

**Notice of a public meeting of
Executive**

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

Date: Thursday, 16 November 2023

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 decisions made on items* on this agenda, notice must be given to Democratic Services by **5:00 pm on Monday, 20 November 2023**.

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

1. Declarations of Interest

At this point in the meeting, Members and co-opted members are asked to declare any disclosable pecuniary interest, or other registerable interest, they might have in respect of business on this agenda, if they have not already done so in advance on the Register of Interests. The disclosure must include the nature of the interest.

An interest must also be disclosed in the meeting when it becomes apparent to the member during the meeting.

- (1) *Members must consider their interests, and act according to the following:*

Type of Interest	You must
<i>Disclosable Pecuniary Interests</i>	<i>Disclose the interest, not participate in the discussion or vote, and leave the meeting <u>unless</u> you have a dispensation.</i>
<i>Other Registrable Interests (Directly Related)</i> OR <i>Non-Registrable Interests (Directly Related)</i>	<i>Disclose the interest; speak on the item <u>only if</u> the public are also allowed to speak, but otherwise not participate in the discussion or vote, and leave the meeting <u>unless</u> you have a dispensation.</i>
<i>Other Registrable Interests (Affects)</i> OR <i>Non-Registrable Interests (Affects)</i>	<i>Disclose the interest; remain in the meeting, participate and vote <u>unless</u> the matter affects the financial interest or well-being: (a) to a greater extent than it affects the financial interest or well-being of a majority of inhabitants of the affected ward; and (b) a reasonable member of the public knowing all the facts would believe that it would affect your view of the wider public interest. In which case, speak on the item <u>only if</u> the public are also allowed to speak, but otherwise do not participate in the discussion or vote, and leave the meeting <u>unless</u> you have a dispensation.</i>

- (2) *Disclosable pecuniary interests relate to the Member concerned or their spouse/partner.*
- (3) *Members in arrears of Council Tax by more than two months must not vote in decisions on, or which might affect, budget calculations, and must disclose at the meeting that this restriction applies to them. A failure to comply with these requirements is a criminal offence under section 106 of the Local Government Finance Act 1992.*

2. Exclusion of Press and Public

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

Annex K to Agenda Item 10 on the grounds that it contains information relating to 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).

3. Minutes (Pages 1 - 18)

To approve and sign the minutes of the Executive meeting held on 12 October 2023.

4. Public Participation

At this point in the meeting members of the public who have registered to speak can do so. Members of the public may speak on agenda items or on matters within the remit of the Executive.

Please note that our registration deadlines are set as 2 working days before the meeting, in order to facilitate the management of public participation at our meetings. The deadline for registering at this meeting is 5:00pm on Tuesday 14 November 2023.

To register to speak please visit www.york.gov.uk/AttendCouncilMeetings to fill in an online registration form. If you have any questions about the registration form or the meeting, please contact Democratic Services. Contact details can be found at the foot of this agenda.

Webcasting of Public Meetings

Please note that, subject to available resources, this meeting will be webcast including any registered public speakers who have given their permission. The meeting can be viewed live and on demand at www.york.gov.uk/webcasts.

During coronavirus, we made some changes to how we ran council meetings, including facilitating remote participation by public speakers. See our updates (www.york.gov.uk/COVIDDemocracy) for more information on meetings and decisions.

- 5. Forward Plan** (Pages 19 - 20)
To receive details of those items that are listed on the Forward Plan for the next two Executive meetings.
- 6. Finance & performance monitor 2** (Pages 21 - 58)
This report sets out the projected 2023/24 financial position and the performance position for the period covering 1 April 2023 to 30 September 2023. This is the second report of the financial year and assesses performance against budgets, including progress in delivering the Council's savings programme.
- 7. Capital Programme Monitor 2** (Pages 59 - 78)
The purpose of this report is to set out the projected outturn position for 2023/24 including any under/over spends and adjustments, along with requests to re-profile budgets to/from current and future years.
- 8. Treasury Management and Prudential Indicators 2023/24 Mid-Year Review and Quarter 2 Prudential Indicators** (Pages 79 - 96)
The purpose of this report is to provide a mid-year update to the Executive Member for Finance on treasury management activity for the first half of the year and to provide the latest update of the prudential indicators which are included at Annex A to this report.
- 9. Medium Term Financial Strategy Update** (Pages 97 - 108)
The purpose of this report is to provide an update to the Medium Term Financial Strategy along with an outline of the 2024/25 budget process. The report also informs Executive of the key risks and challenges, along with an overview of the main assumptions used.

10. Castle Gateway Update (Pages 109 - 200)

The purpose of this Report is to provide an update on the Castle Gateway masterplan and seek approval for the next steps, necessary to take forward individual projects:

- 17-21 Piccadilly
- Castle Mills
- St George's Field car park
- Castle car park and Eye of York
- Coppergate Centre

11. Specialist Mental Health Housing and Support (Pages 201 - 284)

This report seeks approval for a change in delivery methodology to enable people with complex mental health needs, including those with associated substance use disorder and behavioural difficulties, to access the right type of housing, with the right level of support, at the right time to meet their needs.

12. Delivering More Affordable Housing in York – update on the Housing Delivery Programme (Pages 285 - 328)

This report presents options to the Executive to meet objectives within the Council Plan (2023-2027) through the Housing Delivery Programme, in both developing and facilitating affordable housing provision in the city.

13. Extension of the Young People's Community Wellbeing and Support Service (Pages 329 - 340)

This paper seeks permission to extend the Council of the City of York's ("the Council") Community Wellbeing and Support Contract for Young People (the "Contract") delivered by Safe and Sound Homes ("SASH") by a further six-months.

14. Delivery of KS2 Universal Free School Meals Pilot Project (Pages 341 - 366)

This report provides details on the work that is taking place to implement a pilot project to extend Universal Free School Meals ("UFSM") to Key Stage 2 children. The project is designed to deliver on the Executive's election manifesto commitment to create a cross city alliance to address disadvantage and the cost-of-living crisis. Findings from the pilot project will then be used to inform any full city roll out of UFSM.

15. Urgent Business

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

Democratic Services officer:

Name: Robert Flintoft

Contact details:

- Telephone – (01904) 555704
- E-mail – Robert.flintoft@york.gov.uk

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

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

Contact details are set out above.

This information can be provided in your own language.

我們也用您們的語言提供這個信息 (Cantonese)

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

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

Bu bilgiyi kendi dilinizde almanız mümkündür. (Turkish)

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

 **(01904) 551550**

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City of York Council

Committee Minutes

Meeting	Executive
Date	12 October 2023
Present	Councillors Douglas (Chair), Kilbane (Vice-Chair), Coles, Lomas, Pavlovic, Ravilious and Webb
Apologies	Councillor Kent (job shares with Councillor Ravilious)
Officers in Attendance	<p>Ian Floyd – Chief Operating Officer Bryn Roberts – Director of Governance James Gilchrist - Director of Transport, Environment and Planning Julian Ridge - Sustainable Transport Manager Neil Ferris – Director of Place Kathryn Daly - Head of City Development Katie Peeke-Vout - City Development Programme Manager Pauline Stuchfield - Director of Customers & Communities Maxine Squire - Assistant Director, Education & Skills Danielle Johnson - Director Children's Services Safeguarding Guy Hanson - Design & Sustainability Manager Jamaila Hussain - Corporate Director of Adults and Integration Edward Njuguna - Commissioning Manager Judith Culleton - Commissioning Manager</p>

PART A - MATTER DEALT WITH UNDER DELEGATED POWERS

32. Declarations of Interest (17:34)

Members were asked to declare at this point in the meeting any disclosable pecuniary interest or other registerable interest they might have in respect of business on the agenda, if they had not already done so in advance on the Register of Interests.

Cllrs Ravilious and Ayre each confirmed a personal interest in relation to item 7 minute 38 that a member of their household was a blue badge holder.

33. Minutes (17:35)

Resolved: That the minutes of the Executive meeting held on 14 September 2023 be approved and then signed by the Chair as a correct record.

34. Public Participation (17:35)

It was reported that there had been 11 registrations to speak at the meeting under the Council's Public Participation Scheme.

Cllr Mason spoke in relation to city centre access and he highlighted the security advice from counter terrorism police that restricted access should include blue badge holders and stated that blue badge holders like himself should be restricted from driving in the foot street area like other road users.

Natasha Rawnsley spoke in relation to city centre access and outlined that the blue badge ban had been heart breaking. She asked why similar schemes in places like Bath had provided greater access when blue badge holders faced restrictions.

Gwen Swinburn questioned the level of engagement with residents the City Centre Vision would have. Regarding city centre access she noted that counter terrorism police had not changed their advice to the Council and asked that the Committee follow this advice to prevent access to all but emergency services.

Flick Williams thanked and asked the Executive to agree to remove the restrictions in the city centre to blue badge holders. She asked that the city ensure events can be accessed by all people and highlighted the current limitations in public transport such as wheelchair spaces on buses to allow disabled people to travel.

Diane Roworth highlighted the laws around equalities and the rights of disabled people in relation to blue badge holders having access to the city centre. She welcomed the results of the postcard campaign and consultation which highlighted the

harm done by a blue badge ban. She asked that the Executive support option 3 on the Consideration of changes to the City Centre Traffic Regulation order (Footstreets) item.

Tony May on behalf of the York Civic Trust spoke on the local transport plan. He suggested targets are set for each of the 10 areas as well as 2027, 2030, and 2037. He also suggested work needed to begin to access the costs and funding streams to meet the objectives within the plan.

Andy D'Agorne spoke on the transport strategy stating that York required greater access to cycling and bus travel. He spoke in favour of a York shuttle bus for the city centre. He welcomed work to restore and enhance blue badge holders access to the city and around events like the Christmas market.

Cllr Fenton spoke on the transport strategy he highlighted funding secured by the previous administration. He noted the Climate Change strategies targets such as for a reduction in traffic and asked that councillors be kept updated on consultations and on the membership of expert advisory groups to ensure they can promote resident engagement.

Andrew Lawson thanked the Executive for relaunching the city centre vision. He noted the growth in the experience economy that needs supporting. On city centre access he asked that once decisions on human rights and counter terrorism has been made that the Council work with businesses around supporting there use of the city centre.

Anna Semlyen asked that road safety be included as a key part of the Transport Strategy and asked that the Council look to introduce a 20mph speed limit highlighting the reduction in accidents and serious injuries that a reduction in speed delivers.

Vicki Hill spoke on behalf of What a Load of Bollards highlighting the disappointment of residents that £400,000 was spent installing bollards on Acomb Front street that were not wanted by residents. She requested that the Council remove the bollards and to create a pedestrianised open space in consultation with residents and businesses.

35. Forward Plan (18:12)

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

36. Development of a new York Local Transport Strategy (18:42)

The Director of Transport, Environment and Planning introduced the report and outlined the proposal to go out to consult on the Transport Strategy and to establish an York Transport Expert Group to advise the Council. He confirmed that the strategy would go to the Economy, Place, Access, and Transport Policy and Scrutiny Committee and then the Executive Member for Economy and Transport Decision Session prior to the start of the Consultation and was then the finalised strategy would be brought to 21 March 2023 meeting of Full Council.

The Executive member for Economy and Transport welcomed the opportunity to launch the consultation for the strategy. He noted that the proposed strategy would meet the objectives in the Council Plan. He stated that the consultation would need to reach people across the city including hard to reach groups.

Members discussed the Council's plans to reach net zero carbon emissions and it was confirmed that Council strategies on car parking and clear air would follow the Transport Strategy.

Resolved:

- i. Endorsed the proposed new Transport Strategy as the basis for the consultation;
- ii. Approved the proposed consultation process (Annex A to this report);
- iii. Approved the establishing of an Expert Group to advise the Council, the terms of reference for which are attached as Annex C to this report.

Reason: To enable consultation to commence in November to allow a Strategy to be put before Full Council in March 2024 and adopted by City of York Council for presentation to the Mayoral Combined Authority and

the newly elected mayor at the start of their term of office.

37. Delivering the Vision for the City Centre (18:27)

The Corporate Director of Place introduced the report, he asked that the Executive support the overarching aims of the Vision for the City Centre as a way to relaunch it. The Executive welcomed the previous work on the Vision for the City Centre as well as the opportunity to deliver a clear strategy to rejuvenate the city.

Resolved:

- i. Supported the overarching aims of the Vision for the city centre approved in November 2021, which set out an inclusive vision for residents and business.

Reason: To re-launch the Vision for the city centre and re-focus partner collaboration and drive delivery.

- ii. Approved the updated themes which set out the key aims of the Vision and emphasise the focus on residents and city centre businesses through the change in name to “Our” City Centre.

Reason: To reflect the current priorities for the city, emphasising the importance of the city’s residents and of creating an inclusive city through the Vision and subsequent delivery strategy.

- iii. Instructed officers to work with the Economic Partnership to bring together key partners and stakeholders to promote effective collaboration on delivering the Vision for the city centre through the creation of a joint delivery strategy.

