Bent), *Lolium perenne* (Perennial Ryegrass). There is also a high broad leaved weed population comprising mainly buttercup.
12. Pedestrian and cycle access is achieved from both the north and south of the site via the Route 658 cycle path. Users of the pitches will be encouraged to walk and cycle to the site. Upgrades to sections of the track, access onto the track and cycle storage will be required. Parking is possible on the Park & Ride site. We will engage the Park and Ride operator early in the new year in order to agree use and access arrangements. Emergency vehicle and maintenance access is achieved via the current access route which is to the south of the London Bridge service station. Options have also been drawn up to gain vehicular access to the site via a new access point further along the A1036.
13. The Council's Public Health team are working with Bishopthorpe White Rose to prepare a business plan and a Club development plan, to shape the management of the site in the future and to support grant funding applications.
14. A planning application is being prepared for these changes to the site and will be submitted early in the new year.

OUTCOMES

15. The proposals covered in this section of the report are expected to deliver the following outcomes:
 - a) This scheme will create pitches which are badly needed for the development of junior football in area. The Bishopthorpe White Rose Football Club has over 400 members and runs boys, girls and disability teams. They are aiming to develop further women and

girls' teams, second teams in many age groups and to recruit and train additional coaches and volunteers.

b) The Club has good relationships with Bishopthorpe Infant and Junior Schools and promotes football in the local community. It provides a quality and safe place for children to play football and fully supports the Football Association's Respect Campaign. Its ethos is to be an inclusive and friendly Club that provides football to children of all ages and abilities in a safe and nurturing environment. Club members coach their players and teams to be the best they can be, to play with purpose and skill, but above all else to have fun and enjoy the game. They also expect all players to play fairly with respect for coaches, teammates, opposition and referees and to develop skills they can use on and off the pitch. Their ambition is that players develop a lifelong love of sport, a passion for being active and a desire to be a positive member of a team.

16. The Askham site sits within the boundary of two wards (Bishopthorpe and Rural West York) and on the edge of Copmanthorpe and Dringhouses & Woodthorpe wards. The "Local Plan Evidence Base: Open Space and Green Infrastructure" study shows that each of these wards have a shortage of outdoor sports provision, with a total deficit of approximately 17.3 acres (7 hectares) in the four wards combined. The Askham site pitch project will meet almost this entire shortfall.

IMPACTS

Financial

17. The approximately £400,000 net cost of the works to create new sports pitches and associated access arrangements at the Askham site will be funded by a combination of capital set aside by Executive for the enabling works to facilitate the development of Lowfield Green, from Section 106 monies held by the authority for sports development in this area and from grants and Club self-funding.

18. The termination of the agricultural lease will result in a small reduction (£1,300) in revenue income to the Council.

19. The sports club will pay a peppercorn rent for the sports pitches.

Legal

20. It is presumed that no part of the Askham Site is currently (or has recently been) used by the public for recreation as it is understood that the land has been rented out for some years to an agricultural tenant. (However if the public do already use it for recreation then it may be classed as 'open space' land in which case:

- i. Pursuant to Section 10 of the Open Spaces Act 1906 it would be subject to a statutory trust obliging the Council to keep the land available for access by the public for recreation
 - ii. Any proposed disposal (including the grant of a lease to a football club) must be advertised in a local newspaper in two consecutive editions and any objections received must be considered before any disposal could be completed).
21. Since this land is not held for housing purposes the Council can dispose of it for less than best consideration without obtaining specific consent from the Secretary of State for Communities and Local Government provided that:
 - (i) The difference between the price being obtained and open market value does not exceed £2 million and
 - (ii) The Council (acting reasonably) considers that the disposal is for a purpose which is likely to contribute to the improvement of the economic, environmental or social well-being of the area.
22. The tenants will not be legally obliged to develop football or any other facilities on the land to any particular specification or within any timeframe unless their lease contains a specific obligation on them to do so. If the Council wishes to impose such an obligation in the leases, that would be construed as a contract for the provision of works or services which would therefore need to be procured in accordance with the Council's own Contract Procedure Rules (and in accordance with the Public Contracts Regulations if the value of the contract exceeds the relevant threshold).

Planning

23. The Askham site land is in the Green Belt. Therefore, relevant planning considerations will include :
 - a) The need for very special circumstances to be allowed to develop in the green belt.
 - b) The views of Sport England, which have already been sought.
 - c) Views of a landscape architect, which have already been sought.
 - d) Views of highways experts, which have already been sought.
 - e) Consideration of the Local Plan. The land is not designated for any other uses and the Local Plan evidence base for open spaces shows there is a shortage in this area. This development will contribute to addressing the deficit.

24. Access to and from the Askham site both for pedestrians, cyclists and vehicles has been evaluated and proposals are currently being drawn up.
25. We aim to submit a planning application in Q1 2018.

Property

26. The agricultural tenancy on the Askham site land has been terminated.
27. With regard to the lease to the football club, as the land owner and developer, the Council will be responsible for submitting funding applications, with Bishopthorpe White Rose Football Club as the named club. Upon completion, the land will be leased to the Club on agreed terms pursuant to the Council's Community Asset Transfer policy. This approach has guided our work on Community Assets Transfers on a number of occasions.

Equalities

28. In considering these matters the Council must have regard to the public sector equality duty. In summary, those subject to the equality duty must, in the exercise of their functions, have due regard to the need to:
 - Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equalities Act 2010.
 - Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - Foster good relations between people who share a protected characteristic and those who do not.
29. The Equalities Act 2010 explains that having due regard for advancing equality involves:
 - Removing or minimising disadvantages suffered by people due to their protected characteristics.
 - Taking steps to meet the needs of people from protected groups where these are different from the needs of other people.
 - Encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.
30. The ethos and practice of Bishopthorpe White Rose Football Club is very inclusive and, therefore, engagement with them in this project is in line with the Council's obligations under the Equalities Act 2010. The equalities implications of this proposal are examined in the Better Decision Making Tool included at **Annex 3**.

Human Resources

31. There are no human resources implications arising from this proposal.

Crime & Disorder

32. During redevelopment, plans will take account of design features, which minimise opportunities for vandalism and trespass, through consultation with the North Yorkshire Police Architectural Liaison Officer and following the principles of Secured by Design. All parties will thus minimise risk of trespass and vandalism and financial risk to the public purse.

Information Technology

33. There are no direct Information Technology implications to this report.

Better Decision Making Tool

34. The Better Decision Making Tool has been completed to help guide the proposals in this part of the report and is attached at **Annex 3**.

RISKS

35. Key risks are kept under review and mitigations are pro-actively managed. Key risks and mitigations are as follows:

ref	Risk	Mitigating Action
a)	Inability to secure planning approval for proposals for new sports facilities.	Consultation with stakeholders and planning consultees has already begun and their views are being incorporated into the scheme.
b)	Construction costs exceed capital funds secured	Support, if necessary, to value engineering process. Further exploration of fund raising opportunities. Opportunities to support further fundraising for the club will continue to be pursued.
c)	The tenant of the land does not use the land for the purposes intended.	The use of the land will be determined by its planning designation and, therefore, this process will control use.

A NEW HEALTH HUB AT BURNHOLME

BACKGROUND

36. The Council's Executive on 19th May 2016 approved the spatial plan and Business Case for the delivery of a Health & Wellbeing campus on the site of the former Burnholme Community College, including the provision of health facilities.
37. Executive received an update on the development of the Burnholme campus at their meeting on 7th December 2016 and requested that a report be brought in 2017 to "provide details of the health facilities that can be provided on the Site, the structure of the partnership which will deliver them and any land sales associated with delivering these facilities".

THE PROPOSED HEALTH HUB (with potential residential development above)

38. A 0.78 acre (0.31 hectare) site has been set aside for the Health Centre and associated car parking (see plan in **Annex 4**).
39. Council officers continue to work closely with health organisations including Priory Medical Group and the Vale of York Clinical Commissioning Group to create an integrated community health "hub" to the East of the City.
40. We have worked with the Vale of York Clinical Commissioning Group and via stakeholder engagement in 2014 and 2015 to identify the Priory Medical Group as our preferred partner to deliver this facility due to the fact that it currently operates three separate GP practices within a mile of the proposed Health and Wellbeing Centre and it's long-term active involvement in the plans to transform the Burnholme School site.
41. Subject to consultation with patients, stakeholders and local people, the Priory Medical Group is looking to bring together its three practices in the area onto the Burnholme site. The integration of smaller practices into a single new development has repeatedly been shown to be beneficial to patients and to contribute to key priorities:
 - a) Modern, fit-for purpose premises, which meet current standards and expectations.
 - b) The opportunity to provide a wider range of services and a Single Point of Access for the practice population.
 - c) Peer support to clinical and medical staff.
 - d) A multi-disciplinary approach to care delivery, with a range of professions available for consultation and case review.
 - e) Wider administrative staff base, supporting patients and clinicians.

- f) Increased staff numbers improves ability to cover longer opening hours and to provide Out of Hours support.
- g) Space for patient self-testing and information on self-care and lifestyle choices.

And, in the case of Burnholme:

- h) Referrals to sports and active leisure and/or social prescribing, liaising closely with other tenants on the site to ensure that activities meet the health needs of the local population.
 - i) Access to patient support from the Local Area coordination team.
 - j) Links to the YorWellbeing service for Health Checks, stop smoking support and lifestyle advice.
42. In addition to a GP led and community based health facility, Priory Medical Group will provide an Urgent Care Centre, replicating in the East some of the health and wellbeing provision currently delivered in the West of the city.
43. An Urgent Care Centre is for patients who need urgent and necessary treatment, which cannot wait for a routine GP appointment. These might include:
- a) Minor Injuries: sprains, head injuries, burns/scalds, cuts, sudden back pain, foreign bodies, and soft tissue injuries.
 - b) Minor Illness: infections (such as tonsillitis, chest infection, urinary tract or bladder infection). Many minor ailments can also be treated by the local pharmacist.
 - c) Urgent Problems: such as mental health issues (depression, anxiety), emergency contraception, flare up of asthma, childhood illnesses, and skin rashes.
44. The availability of an Urgent Care Centre not only ensures that patients receive timely treatment, it also takes pressure off the Accident & Emergency department, which is then able to respond more efficiently to serious trauma.
45. GP, community healthcare and Urgent Care will be complemented by an on-site pharmacy so that patients can pick up their prescription medicines as well as any over-the-counter supplies required.
46. The new building, which is anticipated to be four storeys high, may also contain apartments to rent or buy from Priory Medical Group which was originally envisaged in the spatial plan for Burnholme and was the subject of public consultation.
47. The Vale of York Clinical Commissioning Group (CCG) has indicated that this proposal is its key priority for capital investment. With the CCG

support, the Priory Medical Group has applied for NHS funding for part of the capital costs. It will, however, fully fund the development through borrowing if the NHS capital is not forthcoming.

48. As the proposed changes will affect the patients of Tang Hall Lane and Park View Surgeries in Hull Road ward and Heworth Green surgery in Heworth ward, early engagement by the practice is taking place with people who are registered with these practices.
49. Public engagement regarding the design of the proposed new Health Centre will then be held, allowing neighbours and other stakeholders to see plans and comment on the proposals before it is submitted for planning, having taken comments into account. An indicative visual representation of the proposed new building is shown below.



50. It is proposed that (subject to Priory Medical Group obtaining planning permission for a Health Centre, residential accommodation and associate car parking on terms acceptable to them) the Council will grant PMG Ltd a long lease of the site for use for those purposes. Based on the valuation we believe that the disposal receipt will be approximately £800,000.

PROGRESS ON DELIVERY OF NEW SPORTS FACILITIES AT BURNHOLME

51. The Burnholme Health & Wellbeing campus, as agreed by Executive on 16th May 2016, will retain sports facilities and pitches on the Burnholme site so that we can give life to our wider health and wellbeing ambitions for the area. The facilities have continued to be provided in their current form during the demolition and redevelopment process and our expectation is that they will be improved in a future development phase of the site. That phase is likely to commence in 2018.
52. Urgent work has been authorised and funded for the roof of the main sports hall and its replacement was completed on 29th September, ready for the winter season use.

53. The sports facilities, which have been retained and managed by YorWellbeing staff for community use following the school closure in summer 2014, include the sports hall, school gym, changing rooms and toilets and a small office. These were designed many years ago with the requirements of a secondary school in mind and no longer meet the expectations of a community facility, which benefits from 10 acres of adjacent pitches.
54. The external and internal appearance of the existing sports buildings is not attractive to potential users, the materials used are deteriorating and due to their age, cause the facility to be expensive to run. Feasibility designs have been commissioned from external architects. This was initially undertaken to ensure that early investment in the sports hall roof would not be detrimental to the eventual design but it has also enabled Officers to determine the level of investment required to bring the facility to modern day standards.
55. To help guide our design we have begun to discuss future operation with our leisure management operator.
56. Architectural and technical capacity is available within the internal Property Services team to develop the designs and specification to a sufficient extent that they can be put out to tender and so that planning consent can be sought. This work has commenced with an initial review of the feasibility design and further consultation with YorWellbeing staff and leisure services client officer.
57. Additional capital investment will be required to transform the existing old school sports facilities into a modern day attractive sporting venue. This will need to include improvement to the existing pitches, which can become water-logged in winter, as well as improved access between the adjacent open spaces at Derwenthorpe and Burnholme. Executive approval will be sought for this investment early in 2018.
58. In 2018 we also intend to re-open the cycle and pedestrian path which safely links Derwenthorpe (and, beyond it, Osbaldwick) to the Burnholme facilities and the schools and shops beyond. The Derwenthorpe developer is obliged to undertake work to re-connect the path and replace the lighting along its length and once this is done we will open it for public use. This will bring health and wellbeing benefits as it will encourage walking and cycling.

OUTCOMES

The proposals covered in this section of the report are expected to deliver the following outcomes:

59. The development of a health hub will improve the links between primary care, preventative services and local community activities.

- Links to the sports facilities and the type of activities which can be offered to support patients.
 - Access to HEAL - GP referral activities.
 - Indoor and outdoor community sport and active leisure activities.
 - Access to public open space to support mental and physical wellbeing.
60. The wellness facilities at Burnholme will also allow the Council to give life to its public health and Local Area co-ordination ambitions.

IMPACTS

Financial

61. The current valuations show that we should expect approximately £800,000 from the sale of the leasehold land for the health centre.
62. Additional capital investment will be required for the improvement to sports facilities at Burnholme, this will include c£350k of section 106 monies held for this purpose. Executive will be asked to sanction this investment early in 2018.

Legal

63. It is presumed that no part of the site of the proposed Health Centre is currently (or has recently been) used by the public for recreation as Legal Services have been told that the land has only ever been used as part of former educational facility. (However if the public have accessed it for recreation then it may be classed as 'open space' land in which case:
- i. Pursuant to Section 10 of the Open Spaces Act 1906 it would be subject to a statutory trust obliging the Council to keep the land available for access by the public for recreation
 - ii. Any proposed disposal (including the grant of a lease) must be advertised in a local newspaper in two consecutive editions and any objections received must be considered before any disposal could be completed).
64. S.123 of the Local Government Act 1972 authorises the Council to dispose of land owned by it (including by lease). If less than best consideration/full open market is obtained then the consent of the Secretary of State for Communities and Local Government is required unless:
- (i) The difference between the price being obtained and open market value does not exceed £2 Million AND
 - (ii) The Council (acting reasonably) considers that the disposal is for a purpose which is likely to contribute to the improvement of the economic, environmental or social well-being of the area.

65. The tenant/leasehold purchaser will not be legally obliged to develop healthcare or any other facilities on the land to any particular specification or within any timeframe unless their lease contains a specific obligation on them to do so. If the Council wishes to impose such an obligation in the lease, that would be construed as a contract for the provision of works or services which would therefore need to be procured in accordance with the Council's own Contract Procedure Rules (and in accordance with the Public Contracts Regulations if the value of the contract exceeds the relevant threshold). The Council does not wish to do so but instead proposes to include a covenant in the lease prohibiting the tenant from using the site for anything other than a health centre, including pharmacy use (and a possible element of residential accommodation) for at least part of the lease period.

Planning

66. Extensive public engagement has guided the plans for the re-development of the Burnholme school site and this included construction of a health centre on the site. There was positive public support for this and no major planning concerns have been raised.

Property

67. This site was occupied by school buildings to which staff and pupils could enter. Members of the public also entered the site, by invitation, to take part in school activities and to use services based there. Once the school closed the necessary consents were granted to release it from educational use. The building was then demolished and the site has been secured against public access from that date.
68. The 125 year lease will prohibit the use of the site for any purpose other than as a health facility (including pharmacy) and associated functions and for residential purposes for at least part of the lease period.
69. External advisers have identified that, having regard to the requirements of the site, the long leasehold interest should command a premium payment payable to the Council of approximately £800,000.

Equalities

70. In considering these matters the Council must have regard to the public sector equality duty. In summary, those subject to the equality duty must, in the exercise of their functions, have due regard to the need to:
- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equalities Act 2010.
 - Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - Foster good relations between people who share a protected characteristic and those who do not.

71. The Equalities Act 2010 explains that having due regard for advancing equality involves:
- Removing or minimising disadvantages suffered by people due to their protected characteristics.
 - Taking steps to meet the needs of people from protected groups where these are different from the needs of other people.
 - Encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.
72. An Equality Impact Assessment (at that time a “Community Impact Assessment”) for the Burnholme Site was undertaken in July 2014 and remains valid. It particularly highlighted the positive implications of the Project for the health, security and wellbeing of all residents. This will continue to be updated as the project progresses.
73. An Older Persons’ Accommodation Project Board and a Reference Group have been established to act as a sounding board for the development of plans as the implementation of the Programme unfolds. The project team also continues to use established channels to communicate with, and gather the views of, members of the local community, partners, stakeholders and staff.

Human Resources

74. There are no human resources implications arising from this report.

Crime & Disorder

75. During redevelopment, plans will take account of design features, which minimise opportunities for vandalism and trespass, through consultation with the North Yorkshire Police Architectural Liaison Officer and following the principles of Secured by Design. All parties will thus minimise risk of trespass and vandalism and financial risk to the public purse.

Information Technology

76. There are no direct Information Technology implications to this report.
77. Provision has been made within the budget for the installation of an appropriate level of IT access within the sports facilities.

Better Decision Making Tool

78. This matter forms part of an existing project agreed by Executive and which has been the subject of extensive scrutiny of the Business Plans and Equality Impacts and, therefore, a Better Decision Making Toolkit form has not been prepared.

RISKS

79. Key risks are kept under review and mitigations are pro-actively managed. Key risks and mitigations are as follows:

ref	Risk	Mitigating Action
d)	Inability to secure planning approval for proposals for new sports facilities.	Designs are complementary to other developments on site. Council team have clear understanding of expectations.
e)	Priory Medical Group are unable to secure support for their proposals from their patients and/or stakeholders	Council officer support to consultation process. Clear briefings regarding benefits to co-location.
f)	Priory Medical Group are unable to secure NHS capital funding to deliver their proposals	The CCG has confirmed its support to the bid. If NHS capital is not available, the practice will borrow from the financial markets.
g)	Vale of York Clinical Commissioning Group withdraw support for the proposals	The CCG has reconfirmed its support for these proposals.
h)	Health Centre plans are not approved by the Planning Committee	Support and coordination between health centre and other architects working on the site to ensure individual elements are complementary.
i)	The tenant or purchaser of land does not use the land for the purposes intended.	The use of the land will be determined by its planning designation and, therefore, this process will control use. A user covenant will be included within the lease.