Reason: To ensure that the Our City Centre Vision is collectively owned by stakeholders and communities. A jointly owned delivery strategy is key to realising the Vision. Effective collaboration between partners and

stakeholders will drive delivery and maximise benefits. The detailed “actions” within the themes were only aspirations to be explored further through the drafting of a delivery strategy.

38. Consideration of changes to the City Centre Traffic Regulation Order (Footstreets) (18:39)

The Executive Leader welcomed the report and noted that the Executive would make a decision on the basis of all the advice they had received, and their decision would involve balancing the security of the city and the rights of the disabled.

The Director of Transport, Environment and Planning outlined the timeline of decisions on the access to the city centre for blue badge holders and other drivers. He explained the options within the report and confirmed that the security advice received from counter terrorism police remained the same, that no vehicles other than emergency services should be given access to the footstreet area.

Members welcomed the report and made acknowledgment of campaigning from residents, particularly blue badge holders highlighting the impact restrictions had had on the disabled. Having considered all of the information provided, the Executive agreed to permit blue badge holders to Blake Street, Lendal, St. Helen’s Square, Goodramgate (between Deangate and King’s Square), Church Street, Kings’ Square and Colliergate, through the Hostile Vehicle Measures.

Resolved:

- i. Noted the revised policy position of a new council plan, and how this changes decision making;
- ii. Noted the updated Our City Centre Strategy (to be considered at the same meeting);
- iii. Noted the advice of Counter Terrorism Policing contained within Annexes A and B attached to this report. At Economy, Place, Access and Transport Scrutiny Committee on the 26th of September, Counter Terrorism Policing Northeast confirmed their advice contained within Annex B remained their advice. The Executive have had a private briefing by Counter Terrorism Policing before

making this decision and the information provided should also be considered;

- iv. Noted the responses to the consultation on the principles for restoring Blue Badge access to Blake Street, Lendal, St. Helen's Square, Goodramgate (between Deangate and King's Square), Church Street, King Square, and Colliergate during pedestrianised hours, contained with Annex C attached to this report.
- v. Acknowledged the positive impact of restoring Blue Badge access for disabled people.
- vi. Noted the impacts of increased risk of accidents between pedestrians and vehicles linked to additional vehicles within the pedestrianised streets, (including the potential negative impacts on some groups with protected characteristics under the Equality Act 2010) and the technical and practical challenges in administering an access regime;
- vii. Approved proceeding with option 3 within the report that the Hostile Vehicle Mitigation Measures will continue to operate but that Blue Badge access will be permitted to Blake Street, Lendal, St. Helen's Square, Goodramgate (between Deangate and King's Square), Church Street, Kings' Square and Colliergate through the Hostile Vehicle Mitigation Measures during pedestrianised hours as shown in Annex H to this report from January 2024. To start the process and consultation of developing an Anti-Terrorism Traffic Regulation Order and some events may mean access is restricted for the event;
- viii. Agreed that any additional ongoing costs, currently estimated at £200k, will need to be classed as priority growth as part of the 2024/25 budget process.

Reason: Executive are required to consider if the option to restore Blue Badge access is reasonable and proportionate having fully considered the Equalities Impact Assessment. Executive therefore need to weigh up the equalities and human rights benefits to Blue Badge holders of restoring access and if the proposed mitigation of introducing an Anti-Terrorism Traffic Regulation Order balances the wider public interest, including the right to life, the duty to protect life, and the potential negative impact that additional

vehicular traffic in the pedestrianised area could have on some groups with protected characteristics under the Equality Act 2010.

39. UK Shared Prosperity Fund (19:11)

The Corporate Director of Place outlined that the Council was halfway through the three years of Share Prosperity Funding (SPF) of which it had been allocated £5.5 Million. He confirmed that future funding would likely go directly to the new Combined Authority.

The Executive Member for Economy and Transport confirmed that the Executive had been reviewing the allocation of SPF and wanted to allocate these in line with Executive's policies. Funding for skill development in the city was discussed including encouraging more green construction skills.

The Executive also expressed its disappointment in the first phase of redevelopment of Acomb front street and the installation of 146 bollards. They confirmed that the second phase would alter the bollard installation and confirmed that funding would be used in consultation with residents.

Resolved:

- i. Agreed to the following non-material changes to the York SPF Investment Plan:
 - a. Skills funding is concentrated on inclusion and a new Construction Skills Initiative to ensure maximum impact and deliverability by March 2025;
 - b. High street improvement funding on intervention E1 is allocated to Phase 2 improvements to Acomb Front Street, including further engagement with the local community to respond to the petitioners' concerns to allow completion of the Acomb Front Street works and maximise impact and deliverability;
 - c. Unallocated capital funding from E22 (capital workspace) is re-focused to support other priorities in the Business Investment strand (revenue) and E1 (capital high street

improvements), recognising the need to focus on project deliverability in the remaining 18 months of the plan;

- d. Rural England Prosperity Fund (REPF) funding implementation plans are further refined in consultation with rural stakeholders, with recommendations to be brought back to the Executive Member early in 2024. To ensure that remaining rural funding reflects the needs of rural communities and businesses.

- ii. Agreed that the revised investment plan is implemented by extending the current delegation to the Corporate Director of Place in consultation with the Executive Member for Economy and Transport and taking advice the York SPF Partnership Board.

Reason: To enable efficient and effective decision making and implementation of programme priorities.

- iii. Agreed that the Council seek to proactively influence the future governance and approach to the York and North Yorkshire investment plan for SPF from April 2025 onwards, including seeking devolved responsibility for specific elements of the programme to a local level where appropriate.

Reason: To ensure that MCA investment of SPF funds continues to reflect York place priorities.

- iv. Agreed that the York SPF Partnership Board is expanded to include rural representation and trade unions and that the minutes and papers of future Partnership Board meetings are published.

Reason: To ensure good, open governance of the programme.

40. Establishing a York Community Fund (19:23)

The Assistant Director for Customer Services and Digital outlined the proposal for a permanent fund, which would aim deliver community-based projects as well as provide funding for a Universal Free School Meals (UFSM) pilot.

The Executive Member for Children, Young People and Education welcomed the opportunity to establish a community fund for York and stated that it would see the Council to work in partnership with people to deliver projects such as UFSM. Members discussed the need for business engagement with the fund to deliver projects.

Resolved:

- i. To establish, the YCF and agree to enter into a partnership agreement with an appropriate community fund manager;
- ii. Agreed to waive the requirements set out within the Council's CPRs within the Council's Constitution and delegate authority to the Chief Finance Officer and the Director of Customer & Communities in consultation with the Director of Governance to enter into a partnership agreement directly with a suitable Partner, without any prior procurement exercise;
- iii. Agreed to delegate authority to the Chief Finance Officer and the Director of Customer & Communities in consultation with the Director of Governance the drafting, negotiation, and completion of a partnership agreement with the successful community fund manager and other partners, as well as authority to draft, negotiate and complete any subsequent variations to the partnership agreement once in place;
- iv. Agreed to delegate authority to the Chief Finance Officer and the Director of Customer & Communities in consultation with the Director of Governance to establish a supplementary ring-fenced fund within the YCF arrangements once in place, specifically to collect funding raised by the externally led UFSM fund raising campaign;
- v. Agreed to delegate authority to the Chief Finance Officer and the Director of Customer & Communities in consultation with the Director of Governance and other officers as and when required, to develop a Case for Support to support the fundraising for the delivery of a UFSM Pilot;
- vi. Agreed to delegate authority to the Chief Operating Officer, in consultation with the Chief Finance

Officer, the Director of Customer & Communities, and the Director of Governance to approve roles to, and delegate authority to, Council officers in the relevant structures and steering groups.

Reason: To establish a permanent community fund that will fund and deliver community projects and growth on a permanent basis, with the ability to have specific and targeted campaigns for an agreed set of projects aligned to the administration's priorities. By establishing the YCF, it provides the city with a fund-raising mechanism for additional opportunities that officers and partners can explore in partnership.

41. Biodiversity Net Gain (including information on Local Nature Recovery Strategy) (19:36)

The Director of Place outlined the request to delegate to the Executive Members for the Environment and Climate Change Emergency the development of the Local Nature Recovery Strategy (LNRS) ahead of the creation of the Combined Authority.

The Executive Member for Environment and Climate Emergency welcomed the opportunity to improve biodiversity due to the damage to the natural environment throughout the UK. Members agreed that the Council required a robust approach that protects the natural environment while allowing development.

Resolved:

- i. Noted the delays to the implementation of the BNG regime by Government;
- ii. Agreed to delegate to The Executive Members for the Environment and Climate Change Emergency the necessary Member decisions for the development of the LNRS and that officers convey those decisions for consideration of NYC as statutory Authority;
- iii. confirmed that whilst not statutory Authority they wish to reserve the agreement to adopt the LNRS as a key decision;

- iv. Agreed the one off £30k expenditure from the Government grant detailed in the financial implications to commission a 2-phase approach to enhanced BNG opportunities for York and along with sums negotiated for the delivery of the LNRS expenditure is delegated to the Director of Transport Highways and the Environment in consultation with the Executive Members for Environment and Climate Change Emergency.

Reason: To improve biodiversity net gain in York.

42. Capital Projects 2024/25 (19:48)

The Executive welcomed the opportunity to approve a £7.2 million package to enable the schemes in the Education Capital Programme. Members outlined that these schemes would improve things such as heating in schools, improvements to science labs, and an expansion to provisions for disabled and vulnerable children.

Resolved:

- i. Approved the £3,000,000 budget for capital maintenance works planned for 2024/25.

Reason: To complete the annual programme of maintenance works within the maintained school estate, dealing with the most urgent issues for 2024/25.

- ii. Approved the budget of £1,400,000 to build additional classrooms to accommodate a growth in pupil places at St Oswald's CE VC Primary.

Reason: To accommodate the demand for mainstream school pupil places.

- iii. Approved the budget of £1,100,000 to build additional classrooms to accommodate the demand SEN pupil places at Hob Moor Oaks Community Primary Academy.

Reason: To accommodate the demand for special school pupil

places for those children with complex special educational needs.

- iv. Approved the budget of £1,100,000 to refurbish the science labs at Huntington Secondary School.

Reason: To resolve health and safety issues within the existing science labs that mean teachers are unable to deliver the full science curriculum. This will ensure these labs are future-proofed for existing pupil numbers prior to the increased pupil numbers expected from planned housing developments.

- v. Approved the £600,000 budget to create outdoor learning areas at Danesgate Community Pupil Referral Unit.

Reason: To accommodate the increased demand for alternative teaching spaces for pupils with Social and Emotional Mental Health (“SEMH”).

- vi. Agreed to delegate approval of expenditure on individual schemes to the Corporate Director of Children’s Services and Education (or his delegated officers).

Reason: To ensure efficient spend and that decisions are made in a timely manner on individual schemes throughout the life of the capital programme.

- vii. Agreed to delegate authority to the Corporate Director of Children’s Services and Education (or his delegated officers), in consultation with the Director of Governance (or his delegated officers), to determine the provisions of any new works contracts necessary for the delivery of the Education Capital Programme, 2024/25, and to award and conclude each of these contracts following the appropriate competitive tendering processes.

Reason: This ensure compliance with LA’s Contract Procedure

Rules and its obligations under Public Procurement Law, as well as enable the Education Capital Programme, 2024/25 to be delivered on time.

43. Youth Justice Plan (19:56)

The Director Children's Services Safeguarding introduced the report and outlined that the Council had a statutory duty to agree a Youth Justice Plan. Members agreed to the plan welcoming the plans to focus on early intervention and preventing reoffending.

Resolved:

- i. Agreed the Youth Justice Plan.

Reason: To secure the Youth Justice Board funding for the financial year.

44. Approved Provider List ("APL") Dynamic Purchasing System (20:01)

The Corporate Director of Adults and Integration outlined the proposal to introduced a approved provider list to purchase 'beds' for care at pre-agreed prices. She outlined that the Council had previously been purchasing beds ad-hoc which had increased costs and been a specific challenge during the covid-19 pandemic as the Council sort to move residents out of hospitals.

Members welcomed the opportunity to add stability to purchasing and assist in trying to control costs while continuing to meet statutory services.

Resolved:

- i. Approved the established Approved Provider List (APL).

Reason: The proposed APL will ensure that services are procured in line with our statutory duties and obligations under the Care Act 2014 and the Public Contract Regulations 2015, as well as our own

standing orders set out within the Council's Contract Procedure Rules under Appendix 11 of the Council's Constitution, as well as ensure efficiencies and enable the Council to have more control of current and future contracts, for example ceiling rates.

- ii. Agreed to delegate authority to the Corporate Director of Adult Services and Integration ("DASS"), in consultation with the Director of Governance, to determine the provisions of the new APL, and to award positions on to the APL following an open, fair, and transparent competitive process and evaluation criteria.