End

Contact Details

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	Report Approved	✓	Date 24 November 2017
Specialist Implications Officer(s) Legal – Cathryn Moore (Ext 6006) and Gerard Allen (Ext 2004) Finance – Debbie Mitchell (Ext 4161) and Steve Tait (Ext 4065) Property – Tim Bradley (Ext 3355) and Ian Asher (Ext 3379)			
Wards Affected: Bishopthorpe, Rural West York, Heworth, Heworth Without, Osbalwick and Hull Road			
For further information please contact the authors of the report			

Annex 1 - Plan of Askham site land

Annex 2 - Proposed pitch layout for the Askham site land

Annex 3 - Better Decision Making Tool for Askham site pitches and other play provision.

Annex 4 - Plan showing site of proposed Health Centre at Burnholme

Abbreviations:

CCG – the Vale of York Clinical Commissioning Group

GP – General Practitioner

HEAL – Health, Exercise, Activity and Lifestyle

NHS – National Health Service

s106 – Section 106 of The 1990 Town and Country Planning Act

Background Papers:

3 Mar 2015	Report to Executive seeking approval of revised proposals based on creating new Extra Care Housing and reforming the Council's existing ECH stock; building a new care home on the Burnholme site as part of wider health and community facilities; and working more closely with current care providers to deliver more specialist dementia accommodation across the city.
30 July 2015	Report to Executive seeking approval of the Business Case for the Older Persons' Accommodation Programme and agreement to proceed.
29 Oct 2015	Report to Executive regarding securing a viable future for the Burnholme school site in Heworth ward. Following extensive public consultation Members agreed to sanction further work to identify partners to progress the continued community and sports use of the site, complemented with wider health and enterprise services, the building and operation of a residential care home for older people and the provision of housing.
19 May 2016	Report to Executive that obtained consent to begin to deliver the Burnholme Health & Wellbeing Campus and secure a viable future for the former Burnholme Community College site (the Site) in Heworth ward.
14 July 2016	Report to Executive by the Director of Adult Social Care. Agreement to move forward with examination of the development potential for Lowfield, alternatives to closure of Haxby Hall and sanction to consult on the closure of a further two older persons' homes.
28 th Sept 2016	Report to the Audit & Governance Committee by the Programme Director, Older Persons' Accommodation, providing an update on progress of the Programme and actions taken to address External Audit recommendations.
7 th Dec 2016	Report to Executive by the Corporate Director of Health, Housing and Adult Social Care. The report obtained consent to complete the next phase of delivery of the Burnholme Health & Wellbeing Campus including sanction for the investment of £4.73m in new and refurbished community and library facilities, subject to Department for Education (DfE) approval to dispose of redundant land, as well as £200,000 in urgent repairs and works to the sports facilities on site.
16 th March 2017	Report to Executive by the Corporate Director of Health, Housing and Adult Social Care. The Executive received an update on progress made towards delivering health & wellbeing services at Burnholme and agreed to enter into a long lease with a care home developer over a portion of the Burnholme Health & Wellbeing Campus site. Executive also agreed to enter into a

	head lease over the Community & Library facilities and the disposal of the Tang Hall Library site.
31 st August 2017	Report to Executive by the Corporate Director of Health, Housing and Adult Social Care and the Corporate Director of Children, Education and Communities. Executive received information on the outcome of public consultation concerning the future of Burton Stone Lane Community Centre and agreed to confirm its closure and approve investment into the provision of a 33 home extension to Marjorie Waite Court Extra scheme to provide accommodation for older people and new community facilities.
28 th September 2017	Report to Executive by the Corporate Director of Health, Housing and Adult Social Care and the Corporate Director of Children, Education and Communities. The Executive received information that demonstrated the progress of the Older Person's Accommodation Programme towards delivering over 900 new units of accommodation with care for older people. The Executive gave consent to undertake consultation on the option to close two further Council run older persons' homes.

Annex 2 – Proposed pitch layout for the Askham site land



Annex 3 - Better Decision Making Tool for Askham site pitches and other play provision.



The 'Better Decision Making' tool has been designed to help you consider the impact of your proposal on the health and wellbeing of communities, the environment, and local economy. It draws upon the priorities set out in our Council Plan and will help us to provide inclusive and discrimination-free services by considering the equalities and human rights implications of the decisions we make. The purpose of this tool is to avoid decisions being made in isolation, and to encourage evidence-based decision making that carefully balances social, economic and environmental factors, helping us to become a more responsive and resilient organisation.

Introduction

Service submitting the proposal:	Older People's Accommodation Programme/ Public Health
Name of person completing the assessment:	Vicky Japes/ Roy Wallington
Job title:	Public Health Programme manager/
Directorate:	Health, Housing & Adult Social Care
Date Completed:	2 nd October 2017
Date Approved:	23 rd November 2017

Section 1: What is the proposal?

1.1	Name of the service, project, programme, policy or strategy being assessed?
	Development and enhancement of sport and recreational facilities at Askham site, new, publically accessible play space at Lowfield Green and improvements to the ball play facilities at Chesney Fields.
1.2	What are the main aims of the proposal?
	To find a new match and training venue for Bishopthorpe White Rose Football Club and to re-provide the playing pitches from the Lowfield site to ensure that there is no net loss of playing fields. To create new play spaces in the Westfield ward and to satisfy the demand for pitches in the west of the city.

	What are the key outcomes?
1.3	<p>1) Continued and expanded training and matches for Bishopthorpe White Rose Football Club.</p> <p>2) Re-provision of the playing pitches to ensure that there is no net loss of playing fields.</p> <p>3) Support Bishopthorpe Junior FC to develop the pitches they need for their growing player numbers.</p> <p>4) Delivery of new, publically accessible play spaces at Lowfield Green and improvements to the ball play pitches at Chesney Fields.</p>

Section 2: Evidence

	What data / evidence is available to support the proposal and understand its likely impact? (e.g. hate crime figures, obesity levels, recycling statistics)
2.1	<p>The city's playing pitch strategy and open spaces study set out the need for additional playing fields in the West of the city. The Local plan evidence base for Open Space Sport & Recreation specifically identifies Bishopthorpe as an area with high demand for increased pitch provision.</p> <p>The city's 2014 playing pitch strategy identifies a shortage of at least 11 junior football pitches across the city and specifically mentions the over use and lack of capacity of pitches for Bishopthorpe White Rose.</p> <p>The Open Space, sport and recreation study, also identifies that there is a shortage of children's play space in Westfield ward. This project will provide a new play space in the Lowfield Green development.</p>

	What public / stakeholder consultation has been undertaken and what were the findings?
2.2	<p>Bishopthorpe White Rose Football Club has been actively engaged in plans for new football facilities at the Askham site. A public engagement event will be held in January 2018 to share the plans for the Askham site with the wider community.</p> <p>Extensive public engagement has been held, both face to face, via meetings and on-line. This includes two community engagement events at Acomb gateway about the Lowfield development plans; attendance at several Ward Committee Meetings and local resident association meetings. Information has also been made available via the Acomb Explore Library and on line. This has allowed many hundreds of people to engage with the plans for Lowfield Green.</p> <p>Direct consultation with Woodthorpe Wanderers who have decided to join with another local club and move their matches and training to St Helen's Road rather than move to the new pitches on Tadcaster Rd.</p> <p>A consultation event was held at Acorn Rugby league club specifically about a proposal to relocate Woodthorpe wanderers to Chesney's field and to improve the pitches for their use. This raise concerns about the local community not being able to access all of the field if a low level fence is erected around the match pitches. Attendance and discussion at Foxwood residents association which again raised concerns about the fencing of the pitches and the relocation of the club's equipment container onto Chesney's field. The residents association have also invested in the field for general community access and to not want access across the field to be restricted. Following these meetings the project is now proposed to be in stages, with some pitch improvements being carried out in spring 2018 to</p>

encourage general use. Issues regarding dog fouling and pitch wear will remain under review.

Are there any other initiatives that may produce a combined impact with this proposal? (e.g. will the same individuals / communities of identity also be impacted by a different project or policy?)

2.3 These open spaces projects are all directly linked to the development of the Lowfield Green site. Without the investment in this site the creation of recreational open space at the Askham site and Lowfield Green will not be possible. There are local initiatives to increase participation in physical activity, encourage healthy behaviours and support community sports clubs. There has been some tree damage on Chesney's field recently, this project can invest in other minor improvements on the site e.g. tree work, benches, fitness equipment etc to increase positive use of the site.

Section 3: Impact on One Planet principles

Please summarise any potential positive and negative impacts that may arise from your proposal on residents or staff.
This section relates to the impact of your proposal on the ten One Planet principles.

For 'Impact', please select from the options in the drop-down menu.
If you wish to enter multiple paragraphs in any of the boxes, hold down 'Alt' before hitting 'Enter'.

Equity and Local Economy

	Does your proposal?	Impact	What are the impacts and how do you know?
3.1	<p>Impact positively on the business community in York?</p>	mixed	<p>This project will facilitate the development of the Lowfield site which will have a positive impact on local business. The pitch project itself will have a small positive impact on local businesses by providing one off opportunities for pitch contractors. The project on Tadcaster Rd will have a negative impact on local farming, as the land is currently used to provide a hay crop and this will not be able to continue when the pitches are developed.</p>

3.2	Provide additional employment or training opportunities in the city?	Positive	Again the project will facilitate the Lowfield scheme which will create employment opportunities for the care sector and self build and training opportunities in sustainable construction. While the pitch projects themselves will have little impact on paid employment or adult skill training it will facilitate the development of key team working and other skills and values amongst the young people who engage in ball sports on this site.
3.3	Help improve the lives of individuals from disadvantaged backgrounds or underrepresented groups?	Positive	The project will invest in play and pitch provision which will benefit young people in the area, encouraging skill development, team skills and physical wellbeing. These facilities will benefit young people from communities of deprivation and, in respect of team ball sports, will actively engage girls in a sport which has traditionally been played by boys.

Health & Happiness

	Does your proposal?	Impact	What are the impacts and how do you know?
3.4	Improve the physical health or emotional wellbeing of residents or staff?	positive	The Tadcaster Rd project will create 6 new playing pitches for junior football, benefitting the players and the wider community. The pitches will be used by Bishopthorpe White Rose FC and visiting teams. The project will increase opportunities for sport and for physical activity. The project is designed to encourage players to arrive at the pitches by bike, and will provide cycle parking at the north and south of the site. The Chesney's field project will improve the ground conditions on the site for sport and provide improved sports equipment. Subject to further review, it will also invest in other equipment to encourage people to use the site for walking, play and relaxation. However, the health benefits of sport provision at Chesney Fields will only be positive is the issue of dog fouling is

			<p>addressed. The project at Lowfield Green will provide a new play area, new amenity land and areas for edible planting for residents in the existing and new residential area.</p>
<p>3.5</p>	<p>Help reduce health inequalities?</p>	<p>Positive</p>	<p>The Ashfield site sits on the outer boundaries of four wards. Bishopthorpe, Copmanthorpe, Rural West York and Dringhouses and Woodthorpe. “The Local Plan Evidence Base: Open Space and Green Infrastructure” study shows that these wards have a shortage outdoor sports provision, with a total deficit of approximately 7 hectares in the four wards combined. The Ashfield site pitch project will provide a significant increase in pitch provision in the area. Both Westfield and Dringhouses and Woodthorpe wards have childhood obesity figures above the city average. investment in sport and play facilities in the area will increase opportunities for these young people to lead active lifestyles. New play facilities at Lowfield Green will allow create new opportunities for physical activity in the area.</p>
<p>3.6</p>	<p>Encourage residents to be more responsible for their own health?</p>	<p>positive</p>	<p>This project will encourage the uses the Chesney's fields for ball and other play and will make sport more visible. The pitches at Ashfield site will significantly increase the capacity for sport in the West of the city, encouraging players and their families to be physically active. The link with the cycle track and the park and ride will encourage people to travel to the pitches by bike where possible and allow visiting teams to travel by bus and walk to the pitches. The Lowfield Green development will create new open access community green space including equipped play provision, amenity green space and beds for local food production.</p>

3.7	Reduce crime or fear of crime?	Mixed	<p>The provision of new sports pitches on Tadcaster Rd is unlikely to have an impact on crime or the perception of it in the area. Any club house building will be shuttered to protect against vandalism. There will not be anything of any significant value on the site. The site will be the responsibility of the community sports club who will visit regularly, in and out of the playing season.</p> <p>The consultation events about the proposals for Chesney Fields concerns have been raised about vandalism and anti-social behaviour which could be encouraged by the location of fixed equipment and storage facilities on the site. However, the site is overlooked by housing on 3 sides and has an existing play area, is used by families and walkers, which will all provide supervision of the site. By contrast the former Lowfield site is locked and is unsupervised and on a number of occasions people have entered the site and caused damage to equipment. There is strong evidence that site supervision reduces incidences of crime. The situation will be monitored closely.</p>
3.8	Help to give children and young people a good start in life?	Positive	<p>The open spaces projects at Askham site, Chesney's field and Lowfield Green will all provide engaging opportunities for young people to be active and engage with open space and their community. A community club based at the Askham site will provide structured training and competition. There will also be opportunities for informal activities. Lowfield Green will have a new equipped play area and opportunities for edible planting, learning about sustainable food production and opportunities to enjoy outdoor activity.</p>

Culture & Community

	Does your proposal?	Impact	What are the impacts and how do you know?
3.90	Help bring communities together?	Positive	Bishophthorpe white Rose is an expanding club which has opportunities to increase the number of teams, provide more girls football and provide disability sport but their current sites do not allow for this growth. The Askham site project will provide a facility which will be managed by the community club which will cater for all ages and abilities. the club are raising approximately 10% of the project costs and have had a lot of support from the local community.
3.10	Improve access to services for residents, especially those most in need?	Positive	The project provides new services to residents, particularly the young people in the west of York.
3.11	Improve the cultural offerings of York?	Positive	Community sports clubs and sports facilities contribute to the cultural opportunities in an area. They allow people to meet and belong to their local area. The projects will provide these opportunities on 3 site in the West of the city, by creating new and enhancing existing recreational open space.
3.12	Encourage residents to be more socially responsible?	Positive	Bishophthorpe White Rose Football Club will benefit from investment in sporting facilities. Bishophthorpe will be fully responsible for the management and maintenance of the site, the club are developing policies for safe use of the site, encouraging active travel to the pitches, volunteer recruitment and support etc. Some concerns have been raised regarding the health risks of dog fouling to players on the Chesney's field pitches if they are not fenced off. The initial stage of the project will not include fencing, but will encourage dog walkers to be responsible and pick up after their pets. The risks to players will be monitored. The Lowfield green development will include beds for edible planting which will be managed and maintained by the local community.

Zero Carbon and Sustainable Water

Does your proposal?		Impact	What are the impacts and how do you know?
3.13	<p>Minimise the amount of energy we use and / or reduce the amount of energy we pay for? E.g. through the use of low or zero carbon sources of energy?</p>	Neutral	<p>The project is predominantly about open space and beyond the initial works will not require on-going energy use. Opportunities to install LED lighting in the underpass access to the Askham site will be explored. If a club house is to be built the project brief will include measures to reduce energy use and reduce the cost of energy and operating costs for the facility.</p>
3.14	<p>Minimise the amount of water we use and/or reduce the amount of water we pay for?</p>	Neutral	<p>The project is predominantly about open space and beyond the initial works will not require on-going water supply beyond rain water. If a club house is to be built the project brief will include measures for capturing and reusing rain water.</p>

Zero Waste

Does your proposal?		Impact	What are the impacts and how do you know?
3.15	<p>Reduce waste and the amount of money we pay to dispose of waste by maximising reuse and/or recycling of materials?</p>	Neutral	<p>The project is predominantly about open space and beyond the initial works will not require the disposal of any off site waste. Grass cuttings will remain on site and any waste from additional gardening and ground works will be composted. If a club house is to be built at the Askham site players and spectators will be encouraged to take waste home. It is anticipated that waste collections would be only on an as and when needed basis (a few times per season).</p>

Sustainable Transport

Does your proposal?		Impact	What are the impacts and how do you know?
3.16	Encourage the use of sustainable transport, such as walking, cycling, ultra low emission vehicles and public transport?	Positive	Bishopthorpe White Rose Football Club are committed to encouraging players to travel to matches and training via the cycle track running between the pitch site and the village. Cycle parking will be provided at the north and south of the pitch site. Both the Chesney's field and Lowfield Green open space projects will provide and enhance recreational open space within walking distance of residential areas. Away teams for the Askham site will be encouraged to use park and ride busses where possible. Those travelling by car will park at the park and ride site and then walk to the pitches. this will prevent parents sitting in cars with engines running to watch their children play. It is likely that this will also encourage use of the park and ride busses for players' families to travel to town when matches are on.
3.17	Help improve the quality of the air we breathe?	Neutral	The open spaces projects are unlikely to have a significant impact on air quality in the city.

Sustainable Materials

Does your proposal?		Impact	What are the impacts and how do you know?
3.18	Minimise the environmental impact of the goods and services used?	Mixed	The Askham site will involve the loss of agricultural land, for it to be developed as formal playing field. Advice from the Council's Landscape Architect is that the central hedge line should be retained and that there should be some additional tree planting for screening and habitat. Both of these will be considered. The Lowfield green site will create new habitat areas with the addition of shrubs and formal planting in additional to grass areas. This will increase the mix of habitats.

Local and Sustainable Food

Does your proposal?		Impact	What are the impacts and how do you know?
3.19	Maximise opportunities to support local and sustainable food initiatives?	Positive	The Lowfield Green site will create an area for edible planting, to be used, maintained and managed by the local residents

Land Use and Wildlife

Does your proposal?		Impact	What are the impacts and how do you know?
3.20	Maximise opportunities to conserve or enhance the natural environment?	Neutral	The Askham site will involve the loss of agricultural land, for it to be developed as formal playing field. Advice from the Council's Landscape Architect is that the central hedge line should be retained and that there should be some additional tree planting for screening and habitat. Both of these will be implemented. The Lowfield green site will create new habitat areas with the addition of shrubs and formal planting in additional to grass areas. This will increase the mix of habitats.
3.21	Improve the quality of the built environment?	Positive	The project is focussed on developing and enhancing areas of recreational open space. It is not yet clear whether the Askham site will include a club house. If so it will be of a modular construction. It will be sited below the road level of Tadcaster Rd, behind the petrol station. It will have appropriate cladding to limit its visibility and ensure that it is in keeping with its surroundings. The play and publically accessible open spaces at Lowfield Green will significantly enhance the built environment on that development.

3.22	Preserve the character and setting of the historic city of York?	Neutral	The project is focussed on developing and enhancing areas of recreational open space. It is not yet clear whether the Askham site will include a club house. If so it will be of a modular construction. It will be sited below the road level of Tadcaster Rd, behind the petrol station. It will have appropriate cladding to limit its visibility and ensure that it is in keeping with its surroundings.
3.33	Enable residents to enjoy public spaces?	Positive	The 3 open spaces elements of this project will provide new and enhanced places for people to enjoy out door activities which will have a positive impact on their mental and physical wellbeing. The facilities will offer places to meet, play, do sport and grow food, and relax.

Section 4: Impact on Equalities and Human Rights

Please summarise any potential positive and negative impacts that may arise from your proposal on staff or residents.
 This section relates to the impact of your proposal on **advancing equalities and human rights** and should build on the impacts you identified in the previous section.

For 'Impact', please select from the options in the drop-down menu.
 If you wish to enter multiple paragraphs in any of the boxes, hold down 'Alt' before hitting 'Enter'

Equalities

Will the proposal **adversely impact** upon 'communities of identity'?
 Will it **help advance equality** or **foster good relations** between people in '**communities of identity**'?

4.1	Age	Impact	What are the impacts and how do you know?
		Positive	The playing fields projects are primarily for junior sport, play and physical activity, but the open space on the Lowfield green site will be over looked by the care facilities, which will allow the older residents to engage with young people, watch wildlife and enjoy outdoor activities.

4.2	Disability	Positive	The Askham site will be accessible from the park and ride site via a level accessible ramp and path. Bishopthorpe White Rose are planning to expand their disability football offer on the new site. They already have teams in 2 age groups but are planning to broaden the offer.
4.3	Gender	Positive	The recreational open space will be available for all. Bishopthorpe White Rose Football Club are planning to increase the number of women and girls teams within the club when they have new pitches to play on. If a club house is built at Askham site, this will have uni sex changing facilities designed to encourage women and girls to continue playing. All of the amenities at Lowfield Green and Chesney's field will be available to all.
4.4	Gender Reassignment	Positive	The recreational open space projects are unlikely to have a significant positive impact on these groups. The club has equalities policies and will continue to ensure that they comply with these and all other Football Association requirements around equalities and safeguarding. All other elements of the schemes will be available to the community in the same way as all other Council public open space.
4.5	Marriage and civil partnership	Positive	
4.6	Pregnancy and maternity	Positive	
4.7	Race	Positive	
4.8	Religion or belief	Positive	
4.9	Sexual orientation	Positive	
4.10	Carer	Positive	
4.11	Lowest income groups	Positive	
4.12	Veterans, Armed forces community	Positive	

Human Rights

Consider how a human rights approach is evident in the proposal

		Impact	What are the impacts and how do you know?
4.13	Right to education	Neutral	The recreational open space projects are unlikely to have a significant impact on these rights. The club has equalities policies and will continue to ensure that they comply with these and all other Football Association requirements around equalities and safeguarding. All
4.14	Right not to be subjected to torture, degrading treatment or punishment	Neutral	
4.15	Right to a fair and public hearing	Neutral	

4.16	Right to respect for private and family life, home and correspondence	Neutral	other elements of the schemes will be available to the community in the same way as all other Council public open space.
4.17	Freedom of expression	Neutral	
4.18	Right not to be subject to discrimination	Neutral	
4.19	Other Rights	Neutral	

Section 5: Planning for Improvement

	What have you changed in order to improve the impact of the proposal on the One Planet principles? (please consider the questions you marked either mixed or negative, as well as any additional positive impacts that may be achievable)
5.1	<p>We have listened to the residents at the consultation who had concerns about fencing off the pitches on Chesney's field. We will monitor the risks from dog fouling on the football players and reconsider the need for a fence if a problem occurs. This will allow all users to enjoy access to the open space but will hopefully also encourage people to be responsible dog owners.</p> <p>We will evaluate changes to the Askham site plans to limit the access to the pitch site to emergency, maintenance and blue badge holders vehicles only, all other access will be from the cycle track by bike or foot from the south or the park and ride. We have changed the scheme design to retain the central hedge and include additional planting. We will aim to design in energy and water efficiency measures in the pavilion if the project includes one.</p>

	What have you changed in order to improve the impact of the proposal on equalities and human rights? (please consider the questions you marked either mixed or negative, as well as any additional positive impacts that may be achievable)
5.2	<p>As part of the project Bishopthorpe White Rose Football Club will have to submit a development plan. This sets out their plans for increasing the provision for women and girls and disability football.</p> <p>The Lowfield Green site has been designed to encourage shared use of the open space and intergenerational activity.</p>

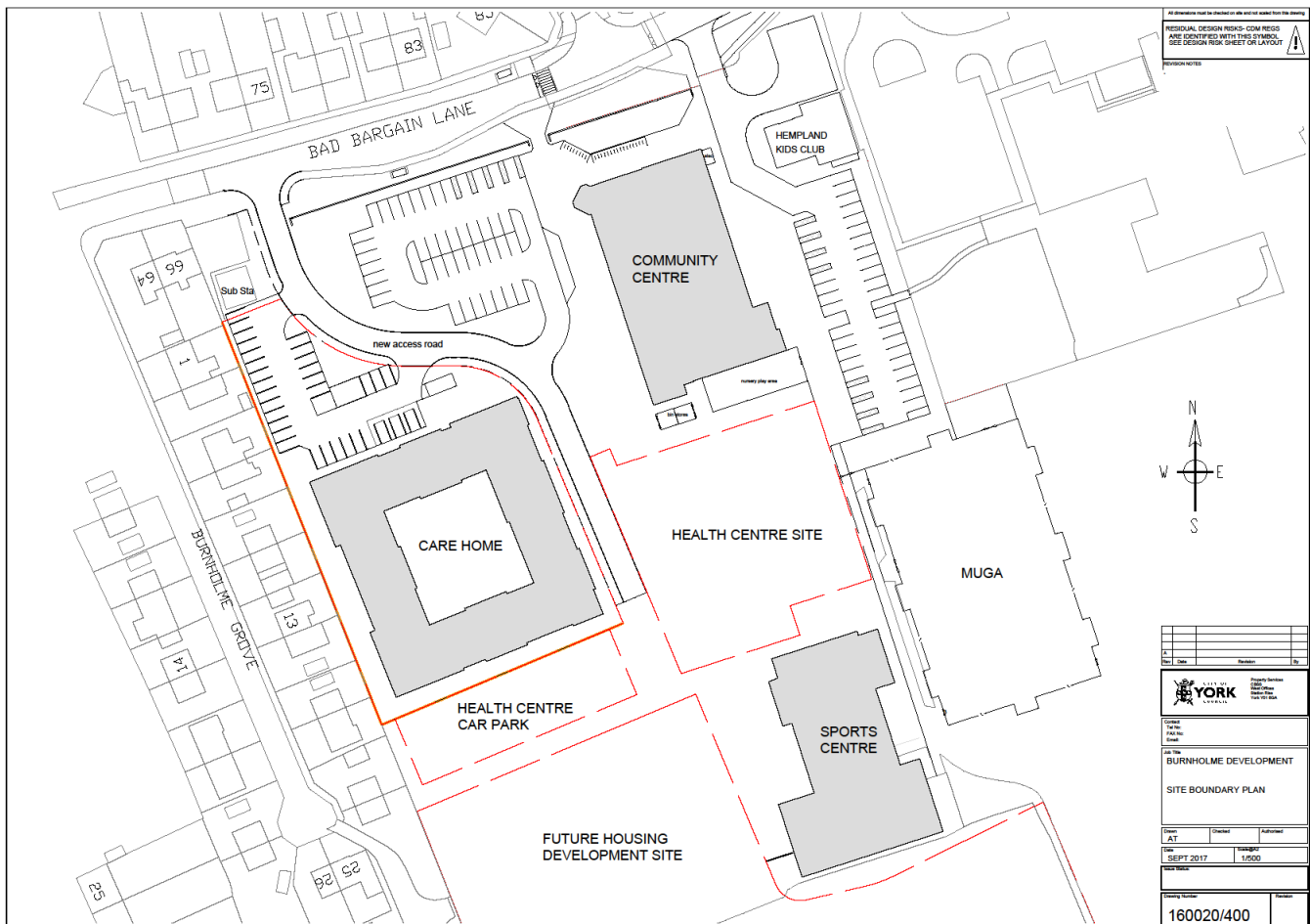
	Going forward, what further evidence or consultation is needed to ensure the proposal delivers its intended benefits? e.g. consultation with specific vulnerable groups, additional data)
5.3	<p>Highways and landscape planning consultees will need to be satisfied about the impacts of the Askham site proposal. We will continue to consult the 2 football clubs as the projects progress. We will work with the FA to ensure that the facilities comply with their pitch and facility standards. We will continue to work with residents and users to agree to what investment would serve the needs of users on Chesney Fields and to monitor the impact of dog fouling on players.</p>

5.4

Please record any outstanding actions needed to maximise benefits or minimise negative impacts in relation to this proposal? (Expand / insert more rows if needed)

Action	Person(s)	Due date
Review the football clubs' equalities policies.	Public Health Improvement Specialist	Q1 2018
Design a lighting scheme for the underpass from the park and ride which is energy efficient and sustainable.	Designer	Dec-18
Establish whether a club house is to be built on the Askham site and ensure its development specification includes energy and water efficiency measures.	Designer	Q1 2018

Annex 4 - Plan showing site of proposed Health Centre at Burnholme





Executive

7 December 2017

Report of the Corporate Director of Health, Housing and Adult Social Care & the Corporate Director of Economy & Place

Portfolio of the Executive Member for Finance and Performance & Executive Member for Housing and Safer Neighbourhoods

Housing Delivery Programme – establishing a delivery model and the scope of the programme

Summary

1. This report outlines the need for the council to take a strategic lead in addressing the current housing shortage which is being faced nationally and which has specific local factors which impact negatively upon our communities and the growth potential of our economy. This report further refines the proposal of establishing a housing development company, following on from the ‘in principle’ approval from Executive in March 2017. It will explain the key outcomes from the work which has been undertaken to date and seeks approval for the core vision and scope of the Housing Delivery Programme as well as approval to resource the next steps.
2. The core vision of the Housing Delivery Programme is to accelerate housing delivery in the city and support service provision through the delivery of a long term financial surplus. This reports looks at the initial scope of the Housing Delivery Programme, examining which sites could be utilised to provide new housing. Delivery through a housing development company is proposed based on external legal advice and the experience of other local authorities with housing delivery ambitions. The report sets out a site development business case approach to bring sites forward for consideration. The advantages of a partnership approach are presented as a way of accelerating housing delivery whilst minimising risks, investment, finance, and resource asks of the council.

Recommendations

3. The Executive are asked to:

- a) Approve the core vision and scope of the programme with each site to be considered for development through a detailed site development business case
- b) Approve the establishment of a company wholly owned by the council for the purpose of residential development noting the timescales associated with this process
- c) Add the development company to the scope and responsibilities of the existing Shareholder Committee
- d) Approve a financial resource allocation (as set out in paragraphs 28 and 29) for external design, cost consultant, legal and financial advice and to enable the appointment of a suitably qualified and experienced interim Managing Director for up to 12 months to assist in the formation of a development company and in the production of a five year business plan.
- e) To delegate the recruitment decision and remuneration package to the Leader and Deputy Leader of the Council in consultation with the Corporate Director of Health, Housing and Adult Social Care and the Corporate Director of Economy & Place
- f) Note the steps required to fully investigate the potential to deliver sites through a development agreement with a partner/s
- g) Note that a framework for the development partner agreement will be produced and brought to Executive for approval prior to starting the formal procurement process

Reason: To progress with the building of much needed new homes in York.

Background

4. The average house price in York is now 9.6 times higher than the average salary with the city becoming 14% less affordable than it was 10 years ago. In the last 10 years, there have been approximately 600 housing completions per year compared to an emerging Local Plan target of 867. On average just over 130 of these completions per year are classified as affordable housing. This limited supply and high demand is continuing to force up prices having a marked impact on our communities, particularly those on low to middle incomes including key workers, first time buyers and young families. The unaffordability of

houses for sale has increased the demand for private rented homes resulting in a rent rise of 17% in the last five years. This further pushes home ownership out of reach due to the difficulty of saving for a deposit whilst paying a significant amount of income as rent. Issues of housing affordability also negatively impact on the city's economic and social ambitions.

5. There is an opportunity for the City of York Council to take a direct role in helping to address some of the housing issues in the city. Central government are encouraging local authorities to build more housing, highlighted within the Housing White Paper (*Fixing our broken housing market*). The White Paper aims to diversify the housing market such that the public sector plays a greater role in delivering housing for its residents. Consistent with this central ambition the council has established a strategic partnership with the Homes and Communities Agency to help access support and funding opportunities. The council is in a strong position to lead on direct housing delivery through the utilisation of a number of land assets which are currently surplus or are expected to be so in the near future.
6. A number of other local authorities have taken the step of establishing housing development companies to help deliver the new homes that their communities need. The result of a survey looking at Local Authority housing development companies was recently published by the Association of Public Service Excellence. From the 70 authorities who responded to the survey, 44% have an established housing development company with a further 24% considering establishing one in the future. The majority of these companies are wholly owned by the council and established with the intention to build new homes for sale and rent.
7. The principle of council led housing delivery through a development company was considered by Executive in March 2017. Executive agreed to :-
 - I. *Agree to enter into a Memorandum of Understanding (MoU) to establish a strategic partnership for housing development and investment with the Homes & Communities Agency.*
 - II. *Agree that a detailed business case for council-led housing development, including project management, governance, funding arrangements and risk assessments be presented for Executive approval*

III. Agree that the council will explore partnership and funding opportunities to deliver accelerated housing on public land.

IV. Agree that as part of the development of business cases the council will engage with health and education partners to explore the local impacts of housing development on other strategic services.

Reason: To progress with the building of much needed new homes in York.

8. A separate paper has been prepared to consider the 'Stage 1 Feasibility' and 'Stage 2 Planning' site development business case related to the former Lowfield School. This follows on from the submission of planning applications to deliver 165 new homes on this site.

Options

9. Option One – To approve the recommendations set out in this report to enable the council to lead on the delivery of much needed new housing in the city across multiple tenures.
10. Option Two – To not proceed with the Housing Delivery Programme and to prepare a further report for the sale of council land for private sector housing development.

Analysis

Option One

The vision for council led housing delivery and taking the vision forward

Core Vision

11. The core aims of the Housing Delivery Programme are to:
 - Accelerate the delivery of an increased volume of housing in the city, across a range of tenures to help meet the housing need of the city
 - Generate a financial return to the council, to deliver land capital receipts and provide additional revenue returns

12. Council led housing delivery can fulfil a number of key social, environmental and economic policy objectives. This includes the delivery of housing across multiple tenures allowing the council to help meet the housing need of a greater range of people in the city than is currently possible through the Housing Revenue Account (HRA). Each development would consist of a mix of market and affordable housing, both for sale and for rent. Some housing would be sold on the open market to deliver a capital receipt to the council. This would include housing aimed at first time buyers to help them onto the property ladder and housing sold to older people to enable them to downsize and release family housing into the market. A proportion of the housing would be retained by the company and let at market or intermediate tenure rents in order to generate a long term revenue stream for the council to help support future service delivery. This will provide good quality well maintained housing for those who wish to have the flexibility of renting. Retaining some houses for rent also allows the asset to appreciate in value and be sold at a future stage to deliver a capital receipt to the council if required.
13. It is anticipated that each site would deliver affordable housing with the **whole programme aiming to deliver a greater number of affordable homes than planning policy would require** from a market house builder. The intention is to deliver affordable housing both for social rent, in line with council policy to meet those in the most acute housing need, and also some intermediate affordable housing such as shared ownership. There is an opportunity for the HRA to acquire the affordable housing, subject to budget availability. An updated HRA business plan was approved by Executive on 15th November 2017 which included a £20m investment fund to support additional affordable housing delivery in the city. Alternatively the housing could be offered to other Registered Social Landlords with the council retaining nomination rights ensuring that those in greatest need have the opportunity of a home. The level of affordable housing will be determined on each site through consideration of a detailed business case with reference to the overall plan objectives.

Scope

14. The council is in a strong position to lead on direct housing delivery through the utilisation of a number of land assets which are currently surplus or are expected to be so in the near future. There are also opportunities for the council to take a direct role in the delivery of residential accommodation by linking up with, for example, the Castle Gateway project and exploring opportunities for making more efficient use

of car parking assets located close to the city centre whilst still retaining their primary use for parking. Executive are asked to approve the scope of the Housing Delivery Programme. This initially consists of the following pieces of land (in alphabetical order) :-

- Former Askham Bar Park and Ride
- Former Burnholme College
- Castle Piccadilly,
- City Centre car parks,
- Former Clifton Without School,
- Hospital Fields Road/Ordnance Lane,
- Former Lowfield School,
- Former Manor School,
- Tang Hall Library,
- Woolnough House.

Delivery through a Development Company

15. Initial legal advice has been procured from Bevan Brittan who have experience of advising a number of other Local Authorities on issues related to housing development ambitions. The advice responds to a number of questions covering issues of vires, governance, liability, state aid, and procurement. This advice is included as Annex 1 attached to this report.
16. Whilst the council could seek to develop housing directly, the legal advice we have received is clear that the most robust and appropriate approach for the council to lead on the delivery of housing development of the scale proposed across multiple tenures, is to act through a development company limited by shares. This is the approach taken by a number of other local authorities as the vehicle for delivering a range of housing ambitions.
17. The proposed company would be wholly owned by the council and would be structured around a Shareholder Board and a Director Board. It is proposed that the existing council Shareholder Committee act as the Shareholder Board. The Company Board would be led by a Managing Director (MD) and take responsibility for the day-to-day operation of the company in accordance with the approved business plan. The Company Board would report to the Shareholder Committee as required by the council's constitution.

18. It is proposed that the company would be established to be Teckal compliant. This would enable land to be transferred between the council and the development company without needing to go out to tender. A Teckal compliant structure guarantees that the company adheres to the same public sector procurement rules as the council; ensuring transparency and best value is achieved.
19. In order to operate a portfolio of private rented stock (PRS) it may be necessary to establish a separate entity within the group structure of the development company in order to maximise tax efficiency and manage commercial risk. This option will be detailed in a future report setting out the detailed company structure and business plan.

Opportunities for Delivery through Partnership/s

20. The experience of a number of council led housing development companies is that housing delivery at scale is best achieved through working with a development partner/s. This could be a construction contractor, a house builder, or a housing association. Working in partnership has enabled other authorities to deliver at a greater scale than would be possible acting alone due to the opportunity to share resources, investment, costs and risks whilst utilising the expertise of the partner organisation in terms of commerciality, technical skills, cost control, sales and marketing. It is considered that this approach best meets the council's objective of accelerating housing delivery in the city across multiple sites.

Delivery Route

21. Subject to Executive approval, there are three key work streams which need to be undertaken to deliver the core vision of the Housing Delivery Programme. These are:
 - a) The establishment of a housing development company
 - b) The production of an outline five year business plan for the company
 - c) Procuring a delivery partner/s
22. There is additional work associated with the delivery of the former Lowfield School site (subject to separate Executive decision). It is proposed that a housing development company is established prior to the commencement of development at Lowfield.