Reason: To ensure the proposed APL is set up in accordance with and continues to be used/managed thereafter in line with the Light Touch Regime under the Public Contract Regulations 2015 and the Council's Contract Procedure Rules, to ensure open, fair and transparent commissioning of services required to meet our statutory duties under the Care Act 2014, and to ensure the APL is set up within the procurement timescales.

45. Recommission of the current York Reablement service (20:12)

The Executive welcomed the approach to commission a reablement service. They highlighted the positive feedback the Council received regarding carers employed by the Council, with 73% of users saying they would recommend the reablement service.

Resolved:

- i. Approved the approach to commission a reablement service through a competitive tendering process.

Reason: The option proposed will comply with CYC's Contract

Procedure Rules in terms of completing an open, fair, and transparent process as the market has not been approached since 2017. The procurement procedure is subject to the Light Touch Regime

under the Public Contracts Regulations 2015 and will be completed as an Open Procurement Procedure and within the timescales in Appendix A. The Open Procurement Procedure timetable will enable this to be completed prior to the expiry date of the current waiver. The provision of Reablement Services reduces the need for more costly residential care home services whilst maintaining peoples' independence via a short-term intervention enabling them to return home. The recommission of this service creates the potential to enhance the service with the inclusion of an Occupational Therapist at the front door determining the level of care and support, equipment and technology required to maximise customers independence, whilst increasing throughput through the service maximising the use of the Councils financial envelope and ultimately reducing the number of expensive residential care placements and better outcomes for people.

- ii. Agreed to delegate authority to the Corporate Director of Adult Services and Integration ("DASS"), in consultation with Chief Finance Officer (151 Officer) to determine the provisions of the new Contract, and to award and conclude the final Contract following the competitive tendering process.

Reason: This will enable the Contract Award to be implemented within the timescales outlined in Appendix A.

PART B - MATTERS REFERRED TO COUNCIL

46. Youth Justice Plan (19:56)

The Director Children's Services Safeguarding introduced the report and outlined that the Council had a statutory duty to agree a Youth Justice Plan. Members agreed to the plan welcoming the plans to focus on early intervention and preventing reoffending.

Recommended:

- i. That Council fully adopts the Youth Justice Plan.

Reason: To secure the Youth Justice Board funding for the financial year.

Cllr Douglas, Chair

[The meeting started at 5.34 pm and finished at 8.26 pm].

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Forward Plan: Executive Meeting: 16 November 2023

Table 1: Items scheduled on the Forward Plan for the Executive Meeting on 14 December 2023

Title and Description	Author	Portfolio Holder
<p>City of York Council Actions in Response to the York Anti-Racism and Inclusion Strategy</p> <p>Purpose of Report: To provide a plan of action as the Council’s response to the Anti-Racism and Inclusion Strategy which was presented to and approved by Executive and Full Council in July 2023. A commitment was made to provide a further report to Executive in response to the strategy, making recommendations for change where actions can be implemented in the short term and also identifying medium and longer-term measures.</p> <p>The Executive will be asked: To approve the Action Plans and related activities as contained in the report.</p>	<p>Laura Williams and Pauline Stuchfield</p>	<p>Executive Member for Finance, Performance, Major Projects and Equalities</p> <p>Executive Member for Housing, Planning and Safer Communities</p>
<p>Refreshed Governance Arrangements for York’s Human Rights & Equalities Board (HREB)</p> <p>Purpose of Report: In a report considered at the Decision Session of the then Executive member of Culture Leisure and Communities on 31st January 2023, as well as recommitting to the declaration made in 2017 to become a Human Rights City it was approved that the council would:</p> <p>Commit to moving forward in agreement with York Human Rights City Network (YHRCN) with a refreshed structure for the Human Rights and Equalities Board produced by a joint task group;</p>	<p>Pauline Stuchfield</p>	<p>Executive Member for Finance, Performance, Major Projects and Equalities</p> <p>Executive Member for Housing, Planning and Safer</p>

Title and Description	Author	Portfolio Holder
<p>This report will describe the outputs and recommendations of that work which will enable the refreshed HREB and its members to move forward in ensuring that York moves forwards and delivers against its commitment as a Human Rights City</p> <p>The Executive will be asked: To approve the recommendations which will see a refreshed governance structure for the Human Rights and Equalities Board.</p>		Communities
<p>Lord Mayoralty 2024/25</p> <p>Purpose of Report: To set out the points allocation for the Group eligible to nominate to the position of Lord Mayor for 2024/25.</p> <p>The Executive will be asked: To note the current allocation of points for the Lord Mayoralty for 2024/25.</p>	Dawn Steel	Executive Leader inc. Corporate Services, Policy, Strategy and Partnerships (and Devolution)

Table 2: Items scheduled on the Forward Plan for the Executive Meeting on 25 January 2023

None currently listed.



Meeting:	Executive
Meeting date:	16/11/2023
Report of:	Ian Floyd Chief Operating Officer Debbie Mitchell Chief Finance Officer
Portfolio of:	Councillor Katie Lomas, Executive Member for Finance, Performance, Major Projects, Human Rights, Equality & Inclusion

2023/24 Finance and Performance Monitor 2

Subject of Report

1. This report sets out the projected 2023/24 financial position and the performance position for the period covering 1 April 2023 to 30 September 2023. This is the second report of the financial year and assesses performance against budgets, including progress in delivering the Council's savings programme.
2. The previous monitor report outlined the Council's serious financial position with a forecast overspend for 2023/24 of £11.4m. There has been a small improvement for Monitor 2, with a forecast overspend of £11.1m. However, further mitigation has been identified which has resulted in the net overspend reducing from £2m to £1.1m.
3. This is still a significant overspend that is of serious concern and it remains very clear that the Council cannot afford to keep spending at this level. The general reserve is £6.9m and, whilst we have other earmarked reserves that we could call on if required, continued spending at this level would quickly see the Council exhaust its reserves.
4. Given the scale of the forecast overspend, a series of actions was agreed previously to bring spending down to an affordable level, both

within the current financial year and over the next 4 years, to safeguard the Council's financial resilience and stability.

5. At the time of writing this report (mid October) there has only been a small reduction in the forecast overspend. However, this is because it has been a relatively short period between reports, and it is expected that progress will improve over the coming weeks. Members should note that, should officers not see the required reductions in spend, further mitigations will be needed, and more stringent cost control measures will be implemented. Executive will be kept updated on the forecast.

Benefits and Challenges

6. This report is mainly to note the latest financial projections and current performance. The main challenge is delivering on agreed savings whilst also identifying further reductions in expenditure. The main benefit of approving the recommendations will be the ongoing financial stability of the Council.

Policy Basis for Decision

7. This report is mainly to note the latest financial projections and current performance. The ongoing financial resilience and stability of the Council will be essential to ensuring that Council priorities can continue to be achieved.

Financial Strategy Implications

8. This report sets out the projected financial position and identifies a range of actions that are necessary in order to reduce expenditure, both within the current financial year and over the next 4 years to safeguard the Council's financial resilience and stability.

Recommendation and Reasons

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

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

Background

Financial Summary and Mitigation Strategy

10. The latest forecast is that there will be an overspend of £11m. This is despite action being taken by managers across the Council to try and reduce expenditure. If the Council continues to spend at the current level, and no action is taken, then we will continue to overspend and will exhaust our reserves and any other available funding. The current level of expenditure is unaffordable and therefore we must take immediate action to reduce expenditure. If we do not start to see an improvement in the forecast, there will need to be further measures implemented to ensure that the required impact is seen by the end of the financial year.
11. As outlined in reports to Executive throughout the previous financial year, we have continued to see recurring overspends across both Adult and Children's Social Care. However, the underspends and mitigations that have allowed us to balance the budget at year end have generally been one off. Whilst the use of reserves to fund an overspend is appropriate as a one-off measure, it does not remove the need to identify ongoing savings to ensure the overall position is balanced. The budget report considered by Executive in February 2023 also included an assessment of risks associated with the budget, which included the need to secure further savings and effectively manage cost pressures.
12. Members will be aware that the financial position of local government is a national challenge and that the pressures being seen across both Adult and Children's Social Care are not something that is unique to York. Many Councils are experiencing significant financial pressures and struggling to balance their budgets now, so it is vital that we take immediate action to reduce our expenditure down to a sustainable level both within the current financial year and over the medium term. Taking decisive action now will safeguard the Council's financial resilience and stability and prevent York being in a position where it is unable to balance its budget in future years. This means that, in addition to the actions proposed in this report, there will be a need to continue to identify further mitigations and savings for future years.
13. Given the scale of the financial challenge, and the expected impact on budgets in future years, it is vital that every effort is made to balance the overall position. It is recognised that this will require

difficult decisions to be made to protect services for vulnerable residents.

14. Corporate control measures are being implemented but they will not deliver the scale of reduction needed within the year. Other savings proposals, including service reductions, are also needed. A full list of these was included in the monitor 1 report considered by Executive in September.
15. Alongside these actions, officers will continue to carefully monitor spend, identify further mitigation, and review reserves and other funding to make every effort to reduce this forecast position. However, it is possible that it will not be reduced to the point that the outturn will be within the approved budget. The Council has £6.9m of general reserves that would need to be called on if this were the case. As outlined in previous reports, any use of the general reserve would require additional savings to be made in the following year to replenish the reserve and ensure it remains at the recommended minimum level.
16. It must be a clear priority for all officers to focus on the delivery of savings plans during the year. Corporate Directors and Directors will keep Executive Members informed of progress on a regular basis.

Financial Analysis

17. The Council's net budget is £141m. Following on from previous years, the challenge of delivering savings continues with c£6m to be achieved to reach a balanced budget. The latest forecasts indicate the Council is facing net financial pressures of £11.1m and an overview of this forecast, on a directorate by directorate basis, is outlined in Table 1 below.

Service area	Net budget	2023/24 Gross Forecast Variation	Mitigation	2023/24 Revised Forecast Variation after mitigation
	£'000	£'000	£'000	£'000
Children & Education	25,083	4,637	-910	3,727

Adult Social Care & Integration	45,329	6,688	-3,281	3,407
Place	22,605	-1,223	-140	-1,363
Customers & Communities, Public Health & Corporate Services	26,437	2,000	-1,000	1,000
Central budgets	22,670	-1,000		-1,000
Sub Total		11,102	-5,331	5,771
Contingency	-500		-500	-500
Use of earmarked reserves			-4,250	
Target for further mitigation			-1,021	-1,021
Total including contingency	141,624	11,102	-11,102	nil

Table 1: Finance overview

Reserves and Contingency

18. The February 2023 budget report to Full Council stated that the minimum level for the General Fund reserve should be £6.8m (equating to 5% of the net budget). At the beginning of 2023/24 the reserve stood at £6.9m.
19. Should the mitigation outlined in this report not deliver the required level of savings in the current financial year then this reserve is available to support the year end position. However, in light of the ongoing financial challenges being faced by all Councils it is now more important than ever to ensure the Council has sufficient reserves. Therefore, should it be the case that we need to draw down a substantial amount from this general reserve in 2023/24, growth will need to be included in the 2024/25 budget to ensure that reserves can be maintained at an appropriate level.
20. In addition to the general reserve of £6.9m there are a range of other earmarked reserves where funds are held for a specific purpose. These reserves are always subject to an annual review and these funds will again be reviewed on a quarterly basis and where appropriate to do so will be released to support the in-year position.

Whilst this is a prudent approach that will ensure the financial resilience of the Council it is not a substitute for resolving the underlying overspends but instead allows time to develop future savings proposals in a planned way. There is currently a balance of £31.2m available in earmarked reserves. Following a review, it is considered appropriate that c£4m can be released from a range of areas. We will also look at amounts held by fully owned Council companies to ensure that reserves are not being held at a level that is unnecessarily high.

21. As in previous years a contingency budget is in place, and this is currently assumed to be available to offset the pressures outlined in this report.

Loans

22. Further to a scrutiny review, it was agreed that these quarterly monitoring reports would include a review of any outstanding loans over £100k. There is one loan in this category for £1m made to Yorwaste, a company part owned by the Council in June 2012. Interest is charged on both loans at 4% plus base rate therefore interest of 9.25% is currently being charged. All repayments are up to date.

Directorate Analysis

Children and Education

23. The forecast directorate outturn position is an overspend totalling £4,637k and the table below summarises the latest forecasts by service area.

	2023/24 Budget	Forecast Outturn Variance £'000	Forecast Outturn Variance %
Children's Safeguarding	21,943	+3,716	+17.3

Education & Skills	14,719	+800	+5.4
School Funding & Assets	-7,642	+82	+1.1
Director of C&E & Central Budgets	-3,208	+39	-0.9
Total Children & Education	24,935	+4,637	+18.6

Mitigations to reduce forecast overspend	
Direct Payments Review	-200
Removal of budget contingency held within service	-100
Use of unallocated budget growth	-50
Grant income received in excess of amounts accrued	-150
Use of Supporting Families Reserve	-100
Redirection of Unspent Grant Monies	-310
Revised position	3,727

24. There has been significant progress made in reviewing and reducing the expenditure across Children & Education, with a substantial reduction in the use of agency staff and the cost of placements. This is extremely positive and is against the national trend of ever increasing overspends in Children's Services. However, costs are increasing due to inflation, an increase in safeguarding activity reflecting greater complexity of needs and the challenges of a dysfunctional children's social care market.