23. In order to establish a development company, it is proposed that external financial/tax and legal advice is procured. This will ensure that the company is structured to be effective at meeting the objectives of the programme and efficient in its operation with council control maintained. We have the benefit of learning from a number of other authorities who have already undertaken this work. It is intended to procure financial and legal specialists who have helped guide other authorities through this process successfully. One of the key messages which has been received from other Local Authority's who have established development companies is that being thorough over the upfront work in establishing a company is essential to deliver the best outcomes. It is anticipated that the establishment of a company will take a minimum of between 6 and 8 months from an Executive resolution to do so.
24. The outline of a five year business plan will be developed and brought before Executive for consideration in tandem with the formation of the development company. The business plan would include initial design feasibility work for those sites within the scope of the programme, cost and revenue analysis, and funding/borrowing arrangements.
25. Prior to procuring a development partner the council needs to define exactly what it wants from any development partnership with another organisation. Further soft market testing will be undertaken in order to explore available opportunities prior to any formal procurement process. The results of this due diligence will be brought before Executive for consideration, after which the formal procurement process would be undertaken.

Resourcing

26. In order to complete the work streams outlined as parts a) to c) above, the following resource is required to take the project through to the end of 2018/19 (including spend to date):

Resource	Estimated cost
External legal and financial advice in setting up the company (including initial legal advice)	£110k
Design feasibility work, costing and revenue consultants to aid the production of a business case	£80k

Interim Managing Director position	£100k
Utilisation of existing internal resources - legal, finance, housing and procurement	Time to be suitably prioritised
<u>Core Team Operating Costs</u>	
Commercial Project Manager (already in post) – Grade 12	£120k
Recruitment of Commercial Project Coordinator – Grade 7	£35k
Misc Other Costs	£5k
Total	£450k

27. It is recommended that if Executive decide to proceed with the establishment of a housing development company that the recruitment of an Interim Managing Director should commence as soon as possible to ensure that a suitably qualified and experienced person is in place to help guide the council through the process of establishing a company and the creation of a five year business plan.
28. A sum of £160k has already been provided to the project from grant funding provided by the Homes and Communities Agency and One Public Estate. It is also recommended that the £100k allocated by Executive to undertake HRA stock asset transfer work (Executive Oct 2016) that has since been retracted (HRA Business Plan Update Executive Nov 2017) be allocated to this project.
29. This leaves a balance to be funded of £190k. It is recommended that this is funded initially from the Venture Fund. The Venture Fund balance at 31st March 2017 totalled £2.6m. Executive have approved up to £1.3m to support the Community Stadium Project leaving unallocated funds of £1.3m. Executive need to be aware that the above costs would be sunk into the project and could not be retrieved if the housing development company is not established. The intention is that these upfront costs would be repaid through company surpluses transferring to the council. Whilst the above represents a significant additional cost to the council as well as being an additional internal resource ask, this work is essential in establishing an efficient housing development company and the formation of a five year business plan for the company.

Costs of operating a Development Company

30. Executive also need to be aware that in addition to the upfront costs set out above, there is a requirement for the Council to act as the funder for the Development Company to cover both early year running costs and construction costs. This will be considered in detail when the five year business plan is brought before Executive for consideration. As a guide to the potential operating costs of the company, based on the operating model of a Local Authority with a development partner engaged, the below table is presented:

<i>Table 2</i>	Cost per annum (+ on costs)
Managing Director	£100-120k
Head of Development	£65-70k
Project Coordinator	£30k
Accountant (0.5 FTE)	£20k
Auditor	£10k
Total	£225 - 250k

31. An additional report will be brought before Executive with further details of the proposed company structure and its operating costs. The council would need to fund these operating costs for a period of time until the company has received significant revenue from house sales. In the medium and long term, the company will be expected to cover its own operating costs.

Development Cash Flow

32. An indicative site development cash flow is presented in Annex 2. This graphically demonstrates that the council would be required to lend to the development company, funding the upfront costs and initial periods of construction. The borrowing requirement peaks after approximately a year of construction at which point the company starts to generate revenue through housing sales. The company pays for the land at a previously agreed price towards the end of the development cycle which leaves a development surplus which would be returned to the council as a dividend. This approach would be required for each site development, with the peak borrowing requirement altering depending on the specific cost and revenue profile of the particular site. When the five year business plan is brought before Executive, this will contain further details

regarding how the cash flow would look over multiple sites with worked up estimates for each site.

33. Prior to the council lending any money to the company, Council will be asked to consider and approve the peak borrowing level for the company alongside the mechanism for the company to be able to draw down the required funding. Full details, including the interest rate attached to any borrowing will be brought before Council for consideration alongside the five year business plan.

Bringing development proposals forward through a Site Development Business Case for Executive decision

34. This report outlines how the council could take the lead in accelerating the delivery of housing in the city and the potential sites which could be utilised to achieve this ambition through a housing development company. In terms of decisions over specific housing developments, it is proposed that Executive retains decision making power through a site business case approach.
35. Any sites which are brought forward for development will be considered through a site development business case. The table below outlines the key site based decision making points and the proposal for whether this is to be considered by Executive or Shareholder Committee. Only once the first three stages are approved would land transfer into the company and development commence.

Appraisal Stage	Details	Reports to
1-Feasibility	High level cost and revenue appraisal supported by a design feasibility for the scheme, this detail is to be included in the company's five year business plan	To be approved by Executive
2-Planning	Costed development proposal prepared by the development company prior to the submission of a planning application. If approved by Executive, the company would sign an option agreement to purchase the land at its 'red book' valuation reflecting the development proposed.	To be approved by Executive
3-Pre-construction	Following planning permission and when construction costs are known, a final pre-	To be signed-off

	commencement development appraisal would be undertaken to ensure this meets the outcomes approved by Executive at the Planning Appraisal stage. If so, the appraisal would be signed off by the Shareholder Committee at which point the company could draw down finance from the council and take up its option to purchase the land. If the appraisal is less favourable than that approved by Executive at the Planning Appraisal stage, development would not proceed without a further Executive resolution to proceed.	by Shareholder Committee
4-Practical completion	This appraisal is carried out post practical completion of the construction to inform Shareholder Committee of likely financial surplus.	Presented to Shareholder Committee
5-Final account	A final account of the scheme which can be compared back to the first four appraisal stages with development surpluses returned to the council.	Presented to Executive

36. In addition to the formal appraisal stages outlined above, it is also proposed that the development company report to the Shareholder Committee every 6 months to update on progress and any potential issues.

Option Two

37. There is the option of not undertaking a programme of council led housing delivery. The primary implication is a lack of control over the delivery of housing and a likely reduction in the number of affordable houses delivered in the city in the next five years. Not proceeding with the programme would end the possibility of additional capital and revenue surplus generation from council led residential development. However, this approach would still yield a significant capital receipt from land sales which carries a lower risk than the council owned development company undertaking the development.

Council Plan

38. This plan supports the Council's priorities to provide:

- **A prosperous city for all** – where local businesses can thrive and residents have good quality jobs, housing and opportunities – The Housing Delivery Programme proposes considerable investment in new housing which will include a significant boost to the local economy.
- **A focus on frontline services** – to ensure all residents, particularly the least advantaged, can access reliable services and community facilities – The Housing Delivery Programme allows a number of policy objectives to be achieved alongside residential developments.
- **A council that listens to residents** - to ensure it delivers the services they want and works in partnership with local communities – The Housing Delivery Programme proposes extensive public consultation on a site by site basis in helping to shape development proposals.

Implications

39. The implications arising from this report are:

- **Financial** – The funding of the upfront development costs is covered in paragraphs 26-29. Prior to approval of a Housing Development Company it will be necessary to complete the business plan which will detail costs and revenues for both the company and the council. The financial and legal advice commissioned will be key in determining the most efficient way of structuring the company.
- **Human Resources** – The recruitment of an Interim Managing Director and Commercial Project Coordinator is proposed. Given the interim nature of these posts and the fact that these roles will transfer into the development company it is proposed that these will initially be recruited through Work with York.
- **Equalities** – An equality assessment will support the detailed business case.
- **Legal** – A legal advice note appears as Annex 1. While this reflects the current law Members do need to be aware that the Housing White Paper issued earlier this year indicated that the Government, while supporting innovative models such as housing companies, wants to see all tenants that local authorities place in new affordable properties offered equivalent terms to those in council housing, including a right to buy their home. Officers' understanding is that this would apply only to affordable housing. In York's case it is intended that such houses be transferred into the HRA or to another registered social landlord and so would be subject to such rights in any event. It does not appear to be the case that the Government intends to further extend these rights to private rented housing made available for market rent.

- **Crime and Disorder** – None
- **Information Technology** – None
- **Property** – The scope of the Housing Delivery Programme includes numerous sites under the ownership of the council.

Risk Management

40. There are a number of risks which need to be fully considered before a decision is made as to whether to proceed with the next steps in setting up a development company, producing a five year plan and bringing sites forward for development. Much of the work undertaken incurs a cost which is sunk into the programme or a specific site proposal which cannot be retrieved. The production of site design work, costing and revenue analysis has an associated cost and resource requirement. If Executive decide not to progress with one or more sites after this work has been undertaken, these costs cannot be retrieved.
41. The approach outlined in this paper is that the council would gain significant benefits from working with one or more development partners to deliver housing across multiple sites. Executive need to be aware that working with other organisations adds a new layer of risk in respect of disagreements or the stability of the partner organisation. Suitable mechanisms need to be put in place to sufficiently manage this risk as far as possible and this will be outlined in the 5 year business plan.
42. Any large scale development brings with it a number of site specific risks, both in terms of planning and the construction stage of site development. Each site development proposal will include consultation with key stakeholders and the planning department; however there is the potential that the proposed developments may not achieve planning permission. Furthermore, once a development is under construction, there is the potential for costs to increase due to unforeseen circumstances. A risk register will be utilised both pre and during construction to help manage costs.
43. The final key risk is associated with the market. Due diligence will be carried out on all site proposals in respect of likely revenues and costs. However, changes in market conditions are difficult to estimate and could have a significant impact on projected surpluses. A fall in sale or rental prices from those estimated within the financial model or increase in costs would have a negative impact on financial returns and put the council's

lending at risk. Some of this risk can be mitigated through the possibility of the HRA or other Registered Social Landlord in the city buying additional houses as well as through exploring grant opportunities in partnership with the HCA.

44. The sale of land would mitigate these risks and bring an early capital receipt. However, this would result in the council losing control over these sites and in so doing its ability to play a positive role in responding to the current housing problems in the city.

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**Report
Approved**



Date 28th November 2017

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All

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Background Papers:

Executive, Thursday, 16th March 2017 – Strategic Partnership Opportunities with the Homes and Communities Agency

Annexes

Annex 1 – Legal advice

Annex 2 - Indicative Site Development Cash flow

YORK CITY COUNCIL
Housing delivery advice
3 August 2017



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1 INTRODUCTION

- 1.1 The Council has asked a number of legal questions concerning how it can develop housing for (1) market sale and rent (2) below-market sale and shared ownership, and (3) affordable rent within the HRA. Our responses are set out below. To help explain our advice, we have also included in Schedule 3 an overview diagram of the legal structure that appears most likely to help the Council achieve its objective.

2 EXECUTIVE SUMMARY

- 2.1 The Council would like to bring forward a number of sites to develop housing and generate a long term revenue stream to support the provision of wider Council services. Although a variety of tenures will be created, the focus will be on private rental sector housing in order to generate the revenue stream.
- 2.2 The Council could seek to develop properties directly without using a housing delivery vehicle. However, the most robust and appropriate approach is to do so through a company limited by shares. If this model is used, the Council will have the statutory power to borrow and lend to the company. There will be greater flexibility over the type of tenures that the vehicle may offer. The right-to-buy rules will not apply to it unless there is a change in the law.
- 2.3 A company limited by shares will be able to pay a dividend to the Council as its only shareholder. It will be structured around the two key roles of shareholder and director, and can be established so that the Council retains strategic control over how it operates.
- 2.4 The potential for conflicts of interest for members and officers who are appointed to act as directors of a company must be taken into account, and clear arrangements will need to be put in place about how they will be managed.
- 2.5 A company limited by shares can be set up to allow the Council to award contracts to it without first running a tender (the Teckal exemption). It is possible to structure the company to sit outside of the procurement rules, but it is very difficult to set it up with the ability to achieve both.
- 2.6 The Council may dispose of land to a company set up for these purposes for market value. Doing so will comply with the State aid rules. It can also dispose of land at an undervalue in certain circumstances.
- 2.7 The Council is unlikely to be able to use retained right-to-buy receipts to purchase completed units unless the form of retention agreement has been amended.

3 CONTEXT

- 3.1 The Council's Housing Delivery Programme Board has agreed the following broad objectives, listed in order of priority:
- 3.1.1 to accelerate the delivery of at least 500 new homes, with at least 100 of those being affordable housing;
 - 3.1.2 to deliver a capital and revenue receipt to support Council services;
 - 3.1.3 to facilitate the delivery of houses across all tenures of the type of housing that people in the city need;
 - 3.1.4 to facilitate the delivery of good quality homes which are well designed, meeting people's needs whilst being affordable to maintain, heat and light in the long term.
- 3.2 In delivering these objectives, the Council would like to create a new revenue stream of approximately £1 million a year by 2020 / 21, primarily by developing residential property for letting in

the private rental sector (**PRS**). As part of the project, units will also be developed for market and below-market sale, as well as for affordable rent to meet planning requirements.

- 3.3 Five initial Council sites have been identified as suitable for development, and planning permission may be applied for one of them in September. Further sites will be identified as the project proceeds. The Council expects to develop around 600 homes on the five initial sites; up to 20% are likely to be affordable to meet planning requirements. It is likely that the Council will transfer the affordable units to the housing revenue account (**HRA**).
- 3.4 The Council is also exploring the possibility of property-based joint ventures, including with the MOD, and separate discussions are taking place to progress those proposals. Once terms are agreed, the Council is keen to be able to implement the joint ventures within the structure to be put in place to deliver the existing proposals. The new structure must therefore be flexible enough to accommodate this.

4 VIRES ISSUES

Can the Council via its General Fund build homes to sell for profit and to let at market rents?

- 4.1 The Council could seek to develop homes for market sale and rent in the general fund, but there are a number of factors that potentially mean it may be more suitable to do so through a Council-owned housing delivery vehicle (**HDV**). This is particularly the case in light of the scale of the proposed developments. The factors are considered below.
- 4.2 Although the Council has the power to do anything individuals may do (the general power of competence),¹ activity undertaken for a "*commercial purpose*" must be carried out through a company or a community benefit society.² Commercial purpose is not defined in the legislation, but it would be reasonable to assume that developing a minimum of five sites to create up to 600 units to generate long term revenue from the PRS would fall within the definition, even allowing for the fact that up to 20% will be to meet affordable housing requirements. As a result, although the Council could potentially seek to exploit the lack of clarity in the legislation about exactly what constitutes "*commercial purpose*", in our view the most robust and appropriate approach would be to act through a company (additional reasons for using a company are considered in section 5 - governance).
- 4.3 In addition, the Council is a local housing authority³ with a retained housing stock. Subject to what is said below about relying on an alternative statutory power, the starting point for developing and holding residential property is therefore the statutory powers to provide social housing (which comprises property for low cost rent or shared ownership). However, relying on these powers would result in the units sitting within the HRA and not the general fund, which would mean the income would have to be used within the confines of the HRA rules.
- 4.4 It would theoretically be possible to rely on the general power of competence as an alternative to the Council's statutory housing powers referred to above; this could allow it to build homes outside of the HRA for market sale and rent. However, careful thought would need to be given to whether this would be an improper use of the power, particularly in relation to the rental units. In any event, the secure tenancy (and consequently the right-to-buy) rules would be likely to negate any advantages of relying on the general power of competence as they would still apply; the general power is subject to pre-existing limitations.
- 4.5 When letting properties in the HRA, the Council would be obliged to comply with DCLG's Guidance on Rents for Social Housing dated May 2014 (see [here](#)). Under the Guidance, the Council would only be allowed to charge what is defined as social rent, unless it can rely on an exemption. None of these are likely to help the Council achieve its objective. One permits the charging of affordable rent, and although another does allow a higher amount to be charged to households with an income

¹ Section 1, Localism Act 2011.

² Section 4, Localism Act 2011.

³ Sections 1 and 4, Housing Act 1985.

over £60,000 a year, the additional income over the social or affordable level must be reinvested in social housing. It could not therefore be returned to the general fund.

- 4.6 A further factor to be taken into account is that the rental units would also be subject to the secure tenancy rules, whether held in the HRA or the general fund. The consequence of this is that tenancies could not be ended without a court order and, perhaps more importantly for this project, right-to-buy would apply. The test as to whether a tenancy is secure does not turn on whether it is held in the HRA or the general fund, but on whether the landlord and tenant conditions are met. In broad terms, this will be the case where the Council is the landlord and the tenant is an individual who occupies the property as his or her only or principal home (discussed in section 11 - tenure). Classification as a secure tenancy, and therefore the application of right-to-buy, would be likely to impact on the Council's income generation objective as there would be a reasonable prospect of tenants exercising the right and reducing stock.
- 4.7 There is limited scope to build and rent units for certain purposes that are excluded from the secure tenancy rules. For example, providing temporary accommodation in compliance with the prevention of homelessness duties or to asylum seekers.⁴ The Council's brief does not envisage developing units for these purposes, presumably because they would not generate the level of income required and so we will not explore this area further unless it would be helpful for us to do so.

Can the Council via its General Fund borrow in order to develop homes for sale and / or to retain and let at a profit?

- 4.8 The Council has wide legal powers to borrow for "*any purpose relevant to its functions*⁵ ... or for the purpose of the prudent management of its financial affairs".⁶ If it borrows specifically for the purpose of developing homes for sale or rent then these powers are broad enough to justify doing so. This is distinct from the question of whether the Council would need to act through a company to do so, or from the question of borrowing to invest in new sites to develop for profit.
- 4.9 The use by local authorities of Public Works Loan Board borrowing to invest⁷ directly in third party property for profit has caused some auditors to voice concerns about whether it is lawful for them to do so. The argument derives from the qualification in the Prudential Code, which states that "*Authorities must not borrow more than or in advance of their needs purely in order to profit from the investment of the extra sums borrowed*".
- 4.10 In our view, it would be very difficult to challenge the Council successfully on this basis even if it decided to acquire third party sites for development. This is because the Council would not need to rely on its investment powers as it could use the alternative power to acquire land by agreement.⁸ In addition, the Council has clear housing and income generation objectives in these circumstances that demonstrate a close link between the justification for borrowing and the "need". This could be strengthened further by obtaining specific internal approval for each site acquired.

5 GOVERNANCE

Guided by the vires considerations, what governance structures will be needed to operate Council led development activities? Should a company structure be required, we would wish this to be as efficient to operate as possible. Are there models for the Shareholder Agreement, Memorandum of Understanding and Articles of Associations which we should use?

Type of vehicle

⁴ Schedule 1, Housing Act 1985.

⁵ This term has been widely interpreted by the courts to mean all powers and duties of local authorities.

⁶ Section 1, Local Government Act 2003.

⁷ Section 12, Local Government Act 2003: "*A local authority may invest: (a) for any purpose relevant to its functions under any enactment, or (b) for the purposes of the prudent management of its financial affairs.*"

⁸ Under section 120, Local Government Act 1972 a principal council may acquire by agreement any land, whether situated inside or outside their area for the purposes of (1) any of their functions under this or any other enactment, or (2) the benefit, improvement or development of their area.

- 5.1 For the reasons outlined above, there are reasonable grounds for concluding that the Council should use a separate vehicle to achieve its objective of a long term revenue stream. There are additional reasons for using the company limited by shares (**CLS**) model, rather than, for example, a community benefit society or a company limited by guarantee. The most important of these in light of the Council's objective are:
- 5.1.1 the ability for a CLS to distribute net profits by the payment of dividends to the Council as shareholder. This is key where the primary objective is to generate long term income;
 - 5.1.2 the ease with which third parties can invest in the equity of a CLS by acquiring a shareholding. This is also key because of the proposed joint ventures that are being developed;
 - 5.1.3 the familiarity of the market with the CLS model;
 - 5.1.4 the relative ease with which a CLS can be set up, often on a same-day basis;
 - 5.1.5 the additional flexibility around exiting the arrangement, for example, disposing of one or more properties held within it, or some or all of the shares to a third party.
- 5.2 As a potential alternative to the CLS model, the Council could consider using a limited liability partnership (**LLP**). The principle reason why local authorities use LLPs is tax transparency, which means that profits are assessed for tax in the hands of the local authority owner. The Council's share of profits would not therefore be subject to corporation tax as it is exempt from such tax.
- 5.3 To use the LLP model, local authorities often rely on their regeneration / housing, their investment powers or a combination of both as an alternative to the general power of competence. However, an LLP requires there to be two or more parties.⁹ In the absence of a genuine third party partner and because the project's primary objective is income generation, this model would be likely to create a risk that its use was artificial / improper.

Governance

- 5.4 The governance structure for an HDV established as a CLS will be based around the two roles of shareholder and director. Although we are aware that the Council is familiar with its role as a shareholder because of experience in relation to other companies, we have explained both below in headline terms for ease of reference, and to ensure that the key areas within each are covered.

Shareholders

- 5.5 Shareholders own and control a CLS through the appointment and removal of directors and certain statutory rights. In addition, shareholders may exercise control in accordance with rights given to them either in the articles of agreement (discussed below) or a separate contract with the company: a shareholder's agreement.
- 5.6 A shareholder's agreement is commonly put in place to provide a local authority owner with strategic control over the operation of the company through (1) the right to approve a business plan, and (2) the requirement that certain decisions, referred to as "reserved matters", are referred back to it as shareholder rather than being within the discretion of the board of directors. Please see the example list of reserved matters in Schedule 1 to understand the type of issues that are commonly reserved by the shareholder, although this can be varied to reflect an authority's individual requirements.
- 5.7 The approach to a shareholder's agreement and the level of control that is appropriate is likely to vary depending on whether the company is being structured as a:
- 5.7.1 Teckal company (considered in section 9);

⁹ Section 2, Limited Liability Partnerships Act 2000.

- 5.7.2 within, or outside of, the procurement rules (also considered in section 9).
- 5.8 The overall position typically achieved is that the authority approves the business plan, and the board of directors then has the remit and discretion to implement it, subject to the reserved matters. The level of discretion given to the board depends on the framing of the business plan – i.e. how prescriptive or flexible it is – and what the reserved matters are.
- 5.9 As well as considering how prescriptive or flexible an approach it would prefer, the Council would need to decide how it wishes to exercise its shareholder function. Given the function is about strategic control over the company's activities, it is usually exercised by members. This could be:
- 5.9.1 through all shareholder decisions going to the Executive;
- 5.9.2 a committee of the Executive being established to undertake some or all decisions; or
- 5.9.3 certain decisions being delegated to specific members (for example, a portfolio holder) and / or senior officers.
- 5.10 We note the Council's Executive report dated 29 September 2016 which recommends establishing a Shareholder Committee, and suggests how the Council's responsibilities as shareholder should be divided between the Executive and the Committee. This is a combination of the first two options listed in the previous paragraph, and is one commonly used by local authorities. The Council could explore incorporating the arrangements for a new CLS within these to avoid duplication.

Directors

- 5.11 Directors control the operation and management of a CLS. Choosing the most suitable individuals for this role is critical to success. There is no set size or composition of a board of a local authority company, but there are a number of issues that the Council would need to consider thoroughly:
- 5.11.1 the appropriate size of the board for the circumstances, so that it is not unwieldy and can make decisions quickly where necessary;
- 5.11.2 the appropriate mix of skills and experience required;
- 5.11.3 the extent to which the board will be executive or non-executive – executive being directors who are employees of the company, and non-executive being those not employed, being either officers or members from the Council and / or independent directors;
- 5.11.4 the need to demonstrate sufficient control when required for a Teckal company, or independence if required to achieve non-contracting authority status;
- 5.11.5 the potential conflicts of interest that could hinder the effective operation of the board, or present issues for individuals when acting within the Council (considered in section 7).
- 5.12 What is appropriate is likely to vary between companies depending on what each one is doing and other structural considerations, such as whether it is to be a Teckal company.

Documentation

- 5.13 The Council would like to ensure that any company it establishes can operate as efficiently as possible, and has asked what documentation should be used to achieve this. Although there are no standard documents available for these exact circumstances, we have well developed constitutional documents that can be used as the starting point. We are familiar with what works best, and can tailor these so that the CLS can operate as efficiently as possible. We would be happy to provide drafts of the articles of association and shareholder's agreement should the Council decide to use

the CLS model, and have provided the Council with a separate proposal about how to take forward structuring and establishing such a model to achieve its objectives.

Regulated companies

- 5.14 A CLS wholly owned by the Council will be classed as a regulated company, subject to the legal and practical implications explained in Schedule 2. These rules apply regardless of whether a CLS is established as a housing delivery vehicle or for another purpose, and it is important to be aware of the restrictions they contain, particularly around publicity, the provision of information and payments to members who act as directors. For example, a regulated company must ensure that company documents make it clear that it is owned by a local authority to ensure that there is transparency. This includes making it clear on business letters and all other forms of business correspondence and documentation.

What, if any, governance constraints are required to allow the General Fund to operate a Private Rented housing portfolio?

- 5.15 The key constraints are those outlined in section 4 (the application of right-to-buy, the protection given to secure tenancies and the possibility of being challenged for improperly using a power to hold property outside of the HRA).
- 5.16 If, in light of these, the Council chooses to act through a company, it would also be obliged to recover the costs of providing staff, premises or other facilities to the HDV, and prepare a formal business case before trading can begin.¹⁰ These are both tasks that it would be usual for any party pursuing a similar course of action to undertake, and they are therefore not particularly onerous or difficult to comply with.

What powers and restraints must guide the Council in its decision making regarding housing development?

- 5.17 In addition to the obligations around cost recovery and preparation of a business case, as with the exercise of any power, the Council is subject to the public law principles of acting reasonably, for a proper purpose and taking into account only relevant considerations.
- 5.18 It would therefore need to be clear that the Council was not setting up the HDV to avoid right-to-buy, but to comply with the obligation to use a company when engaging in commercial activity: the development of PRS property. As a natural consequence of acting through a company, right-to-buy would not apply to these properties, but this would not have been the guiding principle for choosing the structure. On our understanding of the proposals, there would as a result be little merit in bringing a challenge on this basis.

What consideration must be given to the Council's fiduciary duty?

- 5.19 The Council is under an overarching duty to act in the best interest of its ratepayers, and this will apply in relation to the decision-making process for this project. The duty is not defined in statute, for example, there are no specific consultation requirements that must be met to comply with it. Although it is difficult to bring a challenge on this basis alone, it is often used to bolster a claim based on other grounds.¹¹
- 5.20 If the Council follows its usual governance procedures and complies with the constraints outlined above, including the general public law principles, there should be little risk of breaching the fiduciary duty. The Council will have prepared a business case and proceeded on the basis that it demonstrated there were reasonable grounds for doing so i.e. that the financial returns justified the resources and risk involved.

Does the Council have the power to borrow for this General Fund housing development activity?

¹⁰ Local Government (Best Value Authorities) (Power to Trade) (England) Order 2009 (SI 2009/2393).

¹¹ *Bromley LBC v Greater London Council* [1983] 1 AC 668.

- 5.21 Please see our answer to the earlier question in section 4.8. In summary, the Council has wide statutory powers to borrow that could be relied on to fund general fund development activity.

Should a Company Structure be required, does the Council have the power to borrow for this General Fund housing development activity?

- 5.22 Yes, the Council does have the power to borrow, and it could also rely on the general power of competence as authority for lending to the HDV. This is a commonly used approach and there is no reason why the Council could not take it here, particularly as it will reduce the risks that would be created by undertaking the activity directly. For example, around breaching the obligation to act through a company when undertaking something for a commercial purpose, or seeking to develop and hold housing outside of the statutory housing powers.

6 TAX

In light of the vires and governance advice, and potentially to guide the most economically efficient development structure, what are the Stamp Duty Land Tax, VAT, Corporation Tax and other taxation implications?

- 6.1 The implications are set out below in general terms, and this will need to be developed in more detail in light of the financial modelling and related advice that the Council is also obtaining.

SDLT

- 6.2 SDLT group relief applies to transfers between bodies corporate, rather than a more restricted definition of "company" (para 1, Schedule 7, Finance Act 2003).
- 6.3 A group, for SDLT group relief purposes, consists of a parent body corporate and its 75% subsidiaries. A "75% subsidiary" for these purposes is a company in which the parent body corporate owns (directly or indirectly) at least 75% of the ordinary share capital, and in which the parent is beneficially entitled to at least 75% of the distributable profits and at least 75% of the assets available for distribution on a winding up (para 1(2)(b) Finance Act 2003).
- 6.4 Accordingly, a local authority can be the parent entity of an SDLT group, as it is a body corporate, but it could not be an intermediate entity as it has no share capital (for regulatory reasons, it would also be the case that a local authority could not be a subsidiary of another entity, of course).
- 6.5 A transfer of property to a company (with share capital) which is beneficially owned (directly or indirectly through a holding company) at least 75% by the Council should be capable of benefiting from SDLT group relief, as would be transfers of property between group companies.
- 6.6 It should be noted that HMRC have occasionally disputed that a local authority can be a member of a group for SDLT purposes, although such disputes have been less frequent in recent years.

VAT

- 6.7 VAT will be incurred on goods and certain services used in the construction or conversion of property to be used in the residential property rental business. The letting of residential property is an exempt supply for VAT purposes, so that the purchase of goods and certain services in relation to the rental properties by a property rental business which owns those properties and lets them out is unlikely to be recoverable. A subsidiary of a local authority cannot recover VAT under the local authority provisions in s33 VATA 1994; it is restricted to the normal rules for recovery of VAT.
- 6.8 The construction of residential property, or the conversion of commercial property to residential use, could, therefore, give rise to irrecoverable VAT if directly undertaken by the company which will be the landlord of the properties.

- 6.9 However, if another entity undertakes the construction / conversion work and then transfers the residential properties to the landlord company, it may be possible for the developer entity to recover VAT incurred on conversion costs without creating irrecoverable VAT for the landlord company.
- 6.10 This is because the first grant of a major interest in a building by a person converting a non-residential property to residential use (or constructing such a property) is zero-rated for VAT purposes. Accordingly, the rate of VAT charged on the grant of the interest is 0% and so, as the supply is not exempt, the person undertaking the conversion and then granting the interest will generally be able to recover VAT incurred on the conversion costs.
- 6.11 If a separate company undertakes the conversion / development work, it should therefore be able to recover VAT on its costs of doing the work. The grant of an interest over the property to the company thereafter would be zero-rated so that the company would not incur irrecoverable VAT on the acquisition.

Corporation tax

- 6.12 Any companies created by the Council will be subject to corporation tax on their profits; the Council's exemption from tax is not extended to a subsidiary company of the Council.

Corporate tax – group relief

- 6.13 If it is anticipated that losses and profits may arise at the same time, in different vehicles, it would be appropriate to consider interposing a holding company so that the Council does not own the subsidiaries directly. This is because the Council cannot form part of a group for corporation tax purposes as such a group must consist of companies (including the parent company) and, for the purposes of corporation tax, the term "*company*" specifically excludes local authorities from the definition (s1121 Corporation Tax Act 2010). Note that the definition of "*company*" differs for other tax purposes, and is not a consistent definition.
- 6.14 If a holding company is used, then the vehicles and that holding company together should be able to be regarded as a corporation tax group such that they can surrender trading losses and property business losses between themselves.

7 MEMBER AND OFFICER LIABILITY

In light of the vires and governance advice, please advise on any Member or Officer liability issues, how best these can be managed and implications relating to indemnity insurance?

Directors' and officers' liability insurance

- 7.1 Directors are subject to a large number of duties and obligations as set out in the articles of association of the company, statute and common law. These fall into the following three broad categories:
- 7.1.1 general duties under the Companies Act 2006;
 - 7.1.2 duties under other legislation;
 - 7.1.3 insolvency legislation.
- 7.2 A director can in limited circumstances be personally liable under these duties, for example, in relation to wrongful or fraudulent trading. The Council should therefore consider indemnity arrangements for officers and members acting as directors to decide how best to protect those it appoints to this role.

7.3 There is a general statutory indemnity under Public Health Act 1875 that will be available where the officers or members have acted in good faith. In addition, local authorities sometimes provide specific indemnities for officers or members appointed to external bodies.

7.4 Insurance can also be obtained by the company or by the Council (assuming cover is not included as part of its existing corporate policy). If independent directors are to be appointed, the Council should raise with the prospective directors what expectations they have in respect of indemnities, and whether the Council would be expected to provide anything over and above the insurance obtained by the company.

Conflicts of interests and how best to manage

7.5 A further governance issue that the Council must consider is conflicts of interests. The potential for conflicts arises because officers or members appointed as directors of a company will have separate duties and interests (1) as company directors, and (2) as Council employees or members. This needs to be considered in respect of decisions within the company and within the Council.

Decisions within the company

7.6 The duty under company law to avoid conflicts of interests requires a director to avoid a situation in which he or she has, or can have, a direct or indirect interest that conflicts, or may conflict, with the interests of the company. The fact that a director is appointed by, and may also be a member or officer of, the Council is likely to place him or her in a position of potential conflict between his or her loyalty to the Council and his or her duties to the company.

7.7 This can be dealt with by drafting the company's articles to allow any conflicts of interest arising purely by virtue of a director being a member or officer of the Council to be automatically authorised, and for that director to be able to participate in discussions on the matter in question and to vote on decisions concerning the matter.

Decisions within the Council

7.8 The issue of conflicts is more acute in relation to decisions made within the Council. An officer has a duty to his or her employer and a member has a duty to the Council. Both have duties in terms of appropriate decision making within a public body – for example, not being biased or predetermined.

Officers

7.9 The Council can agree to officers continuing to act despite potential conflicts; agree not to take action against them where they are required to act contrary to the interests of the Council due to their role as director; and agree to their remuneration as a director.

7.10 Managing conflicts is more problematic for officers if they are involved in making material decisions about the company wearing their Council officer hat. This can create a risk of challenge on the basis that the decision is influenced by bias because of their role at the company, and / or by pre-determination i.e. that they have made their mind up because of the company role and are not making the decision objectively and fairly.

7.11 This risk is best mitigated by not putting Council officers who are responsible for material decisions relating to a company as directors of the company, and this is the approach commonly taken by other authorities. If such officers are required to be on the board, steps should be taken to mitigate the impact within the Council. For example, by carving out responsibility for decisions that relate to the company from the remit of the statutory officer and a suitable alternative role having such responsibility.

7.12 We would also advise that authorities consider not appointing statutory officers (monitoring officer, s.151 officer and the head of paid service) as directors because they may at some stage be required to undertake their statutory roles in relation to the company, which would raise difficult conflicts. If

statutory officers are appointed, we recommend keeping the issue under review with a view to making any changes that may be required if significant conflicts arise.

- 7.13 The Council should also consider the "retained client" role i.e. if all officers who know anything about the services being delivered are either seconded or transferred to the company to run them and / or on the company board as a director, who is left to advise the Council on decisions about the company, and about decisions in relation to the company in their capacity as owners.
- 7.14 It is a criminal offence for officers, under colour of their office, to accept anything other than their proper remuneration. Consequently, where officers are appointed as directors by reason of their post within the Council, they may not accept any payment from the company for services as a director, unless the Council agrees that the additional payment shall form part of their proper remuneration. It is therefore recommended that officer directors should formally notify the Council (the chief executive and the monitoring officer or any alternative requirements of the Council) of their interest, and this should be kept on the officer declaration file. An alternative approach that is sometimes taken where there is a desire for the director role to be remunerated is for the officer to have a separate contract with the company (i.e. not as part of the officer's contract of employment with the authority) and receive remuneration through this. In these cases, the employing authority will need to provide approval for the individual to take on the separate role.

Members

- 7.15 The conflicts issues for members relate both to the code of conduct, and also to the risk of decisions made by members who are also directors being challenged on the basis of bias or predetermination or bias.
- 7.16 Directors who are members must disclose any potential conflicts of interests and observe the requirements of the code of conduct of the Council.¹² Such directors must also be careful (when undertaking their Council role) to behave in ways which avoid suggestions of bias or predetermination. This can be difficult, and more so for more senior members, for example, Cabinet members. Despite the potential for the Council to approve dispensations to authorise the conflict from a councillor standards perspective, it could remain difficult in practical terms for the member to deal with a matter in a satisfactory way, and it could lay both the member and the Council open to allegations of bias and challenge.
- 7.17 For example, take a scenario where the Council has invested say £10m in a housing vehicle for development. A councillor on the board of the company is aware that the development is not going well and that the company is at risk of becoming insolvent; a board meeting is held where they agree to approach the Council to restructure the financing to improve the financial position. In this situation, a councillor or officer who made the decision to approach the Council with the proposal in light of the company's best interests would then be in a difficult position if the individual was then responsible for considering the proposal and making a decision in the best interests of the Council. In such situations, questions of bias, predetermination and general probity around public decision making could be difficult to satisfactorily manage satisfactorily.
- 7.18 Where the Council is seeking to establish a company that is not caught by the procurement rules, the position would typically be stronger without members on the board. This is because it would help create greater distance between the company and the Council, and reduce the perception or risk that the vehicle has a policy purpose rather than being purely an investment / financial purpose.
- 7.19 Directors' remuneration (if any) for members is restricted in law. This means that they cannot receive any additional remuneration from the company for acting as a director which is beyond the special responsibility allowance they would have received had the activities of the company been discharged by the Council. Any remuneration they receive will be deducted from the special responsibility allowance that they receive within the Council, and they may only claim mileage and subsistence at the rates that apply to members.

¹² Localism Act 2011.

8 STATE AID

Will the activities proposed satisfy the State Aid rules?