25. As previously reported, the number of Children Looked After (CLA) in York has consistently been at a higher level than the budget was built to accommodate. The number at the beginning of the financial year was 267, at the end of September it was 256. Placement budgets are predicted to be overspent by a total of £3,010k, which is a significant improvement from the 2023/23 outturn which was £5,651k overspent. However, the pressure on this budget continues and is partly due to the limited market for children's placements and the statutory requirements placed on local authorities to meet children's needs, coupled with inflationary pressures which could worsen the position.
26. In addition, there is a predicted overspend in the Corporate Parenting Staffing Teams of £131k as the staffing budgets make no provision for the extra costs of agency staff. Nearly all the agency staff have now left.
27. An overspend in Disabled Children's Services of £578k is mainly overspends on direct payments. A specific project for reviewing historic direct payments is being investigated, which will clawback some of previous payments made and reduce ongoing costs.
28. Home to School Transport shows a forecast overspend of £644k. This continuing overspend is due to an increase in numbers for post 16/19 plus the provision of more specialist education provision locally. This is a much more cost-effective alternative to expensive out-of-city provision but has a consequent effect on this budget as we have had to provide more transport to establishments such as York College, Askham Bryan, Choose 2 and Blueberry Academy. The change in legislation to allow EHCPs up to the age of 25, resulting in significantly more students accessing this option, has also significantly increased our transport spend.
29. Staff resourcing issues and turnover in the SEND Statutory Services Team, and the need to resource this work to progress the Safety Valve targets has resulted in a small number of agency staff being appointed into this team over the period under consideration, resulting in a projected overspend of £118k (a significant improvement on the £405k overspend in 2022/23). The Educational Psychologists Service is predicted to underspend by £60k mainly due to vacancies in the team.
30. The Effectiveness and Achievement Service is predicted to overspend by £104k, mainly due to one-off unexpected expenditure, and also a delay in the implementation of a saving.

31. An overall underspend of £82k is predicted to be achieved within the Virtual School and Inclusion service, due to one-off savings in non-staffing expenditure.
32. The Dedicated Schools Grant (DSG) is currently projected to be on track to meet the targets set out in the Safety Valve recovery plan agreed with the DfE.
33. The main pressure continues to be experienced within the High Needs Block and is due to the continuing increase in High Needs numbers, and increasing complexity, requiring expensive provision, especially in Post 16 and Post 19 provision and the education element of Out of Authority placements.
34. The brought forward balance on the DSG as at 1 April 2022 was a deficit of £5,843k, following the first payment of additional funding under the Safety Valve agreement in March 2022. The net position in 2022/23 would have been an overspend of £1,380k, however a further £4,500k of additional DSG was paid during the year as the LA successfully met the targets set out in year one of the agreed management plan. The result is a revised cumulative deficit of £2,723k to carry forward to 2023/24.
35. The Safety Valve agreement commits the local authority to bring the DSG into an in-year balanced position by 2025/26. Further payments are conditional on the local authority meeting the targets set out in the Management Plan, and reporting quarterly to the DfE on progress, with the eventual aim of eliminating the in-year deficit by the target date, with additional payments by the DfE eliminating the historic deficit at that point.

Adults

36. The projected outturn position for Adult Social Care is an overspend of £6,688k and the table below summarises the latest forecasts by service area. This projection is based on customer numbers and costs in the first two months of the year. The projection assumes that £1,832k of previously agreed savings will be made by the end of the year.

	2023/24 Budget £'000	Forecast Outturn Variance £'000	Forecast Outturn Variance %
Direct Payments	4,813	1,097	25.1
Home and Day Support	1,234	2,341	197.9
Supported Living	14,527	1,491	5.1
Residential care	13,639	2,444	8.6
Nursing care	4,905	788	11.7
Short term placements	1,228	-427	17.7
Staffing (mostly social work staff)	7,261	229	5
Contracts and Commissioning	2,341	3	-1
In House Services	4,817	34	-0.5
Be Independent & Equipment	929	252	5.3
Other	-10,318	186	0.5
Recharges	-47	50	106.4
Total Adult Social Care	45,329	8,488	15.1

*Note that at Q1 these savings were shown net and for Q2 they have been grossed up

Mitigations to reduce forecast overspend	
Use of Market Sustainability and Improvement Fund for price pressures	-600
Recover all unused Direct Payments	-500
New practice model across Home Care	-1,000

Impact of introducing residential and nursing framework for providers	-1,500
Review of high-cost packages and Supported Living Schemes	-600
Service Improvement	-250
Review of CHC claims	-375
Other	-256
Revised position	3,407

37. A number of factors have come together to make an extremely challenging operating environment for adult social care.
38. Most services that deliver care are commissioned by CYC from the independent sector where the cost of providing care has been increasing through inflation, for example in workforce and utilities costs. Partners such as the NHS are also under pressure meaning there is increased pressure on social care to support hospital discharge and to support people with increasingly high needs at home. Austerity, the pandemic and cost of living crisis have meant that more people than ever feel the need to come to the local authority seeking support. Our population is ageing and has the increased additional needs this brings. This is at the same time as increased additional responsibilities around the delivery of high quality, personalised, accessible and affordable support have come through the 'People at the Heart of Care' national strategy and regulatory requirements of the care quality commission, without the necessary additional resource to fund this.
39. In order to manage within budget we will see significant reductions in the price we pay, the numbers of people we provide commissioned services to, the amount of the services which people receive and the type of commissioned service we provide.
40. Introduction of robust and fair provider frameworks to limit the cost while maintaining the quality of residential homes, nursing homes, supported living and home care are being introduced. The introduction of brokerage services to link this provision to the assessment of individual need will ensure that we make best use of such services. We have in place assurance processes to check,

challenge and where necessary decline assessments and requests for service. Over the coming months there is a refresh of the practice model to assure good assessments and decision making that requires all personal and community assets and assistive technology is used before services are put in place.

41. The number of people entering residential and nursing care have been declining over recent months due to the introduction of measures above. However, we have people placed in services in the past at higher rates and in order to deliver budget reductions, we need to see the total numbers of people in these settings reduce and this will happen over time. The completion of the refurbishment of the independent living scheme at Glen Lodge is also key to achieving this.
42. This decrease in the use of residential and nursing care puts additional pressure on use of home care. The numbers of people receiving home care services will also reduce. This will happen through an improved of short reablement services, which requires retendering, a remodelling of the front door, which is planned through the improved practice model, increasing our brokerage capacity to cover all service areas, bringing our communities services closer to adult social care and improvements in the use of assistive technology.
43. The following paragraphs outline the main variations.

External Care

44. The Council purchases care from external providers who support customers to meet their assessed needs. There are a variety of purchasing arrangements such as block contracts (purchasing a set number of beds/hours at a set rate), spot arrangements where prices are negotiated on an individual customer basis and frameworks where providers specify a rate, and the Council will approach those providers but are not contractually bound to use.
45. The Council can also be a lead commissioner for a package of care where Health contributes an element towards the health needs of a customer and current practice is for the Council to pay the provider and recover from Health.
46. Direct Payments are slightly different in that payments are made to individuals who then control how the money is spent to meet their assessed needs, usually with the assistance of a support agency who

help with the administration of the funds such as payroll, paying invoices etc.

47. ASC generally organise themselves alongside the four main customer groups and allocate the budgets accordingly. These are:
- Customers with a Learning Difficulty (LD)
 - Customers with a Physical &/or Sensory Impairment (P&SI)
 - Customers experiencing poor Mental Health (MH)
 - Older customers experiencing mobility issues, memory and cognition issues, frailty (OP)
48. The following sections describe the variations to budgeted costs, customer number and income. The variations are generally due to not fully meeting previous years' savings targets plus significant price pressures in the market.

Direct Payments

49. The main overspend is on Learning Disability (LD) direct payments, which are expected to overspend by £1,021k. This is mainly due to the average cost of a direct payment being £132/week more than in the budget (£875k) and the average cost of a transport direct payment being £50/week more than budgeted for (£292k). In addition, there is a shortfall against the health income budget as there are currently 5 fewer customers receiving CHC income and the average income received per customer is £176/week less than assumed when the budget was set (£246k). This is offset by an increase in direct payment reclaims since Q1.

Home and Day Support

50. P&SI Community Support is projected to overspend by £356k. The average weekly hours of homecare provided by framework providers is 88 more than in the budget (£102k) and the average cost of homecare is around £5 an hour more (£261k). In addition to this there has been a reduction of 7 in the number of customers receiving health contributions towards their care (£274k). This is partially offset by having 2 fewer customers on homecare exception contracts (£68k), the average cost of a day support placement is £51/week less than in the budget (£65k) and there has been an increase of £11/week in the average weekly contributions received per customer (£148k).
51. The OP Community Support Budget is projected to overspend by £745k. The average weekly hours of homecare provided by framework providers is 924 more than in the budget (£1,171k), and

there are 17 more customers on homecare exception contracts than budgeted for (£259k). This is partially offset by the average cost per customer of an exception contract being £164/week less than in the budget (£477k), together with an increase of £16/week in the average contribution received per customer.

52. LD Community Support budgets are expected to overspend by £836k. There are 3 more homecare customers than assumed in the budget (£88k) and the average cost per customer is £177/week more than budgeted for (£111k). In addition to this there are 3 more day support customers than in the budget (£109k) and the average cost per day support customer is £38/week more (£300k). Finally, health income is expected to be less than budget due to the average income per customer being £283/week less than assumed in the budget.
53. Mental Health community support is projected to overspend by £353k. This is mainly due to having 10 more homecare and 10 more day support customers in placement than was assumed when the budget was set.

Supported Living

54. Supported Living are settings where more than one customer live, with their own tenancy agreements, where their needs are met by a combination of shared support and one to one support.
55. The LD Supported Living budget is projected to overspend by £550k. The average cost of a placement is £39/week more than in the budget (£387k), and expenditure on voids is expected to be around £245k this year. This is offset by an increase in income largely due to the average S117 contributions from health being £556/week per customer higher than was assumed when the budget was set (£87k).
56. The P&SI Supported Living schemes budget is expected to overspend by £885k. The average cost of a placement is around £328/week higher than in the budget (£904k) and there has been a reduction in health income due to the average income per customer being £1,272/week less than in the budget (£199k). This is offset by having 2 fewer customers in placement (£96k) and the average customer contributions received are around £57/week per customer more than in the budget (£122k).

Residential care

57. OP permanent residential care is projected to overspend by £1,672k. There are currently 12 more customers in placement than in the budget (£609k) and in addition the average cost per placement is £132/week higher (£1,520k). This is offset by an increase of £39/week in the average customer contributions being received (£457k).
58. LD residential care budgets are expected to overspend by £765k. This mainly due to the average cost of a working age placement being £458/week more than in the budget (£1,600k) and there being 4 fewer customer receiving health contributions than budgeted for (£135k). This is offset by having 6 fewer customers in placement (£694k) and the average health income received per customer is around £810/week more than in the budget.

Nursing Care

59. OP Permanent Nursing Care is projected to overspend by £341k. The average cost of a placement is £174/week more than in the budget (£1,225k), there has been a reduction in health income due to having 10 fewer health funded customers (£406k) and the average health contribution per customer is £136/week less than budgeted for (£248k). This is offset by having 14 fewer customers in placement (£739k), the average placement cost for a S117 customer is £538/week less than in the budget (£449k) and there has been an increase of £56/week in the average customer contributions received (£350k).
60. There is expected to be an overspend of £357k on Mental Health nursing care budgets due to there being 3 more customers in the over 65 budget (£152k) and 2 more customers in the working age budget (£205k) than was assumed when the budget was set.

Short Term Placements

61. These are a combination of emergency and planned placements that can be used to step people out of hospital, provide respite for carers, respond to an emergency etc but are time limited with exit strategies.
62. The OP short term placements budget is expected to underspend by £390k. The underspend on step up step down beds (£257k) is due to additional health funding having been secured for these beds. There is also a projected underspend on the nursing emergency placement budget as the number of placements to date has been less than assumed in the budget (£258k). This is partially offset by an increase

in the residential emergency placements made to date which suggests that there will be an overspend on this budget by the year end.

In House Services and Staffing

63. The Council employees a variety of staff to advise and assess residents' and customers' social care needs. We also directly provide care and support to individuals and have teams which provide home care both in the community and in our Independent Living Schemes as well as running day support activities for those with a learning difficulty and those experiencing poor Mental Health. We also operate short stay residential care for the same customer groups.

Staffing

64. There is expected to be an overspend on staffing due to the use of agency staff in the Hospital team (£219k), being over establishment on AMHP posts in Mental Health (£122k) and the use of agency staff together with being one team manager over establishment in the LD team (£78k). This is partially offset by vacancies elsewhere in the service.