- 8.1 Yes, provided they are structured to fit within one of the permitted exemptions. In these circumstances, the most commonly used is the MEOP (explained below).

Overview and analysis

- 8.2 The State aid rules prohibit the Council from transferring its resources to a third party, including an HDV, in a way that could distort competition and affect cross-border trade in the European Union. A successful challenge could result in an order by the UK courts or the European Commission to repay the aid plus interest. A claim can also be brought by a body that has not received the same favourable treatment, with there being a ten-year limitation period for challenges.
- 8.3 There are four potential types of aid in this project:
- 8.3.1 the transfer of land by the Council to the HDV;
 - 8.3.2 the provision of a soft loan by the Council to the HDV i.e. on less than market terms;
 - 8.3.3 the provision of a guarantee in favour of a commercial lender to support lending to the HDV;
 - 8.3.4 the provision of support services by the Council to the HDV on less than market rates, for example, staff, premises or back office services.
- 8.4 The simplest way of ensuring that the rules are met is for the Council to charge the market rate in each of the above circumstances. This is the approach commonly used by local authorities in similar circumstances. Doing so will mean that the Council is relying on the market economy operator principle (**MEOP**), which treats as not creating aid transactions where the State is providing the "benefit" on market terms, and acting as a rational market operator faced with similar circumstances. There are other grounds that can potentially be relied, for example, in relation to supporting the provision of social and affordable housing, and we can advise about these if the Council does not want to use the MEOP.

9 PROCUREMENT

In light of the vires and governance advice, what public procurement regulations and rules apply to the purchase of works, services and assets?

- 9.1 If the Council itself awards contracts to deliver the project then it will be subject to the Public Contracts Regulations 2015 in the usual way. However, there is more discretion available to an HDV, and the Council must therefore consider:
- 9.1.1 whether it would like the HDV to be established as a contracting authority subject to the procurement rules;
 - 9.1.2 whether it would like to structure the HDV to meet the Teckal exemption in the procurement rules. This would allow the award of contracts without a tender (1) by the Council to the HDV (2) by the HDV to the Council and (3) by the HDV to another Council subsidiary (if any).
- 9.2 There is a natural tension between an HDV established to sit outside of the procurement rules while also structuring it to fit within the Teckal exemption. Although the two tests are different (as explained in more detail below), they are closely related. The consequence of this is that it is very difficult to claim non-contracting authority status whilst also seeking to rely on the Teckal exemption,

- which would require the HDV to be subject to Council control and limited to providing 80% of activities to it.
- 9.3 The disadvantage of not having Teckal status is that the Council would be unable to award works or other contracts to the HDV without a compliant tender under the procurement rules. It could still retain a certain degree, for example, by granting the HDV an interest in a site that would allow development, but without there being an enforceable obligation to do so, in conjunction with the proper exercise of the Council's planning function. In addition, it could also retain control under a loan agreement, a resourcing contract and by reserving approval of the business plan to the Council (indirectly via a holding company, if there is one). However, this would in overall terms still give less control than would be possible through a contractual mechanism.
- 9.4 There is no correct answer as to whether it is best to set up an HDV to sit outside of the procurement rules and lose the advantages of the Teckal exemption or the other way around, and it is a case of weighing up the Council's priorities in light of any other factors that may be of concern to it. For example, one commonly cited advantage of complying with the procurement rules is that it enables the local authority to demonstrate objectively that the HDV, and so by extension the authority, has obtained value for money.
- 9.5 The practical effect of this is that the Council should consider which of the two is more important in the long run i.e. which will best help achieve its objective of long term revenue generation: being able to keep a close relationship and control over the activity and developments by the HDV through contractual terms, or giving it the freedom to contract outside of the constraints of the procurement rules.
- 9.6 The rest of section 9 explains the underlying legal detail around setting up an HDV to sit outside of the procurement rules and the Teckal exemption to give the Council a better understanding of the issues involved in both and how they interact.

HDV as a contracting authority

- 9.7 The Council is defined as a "*contracting authority*" in the procurement rules. The definition of contracting authority has been drafted broadly, and can include not only local authorities but also subsidiary companies classified as "*bodies governed by public law*".
- 9.8 The Council could seek to structure the operating model of an HDV (including for these purposes, a holding company) to avoid it being a body governed by public law. This would allow the HDV to buy goods, services and works without undertaking public procurement processes, which means the process can be faster and completed with fewer resources. In order to achieve this, the HDV would have to:
- 9.8.1 avoid having a dependency upon the Council;
- 9.8.2 avoid meeting needs in the general public interest; and
- 9.8.3 have a commercial or industrial character.
- 9.9 If the Council structures the HDV this way, in the event of a challenge the burden of justifying why it was not a contracting authority would fall firmly on it and the HDV. There are a number of factors that the courts will consider in the event of a challenge. In broad terms, these can be reduced to:
- 9.9.1 whether the close dependency test is met. This has a low threshold, which would, for example, be met if the Council could appoint more than half of the directors;
- 9.9.2 whether the body meets needs in the general interest. This also has a low threshold and has been interpreted widely enough to catch not only public serving activities, but also commercial activities that have an indirect economic benefit. It is likely this threshold would also be met here;

- 9.9.3 whether the body has an industrial or commercial character. This part of the test gives the Council the best opportunity to structure the HDV so that it is not a body governed by public law, and reflects the principle that an entity that is genuinely industrial or commercial will be subject to market conditions and so not subject to the influence of the Council when awarding contracts. The case law suggests that a subsidiary will be classed as industrial or commercial if it:
- (a) operates in normal market conditions;
 - (b) aims to make a profit;
 - (c) bears the losses associated with its activity; and
 - (d) faces significant competition.
- 9.10 In order to reflect these commercial principles, and strengthen the grounds for arguing that the HDV is not a contracting authority, the following actions should be considered:
- 9.10.1 making it clear in the Council's decision-making process that it is setting up the HDV to generate profit, rather than pursue policy objectives, by relying either on the general power of competence, and for this reason is using the company limited by shares model, with unrestricted articles of agreement and its ability to distribute profits;
 - 9.10.2 providing all financial and other support from the Council on market terms, documented by suitably commercial terms and conditions supported where appropriate by security;
 - 9.10.3 having a clear audit trail acknowledging that the Council does not intend to step in and provide support on non-commercial terms in the event of insolvency or similar financial difficulty;
 - 9.10.4 appointing one or more directors who are not officers and who have relevant commercial experience;
 - 9.10.5 appointing no members as directors unless there is a strong commercial reason for doing so. Doing so would suggest a close on-going political or policy focus rather than one focussed on generating a financial return;
 - 9.10.6 recruiting an operational manager on the open market with suitable commercial experience rather than seconding someone from the Council. Both this and the previous two suggestions would lend more of a commercial feel to the structure than would otherwise be the case;
 - 9.10.7 not establishing the subsidiary as a Teckal company.
- 9.11 The grounds for claiming non-contracting authority status would be even stronger if the Council did not have the right to appoint the majority of the board of directors because there would be no relationship of close dependency. However, it is recognised that this is unlikely to be an acceptable position.
- 9.12 There will remain a residual risk that an HDV set up this way could be classified as a body governed by public law because of the broad way the court has interpreted the term in the past. For example, if a challenge were brought under the procurement rules on the basis that a contract had been awarded directly without a compliant tender, or by way of judicial review. Any challenge would be considered on the specific facts, which means that it is important to document thoroughly the structure to reflect the subsidiary's industrial or commercial nature.
- 9.13 As the test of whether a body is a contracting authority is an ongoing one, we recommend that an HDV set up this way is monitored regularly to see if any of the facts, and so its status, have changed.

If it becomes clear that a change might have occurred then this can be addressed. Regular monitoring would also provide an audit trail that the issue has been considered properly should a challenge be brought.

Awarding contracts: Teckal

- 9.14 If the Council needs to contract directly with the HDV, it would in most cases only be able to do so after the HDV has successfully bid under a compliant procurement. However, it could structure the arrangement to fall within what is known as the Teckal exemption.

Teckal

- 9.15 The Teckal exemption allows a contracting authority to award a public contract to a controlled legal person without first tendering it under the procurement rules. This is a body:
- 9.15.1 over which it exercises a degree of control which is similar to that which it exercises over its own departments (**control limb**);
 - 9.15.2 where more than 80% of the activities of the body are entrusted to it by the controlling authority (**activities limb**); and
 - 9.15.3 where there is no private participation in its capital.
- 9.16 If the Council wishes to use the Teckal exemption then the governance framework will also need to be designed and implemented to ensure compliance with the control limb of the test. This is usually achieved through:
- 9.16.1 a right to appoint and remove specified number of board directors;
 - 9.16.2 sign off a periodic business plan – this may be an annual plan or a multi-year plan updated on a rolling basis; and
 - 9.16.3 exercise control over key decisions through the requirement for unanimous approval of certain reserved matters.
- 9.17 Please note that if the Council establishes a group structure then the holding company would itself need to be a Teckal company in order for any of its subsidiaries to meet the test to achieve this status.

10 DISPOSALS

In light of the vires and governance advice, what regulations [and] legislation applies to the disposal of assets including the sale of properties at market value and at less than market value?

- 10.1 The rules concerning the disposal of land, including completed residential units, will apply to the Council whether it is disposing on the market or to an HDV.
- 10.2 The Council can dispose of land any way that it wishes subject to complying with the legal duty to obtain the best consideration reasonably obtainable.¹³ This is a broad duty that does not specify an exact procedure to be followed, but instead reflects the underlying principle of achieving the best financial consideration possible in the circumstances. If the Council wishes to transfer land into the HDV without going to the market, it will need to obtain a Red Book valuation as evidence that it is receiving market value. Such a valuation will also assist if the Council is seeking to rely on the MEOP to comply with the State aid rules.

¹³ Section 123(1), Local Government Act 1972.

- 10.3 The Council can also dispose of land for less than market value if it can meet the requirements of the general disposal consent issued by the Secretary of State.¹⁴ This is a wide reaching consent that allows disposal at an undervalue to promote economic, social or environmental well being.¹⁵ The difference between the market value and the consideration must not exceed £2 million. A "professionally qualified valuer" must also give a view as to the likely amount of the undervalue. If open space will be disposed of then there are additional publicity requirements.¹⁶ The consent does not remove the need to comply with the State aid rules, and so there could be aid implications that would need to be addressed. For example, although the MEOP is unlikely to be available, it would be possible to fall within the exemption for services of general economic interest, which can include the provision of affordable housing if structured correctly.
- 10.4 A disposal at less than market value would also need to comply with the consent regime that prevents the Council from providing financial assistance or a gratuitous benefit to a third party who is providing privately let accommodation.¹⁷ A failure to comply with this regime would render a transaction void. There are a number of general consents issued by the Secretary of State, and it would be necessary to work through these in light of the specific circumstances to establish which if any could be relied on in those circumstances. If none are suitable then it is also possible to apply to the Secretary of State for specific consent.
- 10.5 There are separate rules in place that apply to land held in the HRA. Although these are not relevant here as the five sites identified are in the general fund, in broad terms:
- 10.5.1 land held in the HRA cannot be disposed of without the consent of the Secretary of State unless sold under right-to-buy;¹⁸
- 10.5.2 the Secretary of State has issued a number of general consents, and it would be necessary to work through these in light of the individual circumstances to decide if any of them could be relied on;
- 10.5.3 although the Council would be permitted to dispose of HRA land which includes dwellings at market value under one of the general consents, it cannot do so to a vehicle owned wholly or partly by it. However, vacant HRA land and assets that are not dwellings can be disposed of at any price determined by the Council, including to a vehicle in which it has an interest;
- 10.5.4 specific consent can be applied for from the Secretary of State if none of the general consents are suitable.

11 HOUSING TENURE OPTIONS AND ISSUES

Can the Council via its General Fund issue Assured Shorthold Tenancies? We wish to retain the flexibility to issue variable length tenancies based on market demand.

- 11.1 No. Under the relevant legislation,¹⁹ a tenancy is a secure tenancy when the "*landlord condition*" and "*tenant condition*" are satisfied. The "*tenant condition*" is that the tenant is an individual and occupies the property as his or her only or principal home. The "*landlord condition*" is that the interest of the landlord belongs to one of the types of public authorities in the Act, which includes local authorities.

¹⁴ Local Government Act 1972 general disposal consent (England) 2003 disposal of land for less than the best consideration that can be reasonably obtained.

¹⁵ It is issued under section 128(1), LGA 72.

¹⁶ Section 123(2A), LGA 72.

¹⁷ Local Government Act 1988 (s.24 - power to provide financial assistance for privately let accommodation, and s.25 - consent required for provision of financial assistance and gratuitous benefit).

¹⁸ Section 32, Housing Act 1985.

¹⁹ Housing Act 1985.

- 11.2 The HDV will, however, have more flexibility and would be able to grant assured short hold tenancies. It could also potentially grant assured (non-short hold) tenancies, but it is not obliged to do so.

If homes are let via the General Fund on Assured Shorthold Tenancies, do any of the statutory provisions regarding Right to Buy, etc. apply?

- 11.3 Yes. The right-to-buy and secure tenancy rules apply when the landlord and tenant conditions referred to above are met. In contrast, if the HDV acted as landlord then the rules would not apply (discussed in 4.6). Unless the arrangement is structured to meet one of the statutory exemptions (considered in 4.7), the application of the right-to-buy and secure tenancy rules therefore limits the attractiveness of developing by way of the general fund.

12 TRANSFER OF HOMES FROM THE GENERAL FUND TO THE HOUSING REVENUE ACCOUNT

Please describe the regulations and valuation procedures which determine how and at what price homes can be transferred (or "sold") to the Housing Revenue Account when they have initially be built or purchased via the General Fund.

- 12.1 The answer to this question will depend on whether the Council develops the homes directly or through an HDV. Each scenario is considered below in headline terms.

- 12.2 The Council has a broad power to appropriate land into the HRA from the general fund, and could potentially rely on this to transfer the new homes.²⁰ The amount paid by the HRA will depend on the Council's appropriation policy and practices. In our experience, a common approach would be for the appropriation to take place at market value, with related adjustments being made to the general fund and HRA capital accounts.

- 12.3 Alternatively, if these homes are built specifically to meet planning conditions then the Council may be obliged to transfer them to the HRA without payment as the alternative to making section 106 payments. In such circumstances, the transfer would be governed by overarching planning obligations and procedures.

- 12.4 If the Council wishes the HDV to transfer properties to the HRA, the price would normally reflect market value, but would be at the discretion of the HDV's directors, unless a reserved matter for the Shareholder Committee.

In light of the advice regarding transfer of homes from the General Fund to the Housing Revenue Account, how will the Right to Buy cost-floor be calculated and, in particular, what costs relating to building and/or acquisition will be taken into account?

- 12.5 The cost floor rules,²¹ the key elements of which are set out in DCLG's Right to Buy Guidance (available [here](#)), allow the calculations to take into account various broad items. For dwellings purchased from the HDV, the rules allow the following to be taken into account:

- 12.5.1 the acquisition costs;
- 12.5.2 the cost of works initially required after acquisition to put dwellings into good repair or deal with any defects;
- 12.5.3 the cost of works for planned repair/maintenance to deal with any defect where the aggregate costs exceed £5,500;
- 12.5.4 the cost of other works not listed above.

²⁰ Section 19, Housing Act 1985: A local housing authority may appropriate for the purposes of this Part any land for the time being vested in them or at their disposal; and the authority have the same powers in relation to land so appropriated as they have in relation to land acquired by them for the purposes of this Part.

²¹ The Housing (Right to Buy)(Cost Floor) (England) Determination 1999.

- 12.6 The cost floor would therefore be calculated by reference to these rather than the development costs of the HDV. It would then be used in combination with the market value of the dwellings to calculate the sale price by the Council should the right-to-buy be triggered i.e. the sale price would be the market value less the allowable discount, as adjusted to reflect the cost floor calculation. This can result in the sale price being increased (because the discount has been decreased) if the cost floor amount is higher than the sale price. If the cost floor amount is higher than the market valuation then the Council would lose the difference between the two.
- 12.7 In contrast, the rules are not detailed enough to state how they should be applied where properties are transferred from the general fund to the HRA, and if such transfers are proposed then it may be prudent to discuss the issue with DCLG to understand its position. We have discussed similar issues on a no names basis before and found it to be informative.
- 12.8 The answer is likely to reflect whether the Council appropriates the properties into the HRA for market value or something else. It would be reasonable to interpret the rules as requiring the calculation to be on the basis of the development costs if that is the amount paid by the HRA, and the acquisition costs if market value. However, the cost floor rules do list various excluded costs, which include those incurred in acquiring dwellings from a local authority. The lack of detail in the rules means that it is unclear if this would extend to where an authority's HRA acquires dwellings from the general fund.
- 12.9 If no payment is made because they are received as section 106 contributions then the calculation will be limited to works required to put them into good repair and similar, although we would not expect these items to be relevant where new homes are acquired.

13 PLANNING

Will housing developments built by the Council be required to adhere to the planning policies regarding provision of affordable housing?

- 13.1 The Council's policies regarding affordable housing seek to ensure that proposals for all new housing developments include the delivery of affordable housing. This includes development advanced by, or on the behalf of, the Council itself, hence the Council will be required to adhere to the relevant affordable housing policies.

Can section 106 payments held by the Council for the purpose of providing affordable housing be used by the Housing Revenue Account to "purchase" homes built via this route?

- 13.2 It is standard practice that a section 106 agreement that secures an affordable housing payment will contain a restriction ensuring that the affordable housing contribution can only be spent on the provision of affordable housing in the area, in lieu of the affordable housing planning policy requirement for that development. A commuted sum would usually be secured as a last resort in lieu of on-site or off-site affordable housing provision, for example, where it is not possible for on-site or off-site affordable housing provision to be made. The Council's Affordable Housing Advice Note 2005 states at paragraph 20 "...commuted payments will need to provide sufficient funds to be able to produce affordable housing in lieu of the opportunity missed onsite".
- 13.3 The HDV's schemes would give rise to their own planning policy requirement for the delivery of affordable housing, and if section 106 payments from other schemes are used towards the provision of affordable housing within the HDV's mixed market / affordable housing scheme, there could be a deficit in the amount of affordable housing being delivered overall, when considered against planning policy requirements, for example, where a non-HDV site and an HDV site each have a planning policy requirement for two affordable units (four units in total), and a commuted sum is paid in lieu in respect of the non HDV site, if the Council used the said commuted sum to pay for the delivery of the required two units on the HDV site, there would in effect be a net loss in the delivery of two affordable housing units.
- 13.4 If the Council was delivering a pure affordable housing scheme, it follows that section 106 payments could be used towards the cost of such a scheme as this housing would make up the shortfall for

sites where affordable housing has not been delivered. Where market and affordable housing is being delivered, however, in order to remain planning policy compliant section 106 payments should be used in respect of any affordable housing units that are being provided in addition to the planning policy requirement. If the Council's section 106 obligations in respect of affordable housing commuted sums are not tightly worded, so as to specify that the payments should only be used for the delivery of additional housing in the area, there may not be a breach of the requirements of obligation but there is a risk that a third party could challenge the Council's approach if it is not planning policy compliant.

14 USING RIGHT-TO-BUY RECEIPTS

- 14.1 The Secretary of State (**SOS**) has issued regulations requiring capital receipts from housing land to be pooled centrally (**Regulations**).²² Local housing authorities were offered the ability to retain a proportion of these receipts if they entered into a retention agreement with the SOS,²³ and we assume that the Council has entered into such an agreement. The Council has asked for our view on whether right-to-buy receipts could be used by the HRA to acquire units.
- 14.2 The standard retention agreement requires receipts to be spent on development costs incurred in providing social housing, which include development costs associated with acquiring dwellings, land and constructing dwellings. Although there is a lack of clarity in the standard retention agreement, the overall intention appears to be that the receipts must be used to develop new units rather than acquire completed units, for example, from the HDV or from the general fund. It is not clear why this restriction appears to be included when the net effect would be to increase the supply of social housing. We would be happy to discuss this with DCLG to understand the rationale and what scope there may be to amend the standard retention agreement.
- 14.3 For the sake of completeness, the Council should be aware that the standard retention agreement permits receipts to be transferred to a third party who will use them to provide social housing. However, there is a restriction in the agreement that would prevent the Council from transferring them to the HDV. We have copied the relevant text below and highlighted the key part in bold:

*"The **amount spent** on the provision of **social housing** is the amount spent by the Authority or by a **body** which the Authority has **paid** some or all of the **retained amounts** (such **body must not** be a **body** in which the Authority holds a **controlling interest**) on the development costs associated with the provision of social housing in the Authority's area".*

- 14.4 The Council will have a controlling interest over the HDV as it will be wholly owned by it. There is therefore little scope to argue that it could transfer receipts to the HDV unless DCLG is willing to agree otherwise.

15 HOMES AND COMMUNITIES AGENCY FUNDING

The Council is registered with the Homes and Communities Agency to receive housing development grant/funding. Can HCA grant / funding be used directly by the development vehicle or must this only be directed via the HRA?

- 15.1 The Homes and Communities Agency (**HCA**) can provide a range of support to third parties who wish to provide low cost rental accommodation.²⁴ However, it is a condition of the support that the landlord of the units is a registered provider. An HDV set up by the Council would therefore only be able to receive HCA grant from the Council, or direct from the HCA, if formally registered.²⁵
- 15.2 Subject to reviewing the grant agreements with the HCA, the Council should be free to commission an HDV under a works contract to construct any affordable units that it is funded to provide. This is

²² The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 (as amended), issued under section 11(1) of the Local Government Act 2003.

²³ Under section 11(6) of the Local Government Act 2003.

²⁴ Section 31 (7)-(8), Housing and Regeneration Act 2008.

²⁵ Registration is dealt with under chapter 3 of the Housing and Regeneration Act 2008.

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distinct from grant funding the vehicle, and would be similar to commissioning a third party developer in the usual way.

SCHEDULE 1– EXAMPLE RESERVED MATTERS

Number	Reserved Matter
	Constitution of the HDV
1	Varying in any respect the articles or the rights attaching to any of the shares or memberships (as applicable) in the HDV.
	Officers and Shareholders of the HDV
2	The appointment and the appointment terms (including any remuneration terms) of any Council Directors.
3	The appointment and the appointment terms (including any remuneration terms) of the chief executive officer.
4	The removal of any Council Directors (including any terms on which such Directors are removed from their office as Directors).
5	The admission of further shareholders or members to the HDV or agreeing any rights or restrictions attaching to any shares or memberships allocated to such new shareholders or members as applicable).
	Future direction and development of the HDV
6	Forming any subsidiary or acquiring shares in any other company or participating in any partnership or incorporated joint venture vehicle
7	Amalgamating or merging with any other company or business undertaking.
8	Selling or disposing of any part of the business of the HDV.
9	Adopting or amending the Business Plan of each respective HDV and any in-year changes.
10	Undertaking any business or action which is inconsistent with the Business Plan then in force or omitting to undertake any action which is required by that Business Plan except with the prior written consent of the Council
11	Passing any resolution for its winding up or presenting any petition for its administration (unless it has become insolvent).
12	Agreeing or approving any other material services the total value of which exceeds £● per annum to be provided by the HDV to a third party not approved under the Business Plan.
13	Appoint any agent (not being a subcontractor) to conduct the whole or any part of the business of the HDV, other than the appointment of an agent to conduct an area of the business of a HDV
14	Apply for the listing or trading of any shares in its issued capital or debt securities on any stock exchange or market (where applicable).
	Management of the business of the HDV

Number	Reserved Matter
15	Changing the HDV's registered office.
16	Changing the HDV's name.
17	Creating or agreeing to create a charge, security or Encumbrance over the HDV's assets, shares or income
18	Approving any matter that is reasonably likely to have an adverse effect on the reputation of the Council.
19	Changing the nature of the business or commencing any new business which is not ancillary or incidental to the business of the HDV.
20	Agreeing to enter into or entering into any acquisition or disposal of any material assets by the HDV the total value of which exceeds £● per annum
21	Giving notice of termination of any arrangements, contracts or transactions the total value of which exceeds £● per annum or materially varying any such arrangements, contracts or transactions and such termination or variation is likely to have an adverse impact on the financial status of a HDV.
22	Granting rights (by licence or otherwise) in or over any intellectual property owned or used by the HDV.
23	Changing the HDV's auditors.
24	Agree to make or making any loan (otherwise than by way of a deposit with a bank or other institution, the normal business of which includes the acceptance of deposits or in the ordinary course of business) or granting any credit (other than in the normal course of trading or the granting of trade credit to a company which has been approved under the Business Plan) or giving any guarantee or indemnity (other than in the normal course of trading).
25	Changing the Financial Year of the HDV.
26	Increase or reduce the amount of its issued share capital, grant any option over or in its share capital, redeem or purchase any of its own shares or otherwise alter, or effect any reorganisation of, its share capital (where applicable).
27	Declare or pay any end of year dividend of the HDV (where applicable).

SCHEDULE 2 – REGULATED COMPANIES*Accounting*

- 1.1 The Council must include the HDV's assets and liabilities in its accounts, and the assets / liabilities of the HDV would become relevant for the Council's prudential borrowing regime. Although this is a requirement on local authorities rather than regulated companies, the HDV would have a number of obligations under Part V, Local Government and Housing Act and the Local Authorities (Companies) Order 1995, including to:
- 1.1.1 provide members of the Council such information about its affairs as members reasonably requires for the proper discharge of their duties;
 - 1.1.2 provide to the Council's auditors any information as required by the auditors to audit the Council's accounts; and
 - 1.1.3 provide to any person authorised by the Audit Commission / its successor any information as required by that person to carry out their duties.
- 1.2 The Council may also require the HDV to comply with specific accounting processes to assist the Council with its prudential borrowing responsibilities.

Trading Disclosure

- 1.3 As a regulated company, the HDV must ensure that certain company documents display information about its local authority owner. The primary purpose behind the requirement is to ensure transparency as regards to the governance structure of regulated companies. The HDV must display information which sets out the fact that it is a company controlled by the Council. This information must be displayed on the following documents:
- 1.3.1 business letters, notices and other official publications;
 - 1.3.2 bills of exchange, promissory notes, endorsements and order forms;
 - 1.3.3 cheques purporting to be signed by or on behalf of the company;
 - 1.3.4 orders for money, goods or services purporting to be signed by or on behalf of the company;
 - 1.3.5 bills of parcels, invoices and other demands for payment, receipts and letters of credit;
 - 1.3.6 applications for licences to carry on a trade or activity; and
 - 1.3.7 all other forms of the company's business correspondence and documentation.
- 15.3 HDV must also disclose its registered name on its website (if it has one).

Company directors

- 1.4 Remuneration for directors who are also members of the Council cannot exceed the remuneration figure paid by the Council for equivalent director duties (i.e. what the member would have been paid were he or she engaged within the Council in relation to the project). This includes travelling or subsistence expenses.
- 1.5 Company directors who are disqualified from Council membership must also be removed as company directors and are barred from directorship.

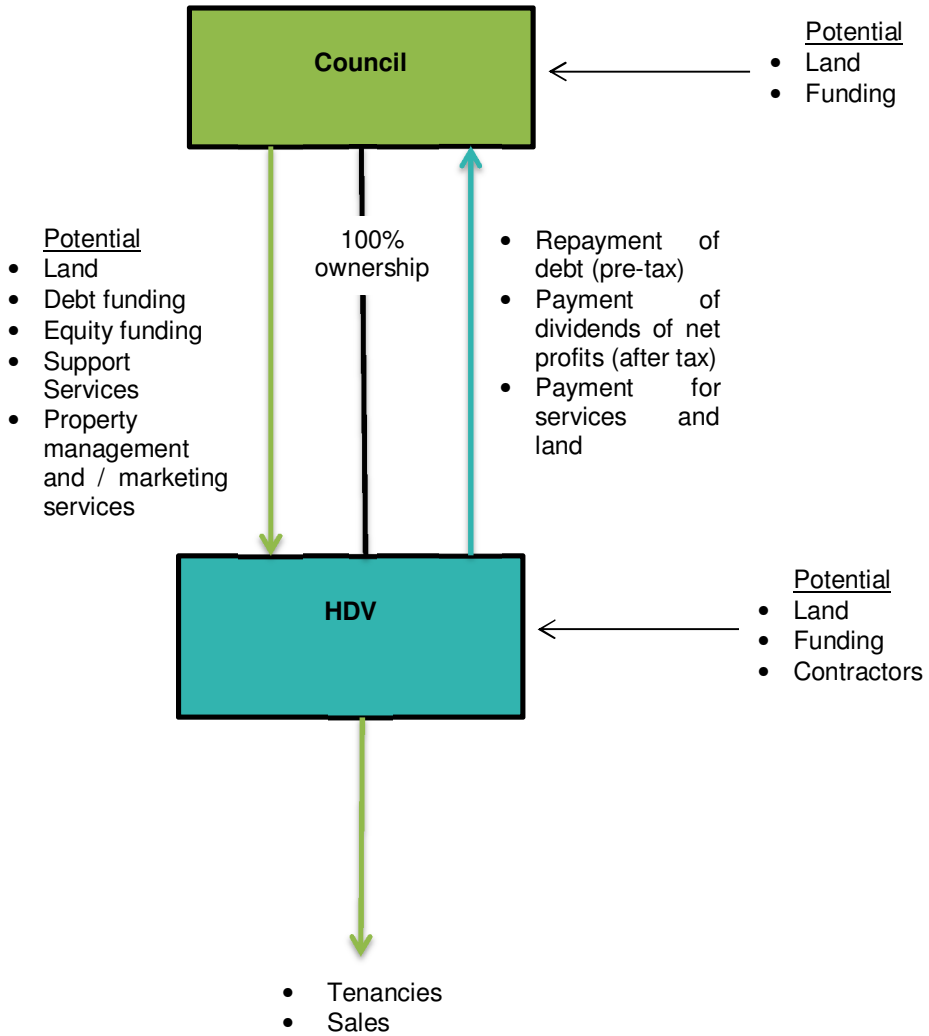
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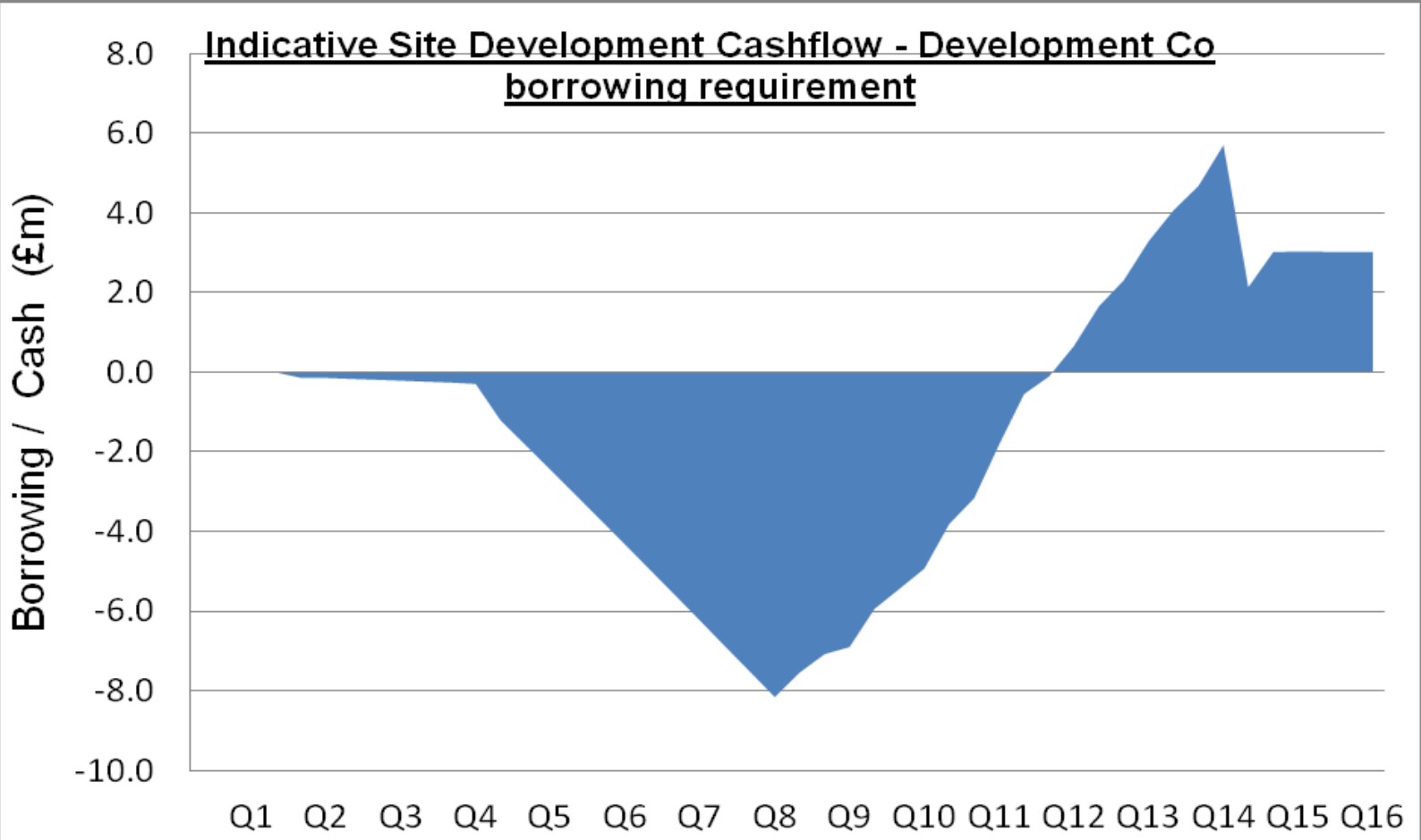
Politics

- 1.6 The HDV could not publish, or arrange to have published, any material which appears to be designed to promote or support a political party.

SCHEDULE 3- OVERVIEW OF POTENTIAL STRUCTURE



Annex 2 – Indicative Cash Flow



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Executive

7 December 2017

Report of the Corporate Director of Health, Housing and Adult Social Care & the Corporate Director of Economy & Place

Portfolio of the Executive Member for Finance and Performance & Executive Member for Housing and Safer Neighbourhoods

Housing Delivery Programme – Delivering the Lowfield Scheme

Summary

1. This report presents the site development business case for the former Lowfield School site. A separate report is presented for consideration proposing the creation of a housing development company to allow the council to lead on the delivery of housing across multiple sites in the city. As outlined in that report the intention is to provide Executive with a site specific business case for each potential development site within the scope of the programme. This report builds on previous Executive approvals relating to the redevelopment of Lowfield.
2. This report outlines the options for affordable housing delivery and the likely revenues streams. The estimated development costs are presented and an anticipated peak borrowing requirement is shown. The report explores the social implications of council led delivery explaining the added value which can be brought to this site. The report will outline the timescales associated with delivering the site for housing.

Recommendations

3. The Executive are asked to:
 - a) Agree to utilise existing project management resources to undertake the procurement of a construction contractor and related support services (in compliance with all relevant procurement legislation) for the residential development, associated infrastructure and public space works at the Lowfield site in accordance with the planning permission once received.

- b) Note that a detailed business for the development of the site will be brought back to Executive before a contract is entered.
- c) Note the intention, subject to Executive approval of its establishment, that the Housing Development Company will be the employer for the purposes of the contract.
- d) Approve the high level business case for Lowfield to exceed the planning policy level of affordable housing with the precise level of affordable housing to be determined at the point of consideration of the detailed business case.
- e) Approve the recruitment of a Development Project Manager to aid with the delivery of residential redevelopment and associated infrastructure at Lowfield.
- f) Note the steps required and timescale associated with the commencement of development at Lowfield.

Reason: *To progress with the building of much needed new homes in York.*

Background

- 4. On 7 December 2016, Executive considered and approved the recommendations of a report for the redevelopment of the former Lowfield School site. That report approved a spatial plan for approximately 162 houses, the carrying out of enabling works including the preparation and submission of a planning application, and the agreement to seek a developer or for the council to undertake residential development of approximately 8 acres of the site.
- 5. The development of the Lowfield site forms a key part of the Older Persons' Accommodation Programme as it delivers a serviced plot for the construction of a 70 bed residential and nursing care home, including dementia care, in the setting of a "village green" and a vibrant residential community. It also delivers much needed bungalows and apartments for the over 55s, once more meeting an accommodation need for older people and facilitating "down-sizing". The achievement of the care home on this site is integral to the delivery of housing, and vice versa.
- 6. The development of the Lowfield site also allows Executive to fulfil the commitment made to the YorSpace community housing group in June 2015 to find a site for their scheme. Further, in allowing for the provision of self-build housing plots, it demonstrates that the Council is meeting its obligations to have regard to its register of self and custom builders maintained under the Self-Build and Custom Housebuilding Act 2015.

7. As set out within the Housing Development Company Executive report on this agenda, the council owns a number of significant land assets which could be more effectively utilised to achieve the strategic objective of accelerating the development of new housing in the city, including additional affordable housing. The former Lowfield School site is the most advanced of these sites in terms of potential residential redevelopment.
8. In accordance with the approvals made by the Executive in December 2016, planning applications have been prepared and submitted for Lowfield following public consultation. The outline site plan is attached at Annex 1. The planning application consists of a total of 165 homes.
9. The submission of planning applications was preceded by two periods of extensive consultation with stakeholders and local residents. The first round of consultation took place in October 2016. Following this consultation the plans were revised to take account of comments received. This spatial plan for the redevelopment of the site was then presented to Executive in December 2016 and approved. Over the following months detail was added to the agreed spatial plan and a second round of public consultation took place in July 2017. 66% of people who provided feedback gave support to the plans with a decision on the planning application expected in early 2018.