In House Services

65. Clarence Street and 22 The Avenue are projected to overspend by £79k in total largely to an underachievement of income from both (£75k).
66. Yorkcraft is projected to overspend by £175k due to an underachievement of income (£83k) and failure to achieve previous years budget savings (£93k).
67. The Bungalow is expected to underspend by around £108k in total mainly due to staffing vacancies in the service.
68. The Night Care service is expected to underspend by £63k due to staffing vacancies.

Be Independent & Equipment

69. Be Independent provide equipment to customers to allow individuals to remain independent and active within their communities. They also provide an alarm response service means tested as to whether a customer pays for it.
70. Be Independent is currently projected to overspend by £252k. There is still a budget gap of £130k and a £50k overspend on recharges

arising from when the service was originally outsourced to be fully addressed. In addition staffing is expected to overspend by £120k largely due to an unfunded regrade of some of the posts in the team and to having a review manager post above establishment and there is expected to be an underachievement of the customer income target based on current customer numbers (£75k). This is offset by additional income arising from Mediquip moving into the site at James Street (£100k) and other minor underspends across the budget.

Place

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

	2023/24 Budget £'000	Forecast Outturn Variance £'000	Forecast Outturn Variance %
Transport	6,846	-319	-5
Fleet	-237	36	15
Highways	4,457	500	11
Parking Services	-6,779	-1,251	-18
Waste	15,149	-1,264	-8
Public Realm	3,298	92	3
Emergency Planning	115	0	0
Planning Services	-133	451	339
Forward Planning	421	0	0
Public Protection	766	-2	0
Community Safety	688	0	0
Asset and Property Management	624	-90	-14
Facilities Management	1,293	552	43

Commercial Property	-4,336	0	0
Regen & Economic Development	406	0	0
Housing Services	-476	72	15
Management and Support	446	0	0
Place total	22,605	-1,223	-5

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

72. The primary reason for the underspend is continued strong performance from income particularly relating to parking. There are also underspends across waste from recycle sales and lower than forecast waste tonnages. Offsetting these costs there are continued higher than budgeted utility costs across street lighting and council offices.
73. Car park income to 30th September has remained strong across the city at being £365k (9%) ahead of income to the corresponding date in 2022/23 and £947k (28%) ahead of budget. It is not assumed that this increase will continue throughout the year however it is not unreasonable to assume that income will continue to be above budget. A current assumption of £1.35m ahead of budget is assumed in this forecast. That is offset by additional processing costs and costs across parking services. Income levels are monitored on monthly basis and the forecast will be updated regularly throughout the year.
74. There is a forecast underspend of (£1,264k) across waste disposal and collection. This is from a combination of additional recycling income due to higher than budgeted commodity prices. Income levels are forecast at £350k above budget which is lower than 2022/23 but higher than budget.

75. Across Waste Collection operational costs are estimated at £490k below budget as vehicle repairs and hire are below budget as the fleet is relatively new. Residual waste tonnages across York and North Yorkshire are also lower than forecast which allows capacity within Allerton Park (£365k) to be filled with commercial waste from Yorwaste which provides additional income.
76. Latest monitoring indicates a forecast shortfall in planning fees of £300k. There has been a slowdown in income levels related to the downturn in the housing market/ This will continue to be monitored closely and the profile of planning income will be reviewed in light of the impact of the Local Plan.
77. The budget for facilities management assumes full occupation of external partners at West Offices. There remains a void on floor two whilst let is still subject to final completion. This has led to a forecast shortfall of £380k.
78. The energy budgets across Place were increased in 2023/24 to reflect the large increases in gas and electricity prices that occurred in 2022/23. There have however been a further 30% increase in electricity prices in 2023/24 which have led to forecast overspends in Highways (£500k) and Facilities management £175k.
79. Elsewhere on this agenda, a report provides an update on the Castle Gateway masterplan which outlines potential abortive costs that would need to be charged to revenue. Once a decision has been made by Executive, further work will be carried out to determine the exact value of these costs and the result of this work will be included in the next monitoring report.
80. The overall directorate forecast assumes that a number of income budgets including commercial property and licensing will outturn on budget. These will require monitoring throughout the year as there are potential pressures across services.

Housing Revenue Account

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

£3,169k deficit (including £1,900k debt repayment). At the first monitor a nil variance is projected against this revised budget.

82. The HRA allocated significant increases for inflation to cover repairs and energy costs and at this stage of the year it is forecasted that the actuals will be contained within the budget.
83. Across energy costs assumed gas price increases were below those budgeted and therefore it is expected that costs will be circa £150k below budget but that will be dependent on the severity of winter.
84. There are continued forecast shortfall in dwelling rental income of £560k due to the level of voids. Glen Lodge currently has around 30 empty properties pending the refurbishment works, this also has an impact on the service charges income. These pressures will be offset by the teams carrying vacant posts and the bad debt provision budget remains at a prudent level.
85. The depreciation charge for the HRA is anticipated to be £500k higher than budget. This can be mitigated from higher than budgeted interest on credit balances as interest rates are significantly higher than budget.
86. The HRA working balance position as at 31st March 2023 was £29.4m. The HRA projected outturn position means the working balance will reduce to £26.2m at 31st March 2023. This compares to the balance forecast within the latest business plan of £25.7m.
87. The high level of working balance is available to start repaying the £121.5m debt that the HRA incurred as part of self-financing in 2012. The first repayment of £1.9m is due in 2023/24 and can be met from current resources.

Corporate, Customers & Communities

88. The forecast outturn position for the remaining areas of the Council is a net overspend of £920k and the table below summarises the latest forecasts by service area.

	Budget £'000	Variance £'000	Variance %
Chief Finance Officer	2,923	176	6
HR and Corporate Management	2,545	88	3
Customers & Communities	15,899	1,152	7
Governance	5,063	504	10
Public Health	14	0	0
Total Corporate, Customers & Communities	26,444	1,920	7
Other central budgets and treasury management	22,382	-1,000	4

Mitigations to reduce forecast overspend	
Vacancy management and cost control measure across all areas	-1,000
Further review of Treasury Management and borrowing forecasts	
Revised position	920

89. Within Customers and Communities, the most significant pressure (£600k) arises from the continued pressure across Housing Benefit Overpayments as the move to Universal Credit reduces opportunities to achieve income from recovering overpayments.
90. There is also continued pressure from the loss of external payroll contracts within the Payroll Team (£242k), however, vacancies are

being held wherever possible within Business Support to reduce the overspend.

91. Historical income shortfalls at the Mansion House combined with existing saving targets and pressures from premises costs are proving challenging. Budget panels have been held recently to discuss ways of improving the position going forwards.
92. Energy and maintenance contract inflation is causing pressure with the Bereavement Services, but it is hoped that this will be mitigated by increased income from the Crematorium by the end of the year.
93. Within the Governance department there are forecast pressures across legal services income recovery from capital fees and pressures regarding coroner fees. There are also concerns over the achievability £125k savings target through advertising income this year, a paper is being taken to CMT to discuss options.
94. Since the last report the proposed External Audit fee has been received, an increase of £175k. This has been noted and included in the Medium Term Financial Plan.
95. Across all these service areas Managers are being tasked with identifying mitigations that will reduce these pressures. These will include holding vacancies, cash limiting budget areas and striving to maximise income generation. This will be carefully monitored and reported back at future monitoring reports. The impact of holding vacancies where possible has yet to be quantified.

Performance – Service Delivery

96. This performance report is based upon the city outcome and council delivery indicators included in the Performance Framework for the Council Plan (2023-2027) which was launched in September 2023. This report only includes indicators where new data has become available, with a number of indicators that support the Council plan being developed. Wider or historic strategic and operational performance information is published quarterly on the Council's open data platform; www.yorkopendata.org.uk
97. The Executive for the Council Plan (2023-2027) agreed a core set of indicators to help monitor the Council priorities and these provide the structure for performance updates in this report. Some indicators are

not measured on a quarterly basis and the DoT (Direction of Travel) is calculated on the latest three results whether they are annual or quarterly.

98. A summary of the city outcome and council delivery indicators by council plan theme, based on new data released since the last report, are shown below and the latest data for all of the core indicator set can be seen in Annex 1.

Performance - Health and Wellbeing: A health generating city

99. % of adults that are physically active – The latest data from the Adult Active Lives Survey for the period from mid-November 2021 to mid-November 2022 was published in April 2023. In York, 497 people aged 16 and over took part in the survey, and they reported higher levels of physical activity, and lower levels of physical inactivity, compared with the national and regional averages. Positively:
- a) 70% of people in York did more than 150 minutes of physical activity per week compared with 63% nationally and 65% regionally. There has been no significant change in the York value from that 12 months earlier.
 - b) 20% of people in York did fewer than 30 minutes per week compared with 26% nationally and 23% regionally. There has been no significant change in the York value from that 12 months earlier.
100. Overall satisfaction of people who use services with their care and support - Data at LA and national level for 2021-22 was published in October 2022, and the data shows that there has been a decrease in satisfaction levels experienced by York’s ASC users compared with 2020-21 (down from 72% to 65%). This has been mirrored at a national level (a decrease from 68% to 64%) as ASC users have found life increasingly difficult. Results for the 2022-23 Adult Social Care User Survey will be published in December 2023.
101. Children and young people in care per 10k, excluding short breaks – At the end of September 2023, 254 children and young people were in York’s care. As a rate per 10k population, this is level with the national average. Unaccompanied Asylum Seeking Children (UASC), a sub-group of children in care, are expected to increase in number in York. At the end of September, 16 of York’s children in care were UASC, compared to only 8 in March 2022. The National Transfer Scheme now mandates that “the Home Office will not transfer UASC

to an authority that is already looking after UASC in line with, or greater than, 0.1% of their child population". For York, this is equivalent to approximately 36 young people meaning this sub-group of children in care has the scope to more than double.

102. Children subject to a Child Protection Plan - 126 children were the subject of a Child Protection Plan at the end of September 2023. Whilst the number of children has increased since last quarter, this is within York's expected range (111-141 child protection plans) and the range of comparator averages.

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

103. % of working age population qualified - In 2021-22, 87.9% of the working age population in York were qualified to at least L2 and above (GCSE grades 9-4), which is higher than the national and regional figures (78.2% and 76.4% respectively). This result ranks the city of York first regionally. The 2021-22 figure has increased from 2020-21 (83.4%). Achieving level 2 is valuable in itself: full level 2 qualification on average results in a 9% increase in earnings.
104. In 2021-22, 59.3% of the working age population in York were qualified to at least L4 and above (certificate of higher education or equivalent), which is higher than the national and regional figures (43.5% and 38.0% respectively). This result ranks the city of York first regionally. The 2021-22 figure is a big increase from 2020-21 (46.4%).

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

105. Universal Credit Claimants - Universal credit claimants remain around double the numbers seen before the pandemic. Although numbers had begun to recover in 2021-22, they have since increased further following the cost of living crisis.
106. At the end of September 2023 there were 12,242 people, in York, on Universal Credit which is an increase of 91% compared with February 2020 (pre-pandemic figures). Following a high of 13,236 in February 2021, the figures dropped to a low of 11,054 in May 2022 but they have steadily increased since then.
107. % of vacant city centre shops - Whilst acknowledging that a number of city centre streets and prime commercial locations seem to be experiencing higher vacancy levels than York's average, overall at the end of Q2 2023-24, there were 58 vacant shops in the city centre

(seven more than the number at the end of Q2 2022-23), which equates to 9.2% of all city centre shops, and is much lower than the national benchmark in 2022-23 of 13.8%.

108. Business start ups - Figures for 2022-23 showed 870 new business start-ups for York, which is higher than in the previous year (746 in 2021-22). The York figure is at only a slightly lower level to that seen before the pandemic (932 in 2019-20). The year to date figure up to the end of August 2023 of 386 new start ups is in line with previous years.
109. % of working age population in employment (16-64) - In 2022-23, 83.6% of the working age population were in employment, which is higher than the national and regional figures (75.5% and 74.4% respectively) and the York performance gives the city a ranking of first regionally. The figure for 2022-23 in York is higher than seen in previous years.
110. % of Total Employees working for an Accredited Living Wage/Good Business Charter employer - 16% of employees worked for an Accredited Living Wage employer and 13% worked for an Accredited Good Business Charter employer in 2022-23, which are both higher than in the previous year (14% and 12% respectively).

Performance - Transport: Sustainable accessible transport for all

111. Index of pedestrians walking to and from the City Centre - From a baseline in 2009-10 (37,278), there has been a 23% increase in the number of pedestrians walking to and from the city centre in 2022-23. This is 19% higher than in 2021-22 and the highest increase seen for a number of years. Data is gathered on an annual basis over the course of one day; it is a count of pedestrians crossing an inner cordon set just beyond the inner ring road and includes off-road routes such as riverside paths.
112. The number of CYC electric vehicle recharging points - There were 103 CYC electric recharging points in Q2 2023-24, which is seven fewer than in the previous quarter.

Performance - Housing: Increasing the supply of affordable housing

113. Number of new affordable homes delivered in York - During 2022-23 there have been 109 new affordable homes delivered which is comparable with the broad trend over the past decade. This is significantly below the identified level of need, however, national

scale challenges facing many areas with buoyant housing markets such as a shortage of sites for affordable housing and labour and supply chain constraints have affected delivery in York this year.

114. There is a significant future pipeline of affordable homes with planning permission in place across the council's own newbuild development programme and section 106 planning gain negotiated affordable housing. Inclusive of applications with a resolution to approve from Planning Committee, there are around 950 affordable homes identified in approved planning applications. The progress ranges from sites that are being built out currently to others with substantial infrastructure or remediation challenges to resolve prior to development. Over 350 of these have progressed through detailed planning, either as a Full application or Reserved Matters. The remainder are at Outline stage, with more uncertainty on timescales and final delivery levels, including the York Central affordable housing contribution.
115. % of dwellings with energy rating in A-C band in the EPC register - An Energy Performance Certificate (EPC) gives a property an energy efficiency rating from A (most efficient) to G (least efficient) and is valid for 10 years, and apart from a few exemptions, a building must have an EPC assessment when constructed, sold or let. Whilst the EPC register does not hold data for every property, it can be viewed as an indication of the general efficiency of homes. The rating is based on how a property uses and loses energy for example through heating, lighting, insulation, windows, water and energy sources. Each area is given a score which is then used to determine the A-G rating. In 2022, the median energy efficiency rating for a dwelling in England and Wales was Band D and a rating of A-C is generally considered to be good energy performance.
116. At the end of August 2023, 43.4% of properties on the register for York had an EPC rating of A-C which is a slight increase from 42.1% at the start of the year. The median grade for York for the same period was band D which follows the latest national benchmark. Data is based on the last recorded certificate for 58,553 properties on the register for York, some of which will have been last assessed more than ten years ago.
117. Number of homeless households with dependent children in temporary accommodation - The latest available data shows that the number of households with dependent children in temporary accommodation has increased during 2022-23 from 22 at Q1 to 35 at

Q4, which is 51% of total households in temporary accommodation. Generally, the households with children rise and fall in line with the total households and there was a peak at the end of 2021-22 where 57% were households with children. Numbers reduced during the height of the pandemic but have since been increasing and are now just above levels seen in the years before the pandemic.

118. The increase in numbers of households in temporary accommodation can also be seen nationally for 2022-23, and when looking at the total number of households in temporary accommodation per households in area (000s), York continues to perform positively compared to benchmarks (0.78 in York compared to 4.35 Nationally, 1.1 Regionally and 16.54 in London). It should be noted that these figures are snapshot figures and therefore may fluctuate between the snapshot dates.
119. Number of people sleeping rough - There were 22 people sleeping rough in York in September, which is a slight increase from 19 in June. Every Thursday, Navigators carry out an early morning street walk checking known rough sleeping hot spots and responding to intel or reports of rough sleepers. The monthly figure is based on the number of rough sleepers found bedded down on the last Thursday of each month.
120. % of dwellings failing to meet the decent homes standard - The Decent Home standard sets out specific standards that properties in the social housing sector should meet; relating to items which must be kept in a reasonable state of repair and safety. By carrying out focussed programmes in these areas, particularly the Electrical Testing programme, the council have been able to increase the percentage of properties which meet these standards. In 2022-23, the percentage of properties failing to meet these standards was 1.6%, which has decreased over the last few years from 11% in 2019-20.
121. % of repairs completed on first visit - The percentage of repairs completed on the first visit was 73.8% in Q2 2023-24, which is fairly low compared to the previous few years.
122. Number of void properties - Numbers of standard void properties had been reducing throughout 2023-24 from 73 at the start of the year to 36 in July, which is the lowest seen. The latest figure shows a slight increase to 47 standard voids in September, although this is still much lower than the 89 standard voids in September 2022. There

were 6 major works voids at the end of September 2023 which is a large decrease on the 21 major works voids in April 2023.

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

123. Percentage of household waste sent for reuse, recycling or composting – In Q4 2022-23 there has been a reduction in total household waste collected to 857kg per household from 906kg last year, but within this the level of residual (approx. non-recycling) household waste has remaining above 500kg per household. This has meant that the latest provisional data for the amount of household waste sent for reuse, recycling or composting is 33.4% which is a small decrease from 36.3%. There was also a small decrease in the annual reuse, recycling or composting rate to 41.3% from 43.2% last year.
124. % of Talkabout panel satisfied with their local area as a place to live - The first biannual resident satisfaction survey taken by the Talkabout panel took place during Q1 2023-24. Results from the Q1 2023-24 Talkabout survey showed that 83% of the panel were satisfied with York as a place to live, and 81% were satisfied with their local area, both consistent with results from Q3 2022-23. A slight decline in satisfaction with the local area can be seen over recent years but York continues to perform well against the latest national figure of 76% (Community Life Survey 2021-22).
125. % of Talkabout panel who give unpaid help to any group, club or organisation - Results from the Q1 2023-24 Talkabout survey found that 62% of panellists had given unpaid help to any group, club or organisation within the last 12 months. This is a slight increase from Q3 2022-23 (61%), and higher than the latest national figure of 55% taken from the government's Community Life Survey 2021-22.
126. % of Talkabout panel who think that the council are doing well at improving green spaces - The results for Q1 2023-24 showed that 38% of respondents agreed the Council and its partners are doing well at improving green spaces, the same as Q3 2022-23.

Performance - How the council will operate

127. FOI and EIR - % of requests responded to in-time – 92.4% of requests were responded to in-time during 2023-24 up until the end of September which is the highest figure seen since the end of 2018-19.

128. % of 4Cs complaints responded to in-time - In Q2 2023-24, there has been a decrease in the number of corporate complaints received compared to the same reporting period in 2022-23 (364 in Q2 2023-24 compared to 652 in Q2 2022-23). There has been a small reduction in performance for the percentage of corporate complaints responded to in time (93.3% in Q2 2023-24 compared to 95.3% in Q2 2022-23).
129. Average sickness days per full time equivalent (FTE) employee - At the end of July 2023, the average number of sickness days per FTE (rolling 12 months) had decreased to 11 days from 13 in July 2022. Recently released benchmarks show that the CIPD public sector benchmark is 10.6 days per FTE, putting us in line with national trends.
130. York Customer Centre average speed of answer - Phones were answered, on average, in 10 seconds in Q2 2023-24 by the York Customer Centre which is the lowest figure seen during 2023-24 and much lower than the average of 1 minute and 42 seconds during 2022-23.

Consultation Analysis

131. Not applicable

Options Analysis and Evidential Basis

132. Not applicable

Organisational Impact and Implications

133. The recommendations in the report potentially have implications across several areas. However, at this stage
- **Financial implications** are contained throughout the main body of the report.
 - **Human Resources (HR)**, there are no direct implications arising from this report.
 - **Legal** the Council is under a statutory obligation to set a balanced budget on an annual basis. Under the Local Government Act 2003 it is required to monitor its budget during the financial year and take remedial action to address overspending and/or shortfalls of income. Further work is

required to develop and implement proposals that will allow the Council to bring its net expenditure in line with its income. There may be legal implications arising out of these proposals that will be considered as part of the development and implementation of those proposals. If the Council is unable to set a balanced budget, it is for the Chief Financial Officer to issue a report under s114 of the Local Government Finance Act 1988 ('a section 114 notice').

- **Procurement**, there are no direct implications arising from this report.
- **Health and Wellbeing**, reductions in spend in some areas could impact on the health and wellbeing of both our staff and residents. The impact of any reductions in spend will continue to be carefully monitored so that implications can be considered and mitigated where possible.
- **Environment and Climate action**, there are no direct implications related to the recommendations.
- **Affordability**, are contained throughout the main body of the report. Where decisions impact on residents on a low income these impacts will be recorded in the individual Equalities and Human Rights analysis referred to below.
- **Equalities and Human Rights**, whilst there are no specific implications within this report, services undertaken by the Council make due consideration of these implications as a matter of course.
- **Data Protection and Privacy**, there are no implications related to the recommendations.
- **Communications**, the information set out in this report necessitates both internal and external communications. With ongoing interest in the current state of Local Government funding, we anticipate this report will attract media attention. A comms plan has been prepared to help make the information about the forecast overspend and the controls proposed clear and understandable, with opportunities to facilitate staff discussion arranged.
- **Economy**, there are no direct implications related to the recommendations.

Risks and Mitigations

134. An assessment of risks is completed as part of the annual budget setting exercise. These risks are managed effectively through regular

reporting and corrective action being taken where necessary and appropriate.

135. The current financial position represents a significant risk to the Council's financial viability and therefore to ongoing service delivery. It is important to ensure that the mitigations and decisions outlined in this paper are delivered and that the overspend is reduced.

Wards Impacted

136. All.

Contact details

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Annexes

Annex 1: Q2 Performance Tables – City Outcomes and Council Delivery Indicators 2023-2027

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Annex 1 - Performance - City Outcomes and Council Delivery Indicators 2023-2027

Financial Health (Council)						
	Previous Data	Latest Data	DoT	Frequency	Benchmarks	Data Next Available
Forecast Budget Outturn (£000s Overspent / -Underspent) - CYC Subtotal (excluding contingency)	£6.752 (Q1 2023/24)	£5.771 (Q2 2023/24)	↑ Bad	Quarterly	Not available	Q3 2023/24 data available in February 2024
The DoT (Direction of Travel) is calculated on the latest three data points whether they are annual or quarterly. All historic data is available via the Open Data Platform						

Health and wellbeing: A health generating city (City)						
	Previous Data	Latest Data	DoT	Frequency	Benchmarks	Data Next Available
Income Deprivation Affecting Children Index (IDAC1)	0.12 (2020/21)	0.1 (2021/22)	↓ Good	5 yearly	National Rank 2021/22: 253	2022/23 data available in 2024
Number of children in temporary accommodation - (Snapshot)	59 (Q3 2022/23)	63 (Q4 2022/23)	↑ Bad	Quarterly	Not available	Q1 2023/24 data available in December 2023
%pt gap between disadvantaged pupils (eligible for FSM in the last 6 years, looked after and adopted from care) and their peers achieving 9-4 in English & Maths at KS4	29.00% (2018/19)	32.00% (2021/22)	→	Annual	National Data 2021/22 28.20%	2022/23 data available in November 2023
% of reception year children recorded as being overweight (incl. obese) (single year)	21.40% (2019/20)	22.70% (2021/22)	→	Annual	National Data 2021/22 22.25%	2022/23 data available in November 2023
Slope index of inequality in life expectancy at birth - Female - (Three year period)	6.2 (2019/20)	5.7 (2020/21)	→	Annual	Regional Rank 2020/21: 3	2021/22 data available in late 2023
Slope index of inequality in life expectancy at birth - Male - (Three year period)	8.3 (2019/20)	8.4 (2020/21)	→	Annual	Regional Rank 2020/21: 3	2021/22 data available in late 2023
% of adults (aged 16+) that are physically active (150+ moderate intensity equivalent minutes per week, excl. gardening)	66.5% (2021/22)	70.4% (2022/23)	→	Bi-annual	National Data 2022/23 63.1%	2023/24 data available in April 2024
The DoT (Direction of Travel) is calculated on the latest three data points whether they are annual or quarterly. All historic data is available via the Open Data Platform						

Health and wellbeing: A health generating city (Council)						
	Previous Data	Latest Data	DoT	Frequency	Benchmarks	Data Next Available
Percentage of people who use services who have control over their daily life - Disabled People (ASC User Survey)	80% (2020/21)	79% (2021/22)	→	Annual	Not available	2022/23 data available in December 2023
Percentage of people who use services who have control over their daily life - Older People (ASC User Survey)	73% (2020/21)	71% (2021/22)	→	Annual	Not available	2022/23 data available in December 2023
Overall satisfaction of people who use services with their care and support	72.30% (2020/21)	65.10% (2021/22)	→	Annual	National Data 2021/22 63.90%	2022/23 data available in December 2023
Health Inequalities in wards	See below	See below	→	Annual	Not available	See below
Absolute gap in mortality ratio for deaths from circulatory disease (under 75) between highest and lowest York ward (5 year aggregated)	153.8 (2019/20)	141.1 (2020/21)	→	Annual	Not available	2021/22 data available in December 2023
Gap in years in Life Expectancy at birth for Males between highest and lowest York ward (5 year aggregated)	10.2 (2019/20)	11.7 (2020/21)	→	Annual	Not available	2021/22 data available in December 2023
Gap in years in Life Expectancy at birth for Females between highest and lowest York ward (5 year aggregated)	8.2 (2019/20)	11.1 (2020/21)	→	Annual	Not available	2021/22 data available in December 2023
Absolute gap in hospital admission ratio for self-harm between highest and lowest York ward (5 year aggregated)	133.2 (2019/20)	119.6 (2020/21)	→	Annual	Not available	2021/22 data available in November 2023
Absolute gap in hospital admission ratio for alcohol-related harm (narrow definition) between highest and lowest York ward (5 year aggregated)	70.7 (2017/18)	88.8 (2020/21)	→	Annual	Not available	2021/22 data available in November 2023
Absolute gap in % of children who reach expected level of development at 2-2.5 years of age between highest and lowest York ward (4 yr aggregated)	13.10% (2021/22)	13.65% (2022/23)	→	Annual	Not available	2023/24 data available in October 2024
Absolute gap in % of Year 6 recorded overweight (incl. obesity) between highest and lowest York ward (3 year aggregated)	24.20% (2019/20)	24.40% (2021/22)	→	Annual	Not available	2022/23 data available in December 2023
Absolute gap in % of children totally or partially breastfeeding at 6-8 weeks between highest and lowest York ward (4 year aggregated ward data)	36.70% (2021/22)	38.98% (2022/23)	→	Annual	Not available	2023/24 data available in October 2024
Number of children in care, excluding Short Breaks - (Snapshot)	263 (Q1 2023/24)	254 (Q2 2023/24)	→	Quarterly	National Data 2021/22 70	Q3 2023/24 data available in January 2024
Number of children subject to a Child Protection Plan - (Snapshot)	97 (Q1 2023/24)	126 (Q2 2023/24)	→	Quarterly	National Data 2021/22 42.1	Q3 2023/24 data available in January 2024
The DoT (Direction of Travel) is calculated on the latest three data points whether they are annual or quarterly. All historic data is available via the Open Data Platform						