Options

10. Option One – To approve the recommendations set out in this report to deliver Lowfield through the housing development company once established
11. Option Two – For the council to procure a commercial house builder to build and sell the houses
12. Option Three – To sell the site on the open market for a developer to deliver housing

Analysis

Option One

Delivering the Lowfield Scheme through the Development Company

13. The plans for the Lowfield site have been developed to achieve a variety of objectives including a care home, new housing which meets

identified need, and good quality public open space. The proposals for Lowfield presented in the planning application include:

- 140 new homes, including 36 two bedroom, 52 three bedroom, and 8 four bedroom family houses, 18 apartments aimed at the over 55's and 26 two bed bungalows
- 6 self-build plots
- A community build development to include 19 houses
- Public open space in the shape of a Village Green and Pocket Park containing significant tree planting, informal and formal play space and growing areas
- A community health hub plot
- A plot of land for a 70 bed residential and nursing care home.

Social and Environmental Benefits

14. The type of housing proposed at Lowfield is a positive response to the priority need in the city, namely for two and three bedroom family housing and accommodation with the over 55's in mind through bungalows and purpose built apartments. This form and focus of housing development is not commonly delivered through commercial housing developers who place a greater emphasis on financial return.
15. All of the housing has been designed to achieve a good level of accommodation through a well proportioned and efficient layout which provides good levels of natural light. The housing is designed to accommodate the changing needs of residents with a number of bungalows and apartments specifically designed with wheelchair users in mind. There are opportunities to enhance the environmental standard of the houses delivered at Lowfield in order to reduce heating and lighting bills. Further details of potential environmental enhancements will be included in the detailed business case.
16. As well as houses to buy and rent, the proposals also provide an opportunity for people to meet their own housing needs through the provision of self build and community build plots, helping a number of people not on the property ladder to directly provide their own home. Council led development of Lowfield would provide greater certainty over the delivery of self and community build housing on this site.
17. Council led delivery provides the additional benefit of controlling the housing tenures provided on site. It is proposed that Lowfield will contain a combination of market sale, private rent, shared ownership and social rent housing to meet housing need across a number of tenures.

18. Council led delivery presents the opportunity of providing a greater amount of affordable housing than is required through planning policy and would be delivered by a market house builder. There is the option for the Housing Revenue Account to buy the affordable housing adding to their asset base and creating a long term revenue stream to the HRA which could aid the development of additional affordable homes in the future. Through council led delivery there are controls over sale and rental policy providing opportunities to support key workers in meeting their housing need.
19. Delivering the site through the housing development company is likely to accelerate the speed of housing delivery on this site. Once planning permission is in place, the process of procuring a contractor can commence. This is likely to result in a significantly earlier construction start date than would be achieved by selling the site on the open market. In addition, the council's mixed tenure approach of market sale, market rent, shared ownership, and social rent allows homes to be built at a greater speed than a market house builder would typically deliver due to concerns about sales rates. As well as delivering much needed new housing sooner than selling the site, the approach outlined would reduce the length of time when local residents are required to live close to a construction site.
20. Alongside the housing proposed at Lowfield is a significant area of public open space, measuring 6434 sq m. The green space proposed is a third larger than is required by planning policy, providing a significant new amenity for existing local residents as well as any new residents of the development. The open space includes a kick-about area, play equipment and edible gardens within a 'village green' and a pocket park for younger children. The housing proposal also helps to facilitate the development of the proposed care home and community health hub by sharing the infrastructure costs.
21. The planning application includes a plot of land for a new care home. The need for a new care home on the site is clearly articulated in the Older Persons' Accommodation Programme. York has an under-supply of good quality residential and nursing care accommodation, particularly care for those living with dementia. The residential development of this site allows infrastructure costs to be shared whilst creating a vibrant multi-generation residential community around the care home.

Financial considerations

22. A high level financial model has been created for the Lowfield development proposal. The financial modelling is based on estimated construction costs provided by a cost consultant and estimated sales and rental receipts provided by local estate agents. The financial appraisal is based on the following assumptions:
- A pro rata mix of all house types being for social rent, shared ownership, private rent and private sale (this may be altered when the detailed business case is formed to reflect housing need).
 - 20% of the housing is for PRS
 - 20% affordable housing and this business case is modelled with 15% social rent and 5% shared ownership.
23. This model is presented as the '*Stage 1 Feasibility*' and '*Stage 2 Planning Appraisal*' financial model within the five stage appraisal process outlined in the Housing Development Company Executive report. The financial model is presented as Annex 2 and is based on the planning policy requirement of 20% affordable housing.
24. The high level financial model estimates that the development company could generate a pre tax profit of around £3m at 20% affordable housing. This estimated profit level is based on the development company purchasing the land from the council for £5m. An increase in affordable housing above planning policy requirements will reduce the level of profit.
25. It is considered that the delivery of housing at Lowfield through the development company would deliver a financial return in excess of its value as a land asset depending on the level of affordable housing to be provided. The council would receive :-
- a lump sum receipt for the land (through a deferred payment post completion),
 - development profits through a dividend,
 - interest payments on loans to the development company.
26. The development company would borrow money from the council at a higher interest rate than the council's own borrowing rates in order to comply with State Aid rules. Initial high level modelling indicates that some uplift in the level of affordable housing could be provided on site whilst still allowing a surplus to be generated. When Executive considers the detailed business case for the scheme they will be asked to decide upon the exact level of affordable housing on the site. If the business

case enables this there is an aspiration to deliver affordable housing above the planning policy level of 20% on a brownfield site.

27. The model assumes that 20% of the houses are used to establish a PRS portfolio. It is proposed to bring a detailed business case to Executive once construction tender returns are known. This detailed business case, representing the '*Stage 3 Pre Construction Appraisal*' outlined in the Housing Development Company report, would also include worked up details of the practical mechanisms and financial modelling associated with the PRS housing. The retention of homes within a council owned company could create a long term revenue stream from rental income while the value of the asset appreciates over time.
28. Annex 3 contains a development company cash flow model for Lowfield. It is estimated that the peak borrowing requirement to construct the proposed development is likely to be between £8-9m. The council would need to fund the development company and construction costs up to this amount after which time the borrowing requirement to construct Lowfield would reduce due to the input of house sale receipts.

Delivery approach and timescales

29. The Housing Development Company Executive report considered alongside this report suggests that a partnership delivery approach could help to meet the council's aspirations of accelerating the delivery of housing in the city as it would bring early capacity to the design stages, reduce risk and the investment and resource ask of the council. However, the Lowfield scheme has already been designed, is subject to a planning application, and has executive agreement to deliver approximately 162 new houses. Therefore, it is not considered beneficial to deliver this site through a partnership. It is considered that Lowfield is best delivered through the procurement of a construction contractor rather than working with a development partner. The council would undertake the procurement process to allow the development company to sign the construction contract once it is established and has full sign off from Executive. Directly appointing a contractor through the development company would enable the delivery of the first houses in the programme whilst a development partner is being procured to support delivery across future sites.
30. Annex 4 sets out the work plan highlighting the required tasks and estimated timescales associated with the commencement of construction at Lowfield. There is the potential to start construction on site before the end of 2018. It is anticipated that construction would take place for

around 30 months, meaning the development would be complete in spring/summer 2021.

31. In order to deliver Lowfield, a dedicated Development Project Manager needs to be recruited to deliver the scheme. This role would lead on contractor engagement in respect of site issues, development decisions, cost control and leading on the sales and letting process. This approach has been successfully deployed as part of the Older Persons' Accommodation Programme, for example to drive forward the development of Burnholme. It is proposed that the council recruit to this role with it transferring into the Development Company once established. These costs are accounted for in the initial high level financial model with the role likely to be Grade 10.
32. As identified in recommendation a) at the start of this report, it is proposed to employ support services to provide suitable project management control alongside the construction contractor as well as complying with relevant legislation. These support services would consist of additional architectural support, a clerk of works, employer's agent, quantity surveyor, and health and safety officer. This would be external resource brought into the project rather than the recruitment of staff. Again the cost of these support services is included in the financial model as a construction cost based on the council's framework rates. Some of these services are required to be undertaken in the procurement process and this will be funded using existing project management resources.

Option Two

33. The second option is for the council to procure a developer to purchase the site and construct the development as per the planning permission. Subject to successful procurement this would allow the scheme to be built as per the current planning permission (subject to obtaining planning permission). However, as the developer would be taking on both the construction and sales risk, they would be seeking to secure a significant profit level which may reduce the viability of the scheme at more than the planning policy level of affordable housing. There are also risks of trying to procure a house builder to deliver house types which are not within their standard construction range. Option Two is likely to deliver a lower financial return to the council than Option One.

Option Three

34. The third option is for the council to sell the site on the open market. It is estimated that the land at Lowfield is worth approximately £5m if sold

unencumbered on the open market. Selling the site removes the control that the council as land owner would have over any development. It is likely than any developer purchasing the site is likely to seek to increase the number of houses on site and reduce the amount of public open space in order to maximise profit. If sold unencumbered, the development proposal would not seek to deliver more than policy levels of affordable housing. Selling the site also makes it more challenging to deliver other aspects of the scheme such as the care home and health hub. However, Option Three is the lowest risk option and would see a capital receipt brought into the council quicker than Option One.

Council Plan

35. This plan supports the Council's priorities to provide:

- **A prosperous city for all** – where local businesses can thrive and residents have good quality jobs, housing and opportunities – The proposed development of Lowfield will deliver new housing, including affordable, to the city as well as a significant capital investment into the local economy. The construction of the site would create a large number of jobs with the care home and health hub helping to support long term employment.
- **A focus on frontline services** – to ensure all residents, particularly the least advantaged, can access reliable services and community facilities – The plans for Lowfield include a significant number of affordable housing and new facilities of public open space and a health hub.
- **A council that listens to residents** - to ensure it delivers the services they want and works in partnership with local communities – The plans for Lowfield were revised following public consultation including an increase in the number of bungalows to help meet local need.

Implications

36. The implications arising from this report are:

- **Financial** – In December 2016, Executive approved a budget of £993k to fund development costs at Lowfields including planning development, development of access into the site and the relocation of sports provision. This was to be funded primarily from capital receipts relating to the Health Hub and Care home at the site. The actions outlined in the report including the initial appointment of a development project manager and procurement of construction partners can be funded from this agreed budget.

Elsewhere on the agenda, the report “Housing Delivery Programme – establishing a delivery model and the scope of the programme” recommends funding to undertake further legal and financial advice and business planning on sites which include the Lowfields proposals. A detailed business case for Lowfields will be included in future reports which will include costs and revenues attributable to the Development Company.

- **Human Resources** – In order to deliver the proposed residential development of Lowfield, the recruitment of a Development Project Manager is required. This role will be seconded into the Development Company once established.
- **Equalities** – An equality assessment will support the detailed business case.
- **Legal** – Detailed legal advice will be required in respect of the procurement of a construction contractor and in respect of land transfers to the development company.
- **Crime and Disorder** – None
- **Information Technology** – None
- **Property** – Lowfield is an existing land asset of the council. Support is required in transferring this into the Development Company subject to approval of the detailed business case.

Risk Management

37. The Housing Development Company Executive report outlines a number of risks associated with the development of housing projects. These risks are entirely relevant to the council led delivery of Lowfield and these risks must be fully considered. From a financial point of view, Executive need to be aware that the delivery of the project would require significant lending to the development company. Significant sales receipts are unlikely within the first two years of the project placing this investment at risk. Wider market factors such as any reduction in house prices would negatively affect the return the council would receive from its investment. Some sales risk can be mitigated through further utilisation of the HRA investment fund to acquire additional affordable houses if required.

38. It is proposed that the procurement of a construction contractor would be on the basis of the contractor being responsible for the detailed design and build in accordance with the planning application. Whilst this helps to fix costs at the start of the project there is always the potential for costs to increase due to unforeseen factors. There are also financial and reputational risks around the quality of construction. Stringent project management techniques would be employed to mitigate these risks as far

as possible, however Executive need to be aware of the risks of undertaking a residential development project of this scale.

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Report Approved



Date

28th November 2017

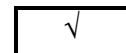
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Wards Affected: List wards or tick box to indicate all

All



For further information please contact the author of the report

Background Papers:

Executive, Wednesday 7 December 2016 - Lowfield Green development:
Moving forward to deliver a care home, health facility and housing

Executive, Thursday, 16 March 2017 – Strategic Partnership Opportunities
with the Homes and Communities Agency

Annexes

Annex 1 - Lowfield Outline Site Plan

Annex 2 - Summary of High Level Financial Model

Annex 3 – Indicative Cash Flow

Annex 4 - Timescale for the commencement of development at Lowfield

Annex 1 – Lowfield Outline Site Plan



Annex 2 – Summary of High Level Financial Model for Lowfield with 20% affordable housing provision

	Year 1 £k	Year 2 £k	Year 3 £k	Year 4 £k	Total £k
<u>City of York Council</u>					
<u>Expenditure</u>					
Borrowing @ 3.5%	5	163	137		305
Company Formation & Due Diligence	250				250
	<u>255</u>	<u>163</u>	<u>137</u>	<u>0</u>	<u>555</u>
<u>Income</u>					
Sale of land				(5,000)	(5,000)
5% Loan Interest	(7)	(233)	(196)	0	(435)
	<u>(7)</u>	<u>(233)</u>	<u>(196)</u>	<u>(5,000)</u>	<u>(5,435)</u>
CYC Net Expenditure/ (Income)	<u>248</u>	<u>(70)</u>	<u>(59)</u>	<u>(5,000)</u>	<u>(4,881)</u>

Development Company

Expenditure

Construction/ S106	0	7,272	7,272	3,486	18,030
Purchase of land	0	0	0	5,000	5,000
Other Operating Costs	283	402	533	393	1,612
Borrowing @ 5%	7	233	196	0	435
	<u>289</u>	<u>7,907</u>	<u>8,001</u>	<u>8,879</u>	<u>25,077</u>
Property Sales	0	0	(16,840)	(11,256)	(28,096)

Net Loss/ (Profit) before tax	289	7,907	(8,838)	(2,376)	(3,019)
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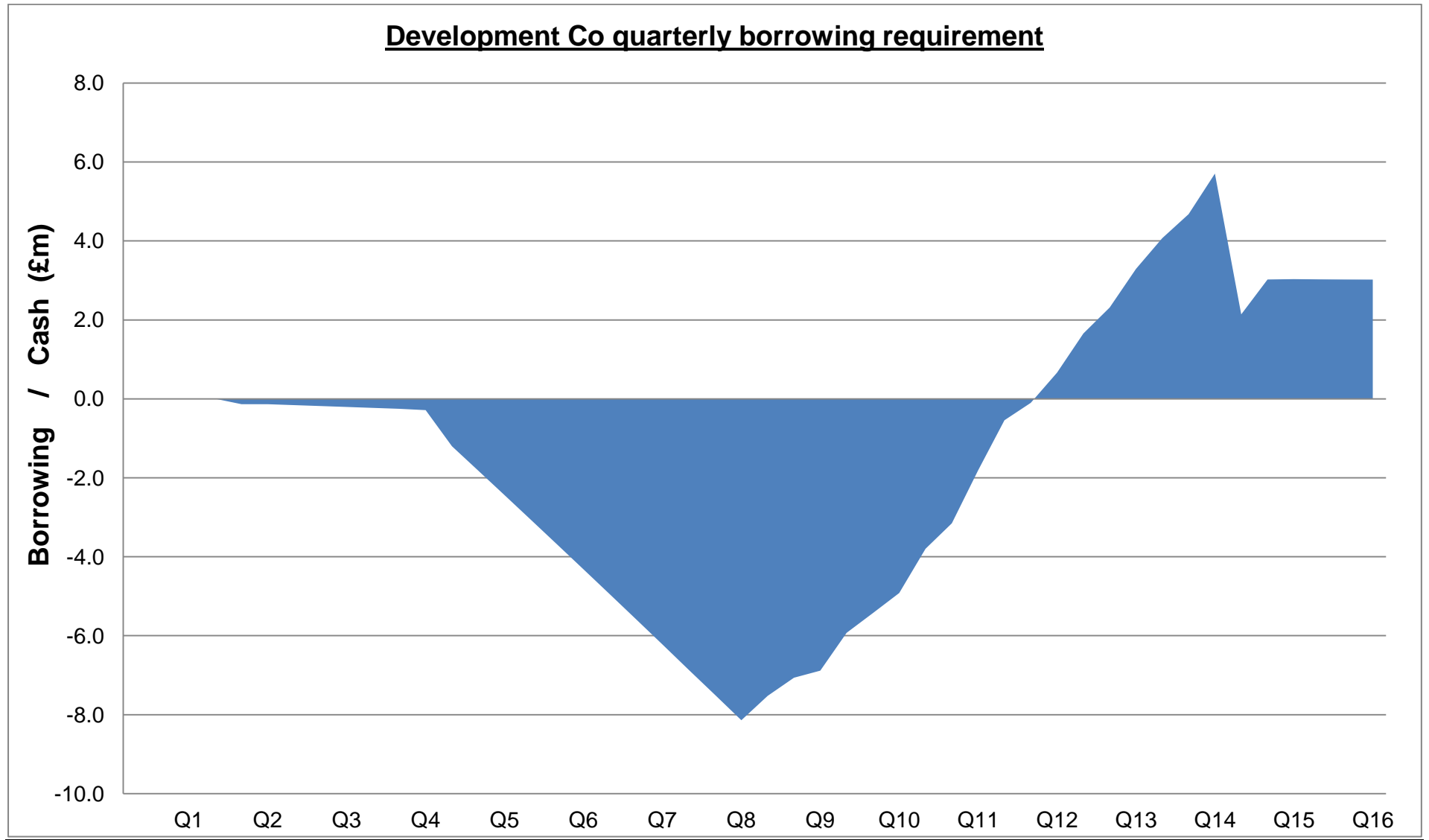
Funding:

CYC Borrowing (£m)	0.3	7.9	0.0	
Operating Costs	0.3	0.6		
Construction Costs	0.0	7.3		
Maximum Liability (£m)	0.3	8.2	7.5	

Notes

- CYC borrows at 3.5% and lends at 5.0%
- Payment for land is deferred until end of construction (Q15)
- 60% of housing sold on the open market
- 20% of the housing sold to be let as private rented housing (80% market value)
- 20% of housing sold to the HRA or another Registered Social Landlord, 15% social rent and 5% shared ownership (50-55% market value)

Annex 3 – Indicative Cash Flow



Annex 4 – Timescale of potential Lowfield delivery

Delivery of Lowfield	Tasks	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18
Planning Phase	Agree S106 obligations with housing, highways and education	█	█										
	Planning permission		█										
Procure contractor from framework	Determine the form of tender and most appropriate framework to use	█	█										
	Agree sales and marketing strategy	█	█										
	Prepare tender documents		█	█	█	█							
	Procurement process					█	█	█					
	Assess tender returns								█				
	Review tender return costs to explore any opportunities for cost reduction								█	█			
	Development Company awards contract									█			
Land transfers into company	Undertake Phase 3 Pre-construction financial appraisal – full financial appraisal including tender return prices			█	█	█	█	█					
	Consideration of detailed business case by Executive - to include decision on affordable housing levels and whether to transfer land into company for development								X	X			
	Land transfers into company (once established) with deferred payment for land purchase									█			
Mobilise	Site preparation and detailed design work									█	█	█	
	Discharge planning obligations									█	█	█	
	Meet the contractor public information events										█	█	
Start on site	Construction begins											█	