Education and Skills: High quality skills and learning for all (City)						
	Previous Data	Latest Data	DoT	Frequency	Benchmarks	Data Next Available
% of working age population qualified - to at least L2 and above	83.6% (2020/21)	87.9% (2021/22)	↑ Good	Annual	National Data 2021/22: 78.20%	2022/23 data available in November 2023
% of working age population qualified - to at least L4 and above	46.4% (2020/21)	59.3% (2021/22)	↑ Good	Annual	National Data 2021/22: 43.50%	2022/23 data available in November 2023
% of pupils achieving 9-4 or above in English & Maths at KS4 (C or above before 2016/17)	73.60% (2018/19)	75.30% (2021/22)	→	Annual	National Data 2021/22: 56.10%	2022/23 data available in November 2023
The DoT (Direction of Travel) is calculated on the latest three data points whether they are annual or quarterly. All historic data is available via the Open Data Platform						

Education and Skills: High quality skills and learning for all (Council)						
	Previous Data	Latest Data	DoT	Frequency	Benchmarks	Data Next Available
% of children who have achieved a Good Level of Development (GLD) at Foundation Stage - (Snapshot)	75.60% (2018/19)	70.90% (2021/22)	→	Annual	National Data 2021/22: 65.20%	2022/23 data available in November 2023
Number of children who are eligible for a free school meal in the primary sector (excluding Danesgate) - (Jan Census snapshot)	2,118 (2021/22)	2,197 (2022/23)	→	Annual	Not available	2023/24 data available in March 2024
% of children who are eligible for a free school meal in the primary sector (excluding Danesgate)	15.47% (2021/22)	15.88% (2022/23)	→	Annual	National Data 2022/23: 23.99%	2023/24 data available in March 2024
Number of children who are eligible and taking a free school meal in the primary sector (excluding Danesgate) - (Jan Census snapshot)	1,720 (2021/22)	1,760 (2022/23)	→	Annual	Not available	2023/24 data available in March 2024
% of children taking a free school meal in the primary sector (excluding Danesgate) - (Jan Census snapshot)	12.30% (2021/22)	12.72% (2022/23)	→	Annual	Not available	2023/24 data available in March 2024
Number of children who are eligible for a free school meal in the secondary sector (excluding Danesgate) - (Jan Census snapshot)	1,411 (2021/22)	1,621 (2022/23)	→	Annual	Not available	2023/24 data available in March 2024
% of children who are eligible for a free school meal in the secondary sector (excluding Danesgate)	12.60% (2021/22)	14.26% (2022/23)	→	Annual	National Data 2022/23: 25.39%	2023/24 data available in March 2024
Number of children who are eligible and taking a free school meal in the secondary sector (excluding Danesgate) - (Jan Census snapshot)	977 (2021/22)	1,159 (2022/23)	→	Annual	Not available	2023/24 data available in March 2024
% of children taking a free school meal in the secondary sector (excluding Danesgate) - (Jan Census snapshot)	8.70% (2021/22)	10.20% (2022/23)	→	Annual	Not available	2023/24 data available in March 2024
Total number of children who are eligible for a free school meal - (York LA Local Measure) - (Jan Census snapshot)	3,690 (2021/22)	3,985 (2022/23)	→	Annual	Not available	2023/24 data available in March 2024
Total number of children who are eligible and taking a free school meal - (York LA Local Measure) - (Jan Census snapshot)	2,764 (2021/22)	2,987 (2022/23)	→	Annual	Not available	2023/24 data available in March 2024
Total number of children who have an EHCP (York LA Local Measure) - (Jan Census snapshot)	898 (2021/22)	976 (2022/23)	→	Annual	Not available	2023/24 data available in March 2024
The DoT (Direction of Travel) is calculated on the latest three data points whether they are annual or quarterly. All historic data is available via the Open Data Platform						

Economy: A fair, thriving, green economy for all (City)						
	Previous Data	Latest Data	DoT	Frequency	Benchmarks	Data Next Available
Universal Credit: Claimants	11,697 (Q1 2023/24)	12,242 (Q2 2023/24)	➡	Quarterly	Not available	Q3 2023/24 data available in January 2024
Earnings gap between the 25 percentile and the median (£) (York)	£165.30 (2021/22)	£148.60 (2022/23)	➡	Annual	Not available	2023/24 data available in December 2023
Housing affordability (median house prices to earnings ratio)	8.5 (2020/21)	8.85 (2021/22)	➡	Annual	National Data 2021/22 8.92	2022/23 data available in November 2023
% of vacant city centre shops	7.73% (Q1 2023/24)	9.22% (Q2 2023/24)	➡	Monthly	National Data 2022/23 13.80%	Q3 2023/24 data available in January 2024
Business Startups - (YTD)	237 (Q1 2023/24)	386 (August 2023)	↑ Good	Quarterly	Not available	Q2 2023/24 data available in November 2023
GVA per head (£)	27,572 (2020/21)	30,684 (2021/22)	➡	Annual	Regional Rank 2021/22: 2	2022/23 data available in May 2024
% of working age population in employment (16-64)	81.80% (2021/22)	83.60% (2022/23)	↑ Good	Quarterly	National Data 2022/23 75.50%	Q1 2023/24 data available in November 2023
% of Total Employees working for an Accredited Good Business Charter employer	12.10% (2021/22)	13.40% (2022/23)	➡	Annual	Not available	2023/24 data available in September 2024
% of Total Employees working for an Accredited Living Wage employer	14% (2021/22)	16% (2022/23)	➡	Annual	Not available	2023/24 data available in September 2024
Survival of Newly Born Businesses post 1 year	97.30% (2020/21)	94.00% (2021/22)	➡	Annual	Not available	2022/23 data available in late 2023
The DoT (Direction of Travel) is calculated on the latest three data points whether they are annual or quarterly. All historic data is available via the Open Data Platform						

Transport: Sustainable accessible transport for all (City)						
	Previous Data	Latest Data	DoT	Frequency	Benchmarks	Data Next Available
P&R Passenger Journeys	2m (YTD Dec 21)	2.4m (Prov) (YTD Dec 22)	↑ Good	Quarterly	Not available	Q4 2022/23 data available TBC
Local bus passenger journeys originating in the authority area (excluding P&R)	5.54m (YTD Dec 21)	7.26m (Prov) (YTD Dec 22)	↑ Good	Quarterly	Not available	Q4 2022/23 data available TBC
Area Wide Traffic Levels (07:00 -19:00) (Excluding A64) from 2009/10 baseline (2.07m)	1.77m (2019/20)	1.34m (2020/21)	➡	Annual	Not available	2021/22 data available at end 2023
Index of cycling activity (12 hour) from 2009 Baseline (31,587)	114.00% (2020)	101.00% (2021)	↓ Bad	Annual	Not available	2022 data available at end 2023
Index of pedestrians walking to and from the City Centre (12 hour in and out combined) from 2009/10 Baseline (37,278)	104.00% (2021/22)	123.00% (2022/23)	➡	Annual	Not available	2023/24 data available in July 2024
% of customers arriving at York Station by sustainable modes of transport (cycling, walking, taxi or bus - excluding cars, Lift, Motorcycle, Train)	71.90% (2019)	79.40% (2021)	➡	Annual	Not available	2022 data available at end 2023
The DoT (Direction of Travel) is calculated on the latest three data points whether they are annual or quarterly. All historic data is available via the Open Data Platform						

Transport: Sustainable accessible transport for all (Council)						
	Previous Data	Latest Data	DoT	Frequency	Benchmarks	Data Next Available
The number of CYC electric vehicle recharging points in York	110 (Q1 2023/24)	103 (Q2 2023/24)	➡	Quarterly	Not available	Q3 2023/24 data available in January 2024
% of road and pathway network that are grade 4 (poor) or grade 5 (very poor) - roadways	22% (2020/21)	22% (2021/22)	➡	Annual	Not available	2022/23 data available at end 2023
The DoT (Direction of Travel) is calculated on the latest three data points whether they are annual or quarterly. All historic data is available via the Open Data Platform						

Housing: Increasing the supply of affordable housing (City)						
	Previous Data	Latest Data	DoT	Frequency	Benchmarks	Data Next Available
Number of new affordable homes delivered in York	109 (2022/23)	1 (Q1 2023/24)	↓ Bad	Quarterly	Not available	Q2 2023/24 data available in November 2023
% of dwellings with energy rating in A-C band in the EPC Register - Snapshot	43.10% (Q1 2023/24)	43.40% (August 2023)	→	Monthly	Not available	Q2 2023/24 data available in November 2023
Net Additional Homes Provided - (YTD)	402 (2021/22)	459 (2022/23)	→	Bi-annual	Not available	2023/24 mid year data available in December 2023
Net Housing Consents - (YTD)	327 (2021/22)	1,559 (2022/23)	↑ Good	Bi-annual	Not available	2023/24 mid year data available in December 2023
Number of homeless households with dependent children in temporary accommodation - (Snapshot)	32 (Q3 2022/23)	35 (Q4 2022/23)	↑ Bad	Quarterly	Not available	Q1 2023/24 data available in December 2023
Number of people sleeping rough - local data - (Snapshot)	19 (Q1 2023/24)	22 (Q2 2023/24)	→	Monthly	Not available	Q3 2023/24 data available in January 2024
HMO's as % of properties in York	NA	NA	→	Annual	Not available	TBC
The DoT (Direction of Travel) is calculated on the latest three data points whether they are annual or quarterly. All historic data is available via the Open Data Platform						

Housing: Increasing the supply of affordable housing (Council)						
	Previous Data	Latest Data	DoT	Frequency	Benchmarks	Data Next Available
% of dwellings failing to meet the decent homes standard	4.88% (2021/22)	1.60% (2022/23)	↓ Good	Annual	Not available	2023/24 data available in August 2024
% of Repairs completed on first visit	82.86% (Q1 2023/24)	73.76% (Q2 2023/24)	→	Quarterly	Housemark Median 2022/23 86.02%	Q3 2023/24 data available in January 2024
Number of Void Properties - Standard Voids - (Snapshot)	60 (Q1 2023/24)	47 (Q2 2023/24)	↓ Good	Monthly	Not available	Q3 2023/24 data available in January 2024
Number of Void Properties - Major Works Voids - (Snapshot)	18 (Q1 2023/24)	6 (Q2 2023/24)	↓ Good	Monthly	Not available	Q3 2023/24 data available in January 2024
Number of Void Properties - Capital Projects Voids - (Snapshot)	22 (Q1 2023/24)	23 (Q2 2023/24)	→	Monthly	Not available	Q3 2023/24 data available in January 2024
Number of Void Properties - Total Voids (Excludes Not Offerable) - (Snapshot)	100 (Q1 2023/24)	76 (Q2 2023/24)	↓ Good	Monthly	Not available	Q3 2023/24 data available in January 2024
Number of Void Properties - Not Offerables - (Snapshot)	72 (Q1 2023/24)	75 (Q2 2023/24)	↑ Bad	Monthly	Not available	Q3 2023/24 data available in January 2024
% of tenants satisfied that their landlord provides a home that is well maintained	NA	NA	→	Annual	Not available	TBC
The DoT (Direction of Travel) is calculated on the latest three data points whether they are annual or quarterly. All historic data is available via the Open Data Platform						

Sustainability: Cutting carbon, enhancing the environment for our future (City)						
	Previous Data	Latest Data	DoT	Frequency	Benchmarks	Data Next Available
The average of maximum annual mean Nitrogen Dioxide concentration recorded across three areas of technical breach (at points of relevant public exposure) - Calendar year	43.8 (2021/22)	44.1 (2022/23)	➡	Annual	Not available	2023/24 data available in September 2024
Percentage of household waste sent for reuse, recycling or composting	41.26% (Prov) (2022/23)	44.95% (Prov) (Q1 2023/24)	➡	Quarterly	National Data 2021/22 42.50%	Q2 2023/24 data available in January 2024
Carbon emissions across the city (tonnes of carbon dioxide equivalent) - (Calendar Year)	936 (2018)	912 (2019)	➡	Annual	Not available	2020 data available in November 2023
% of Talkabout panel satisfied with their local area as a place to live	82.18% (2022/23)	81.44% (Q1 2023/24)	➡	Bi-annual	Community Life Survey 2021/22 76%	Q3 2023/24 data available in February 2024
% of Talkabout panel who give unpaid help to any group, club or organisation	60.64% (2022/23)	61.83% (Q1 2023/24)	➡	Bi-annual	Community Life Survey 2021/22 55%	Q3 2023/24 data available in February 2024
The DoT (Direction of Travel) is calculated on the latest three data points whether they are annual or quarterly. All historic data is available via the Open Data Platform						

Sustainability: Cutting carbon, enhancing the environment for our future (Council)						
	Previous Data	Latest Data	DoT	Frequency	Benchmarks	Data Next Available
Level of CO2 emissions from council buildings and operations (tonnes of carbon dioxide equivalent)	3,657.56 (2020/21)	3,633.3 (2021/22)	➡	Annual	Not available	2022/23 data available in November 2023
Number of trees planted (CYC)	73 (2021/22)	1,099 (2022/23)	⬆ Good	Annual	Not available	2023/24 data available in April 2024
% of Talkabout panel who think that the council are doing well at improving green spaces	38.30% (2022/23)	38.33% (Q1 2023/24)	➡	Bi-annual	Not available	Q3 2023/24 data available in February 2024
The DoT (Direction of Travel) is calculated on the latest three data points whether they are annual or quarterly. All historic data is available via the Open Data Platform						

How the Council will operate (Council)						
	Previous Data	Latest Data	DoT	Frequency	Benchmarks	Data Next Available
FOI & EIR - % Requests responded to In time - (YTD)	89.30% (Q1 2023/24)	92.40% (Q2 2023/24)	⬆ Good	Quarterly	Not available	Q3 2023/24 data available in January 2024
% of 4Cs Complaints responded to 'In Time'	96.12% (Q1 2023/24)	93.26% (Q2 2023/24)	➡	Monthly	Not available	Q3 2023/24 data available in January 2024
The % of York residents reporting 'good' or 'excellent' experience with Council (Baseline Q3 Talkabout)	NA	NA	NA	Quarterly	Not available	Q3 2023/24 data available in February 2024
The % of York residents reporting 'poor' or 'satisfactory' experience with Council (Baseline Q3 Talkabout)	NA	NA	NA	Quarterly	Not available	Q3 2023/24 data available in February 2024
Average Sickness Days per FTE - CYC (Excluding Schools) - (Rolling 12 Month)	12.95 (July 2022)	11.01 (July 2023)	➡	Monthly	CIPD (Public Sector) 2022/23 10.6	Q2 2023/24 data available in December 2023
YCC Average Speed of answer - Operators	00:00:15 (Phone) (Q1 2023/24)	00:00:10 (Phone) (Q2 2023/24)	➡	Monthly	Not available	Q3 2023/24 data available in January 2024
The DoT (Direction of Travel) is calculated on the latest three data points whether they are annual or quarterly. All historic data is available via the Open Data Platform						

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Meeting:	Executive
Meeting date:	16/11/2023
Report of:	Chief Finance Officer – Debbie Mitchell
Portfolio of:	Cllr Katie Lomas – Executive Member for Finance, Performance, Major Projects, Human Rights, Equalities and Inclusion

Decision Report: Capital Programme – Monitor 2 2023/24

Subject of Report

1. The purpose of this report is to set out the projected outturn position for 2023/24 including any under/over spends and adjustments, along with requests to re-profile budgets to/from current and future years.
2. A decrease of £13.009m is detailed in this monitor resulting in a revised capital programme for 2023/24 of £135.736m. There is an increase of £1.175m and a re-profiling of budgets to future years totalling £14.184m. This is mainly due to a thorough review of the phasing of the capital programme across Transport, Highways and Environment to reflect later timescales.
3. Table 1 outlines the variances reported against each portfolio area and a summary of the key exceptions and implications on the capital programme are highlighted in the paragraphs that follow.

Department	Current Approved Budget £m	Projected Outturn £m	Adjustment £m	Reprofile £m	Total Variance £m	Paragraph Ref
Children's services	16.900	16.900	-	-	-	12 – 20
Adult Social Care	1.236	1.236	-	-	-	-
Housing Services	41.697	42.519	1.530	(0.708)	0.822	21 – 35
Transport, Highways & Environment	64.548	59.635	-	(5.183)	(5.183)	36 – 59
Regen, Economy & Property Services	12.909	4.995	(0.355)	(7.559)	(7.914)	60 - 62
Community Stadium	0.271	0.271	-	-	-	-
ICT	3.722	3.722	-	-	-	65 - 66
Customer & Corporate Services	2.063	2.063	-	-	-	63 – 64
Communities & Culture	4.338	4.338	-	-	-	67 – 71
Climate Change	1.061	1.061	-	(0.734)	(0.734)	72
Total	148.745	135.736	(1.175)	(14.184)	(13.009)	

Table 1 Capital Programme Forecast Outturn 2023/24

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

Gross Capital Programme	2023/24	2024/25	2025/26	2026/27	2027/28	Total
	£m	£m	£m	£m	£m	£m
Children's services	16.900	6.020	5.400	0.920	-	29.240
Adult Social Care	1.236	0.682	0.705	0.728	0.752	4.103
Housing Services	42.519	54.897	35.181	45.044	14.638	192.279
Transport, Highways & Environment	59.365	74.520	41.296	27.564	17.698	220.443
Regen, Economy & Property Services	4.995	43.809	0.275	0.275	0.275	49.629
Community Stadium	0.271	-	-	-	-	0.271
ICT	3.722	2.820	3.170	2.820	2.820	15.352
Customer & Corporate Services	2.063	0.427	0.200	0.200	0.200	3.090
Communities & Culture	4.338	2.026	-	-	-	6.364
Climate Change	0.327	1.384	0.250	-	-	1.961
Revised Programme	135.736	185.685	86.477	77.551	36.383	522.732

Table 2 Revised 5 Year Capital Programme
Funding the 2023/24 – 2027/28 Capital Programme

5. The revised 2023/24 capital programme of £522.732m is funded from £184.172m of external funding and £338.560m of internal funding. Table 3 shows the projected call on resources going forward.

	2023/24	2024/25	2025/26	2026/27	2027/28	Total
	£m	£m	£m	£m	£m	£m
Gross Capital Programme	135.736	186.585	86.477	77.551	36.383	522.732
Funded by:						
External Funding	65.453	55.587	41.394	15.243	6.495	184.172
Council Controlled Resources	70.283	130.998	45.083	62.308	29.888	338.560
Total Funding	135.736	186.585	86.477	77.551	36.383	522.732

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

6. The Council controlled figure is comprised of a number of resources that the Council has ultimate control over. These include Right to Buy receipts, revenue contributions, supported (government awarded) borrowing, prudential (Council funded) borrowing, reserves (including Venture Fund) and capital receipts
7. In financing the overall capital programme the Chief Finance Officer will use the optimum mix of funding sources available to achieve the best financial position for the Council. Therefore an option for any new capital receipts would be to use these to replace assumed borrowing, thereby reducing the Councils' borrowing levels and associated revenue costs.

Financial Strategy Implications

8. As outlined in the Monitor 1 report, the Finance and Performance Monitor report elsewhere on this agenda again outlines the council's serious financial position. As agreed at Executive in September, a review of the capital programme is underway. The outcome of this review will be reported to a future meeting.

Recommendation and Reasons

9. Executive is asked to:
- Recommend to Full Council the adjustments resulting in a decrease in the 2023/24 budget of £13.009 as detailed in the report and contained in Annex A.
 - Note the 2023/24 revised budget of £135.736m as set out in paragraph 6 and Table 1
 - Note the restated capital programme for 2023/24 – 2027/28 as set Reason: to enable the effective management and monitoring of the Council's capital programme

Background

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

Consultation Analysis

11. The capital programme was developed under the capital budget process and agreed by Council on 23 February 2023. Whilst the capital programme as a whole is not consulted on, the individual scheme proposals and associated capital receipt sales do follow a consultation process with local Councillors and residents in the locality of the individual schemes

Options Analysis and Evidential Basis

Children and Education Services

12. The total approved budget within the Children's Services and Education Capital Programme for 2023/24 is £16.9m.
13. There is one adjustment to the overall programme at this monitor, plus an update on the maintenance schemes being carried out in maintained schools in 2023/24.

14. A scheme was approved at the Executive on 16/03/2023 for major improvement works at Clifton Green Primary at a budgeted cost of £1.5m, funded from Basic Need capital grant. It is proposed to separate this scheme in the capital programme for monitoring purposes.
15. This scheme has progressed well over the summer with Phase 1 of the works expected to be completed in early October.
16. Several projects have been carried out over the summer at maintained schools in York, funded from the major maintenance schemes in the programme. Many are complete with a small number still in progress and due to be completed over the remainder of the financial year.
17. At Huntington School, the first phase of a roof replacement programme was completed over the summer. Roof works were also completed at Headlands and Westfield Primary Schools.
18. A significant programme of essential improvement work is in progress at Ralph Butterfield Primary where improvements to pipework and a hygiene suite have been completed, and an electrical supply upgrade is scheduled for completion by the end of March 2024.
19. At Yearsley Grove Primary works have included the first phase of pipework replacement, roof replacement and an electrical supply upgrade with much of this work already complete and the electrical work scheduled to be completed before the end of the financial year. An electrical supply upgrade at Wigginton Primary is in progress and expected to be completed by the end of October.
20. Window replacement projects have been completed at Elvington and Fishergate Primary Schools with some further work on LED lighting at Fishergate Primary also finished.

Housing Services

Major Repairs

21. Procurement of some activities has taken longer than anticipated and mobilisation periods for some contractors have been extended whilst we have experienced delays in uploading rates on to our Open Housing system. The coming weeks will see the contractors fully mobilised on the Home Improvements, Voids, Retrofit and Damp contract, the works on the windows replacement programme (197 properties) commences as well as one of the three strands of the painting programme (282 including flats, entrances, communal areas). One contract has been terminated and other is delayed as contract queries are being worked through. This workstream we expect a reduced outturn as we move towards the winter months with only one contractor on board. The fire remedial contract will commence in the coming weeks following the fire assessments undertaken by the contractor.
22. Great progress has been made on Void properties, the backlog of voids has almost been cleared. Works on home improvement properties (152 issued) and tenanted damp properties (48 issued) commence in the next period. We do expect an underspend in this area due to the programme being delivered over 6 months but the extent of this is yet to be confirmed. Funds are required in other areas though so it is likely not to result in an overall underspend at this stage. The roofing workstream this year has 22 on the programme with 2 properties complete. This is on track at this stage. 174 property entrance doors 22 fire doors have been completed out of the 288 doors handed to the contractor with this contract being on track too. The early kitchen and bathroom renewals have all been completed by the repairs team to date but some are likely to be completed by the capital investment team in Q3 and 4.

Housing Delivery

23. Work is progressing well on new sites at Willow House, Tang Hall Library and Chaloner's Road.
24. On the Duncombe Barracks and Burnholme sites work is behind programme as a result of challenges faced by the contractor in achieving high quality standard demanded by the project and sourcing adequate labour however, these issues have improved in the period.

These delays are largely contractor risks and whilst this will impact the delivery timescales of the projects, it is not likely to impact the overall project budget.

25. A preferred bidder has been procured for the enabling works at Ordnance Lane which are due to start in Autumn 2023. The works were procured within the budget. The site has been hoarded in preparation for works starting.
26. There are currently two grant funded Second Hand Shared Ownership (SHSO) schemes being actively delivered by the Housing Delivery team; 25 SHSO with retrofit funded by Devolution funding and an additional 15 SHSO funded by Homes England. To date 25 homes are either progressing through the conveyancing process or complete and occupied by customers and it is anticipated that all the homes will complete within this financial year.
27. As part of the 15 Homes England funded homes, to date 10 homes have been identified and it is anticipated that all these homes will complete within this financial year.

Healthy and Sustainable Homes

28. A budget is used to undertake adaptations to privately owned properties in order to help owner occupiers and tenants living in the properties to be able to live independently within the property in the future. The budget is financed through monies allocated from the Better Care Fund and CYC's budget.
29. Monies for adaptations are provided through minor works grants, disabled adaptation grants (DAGs), and disabled facility grants (DFGs), to provide a range of adaptations to properties, including minor adaptations such as the installation of hand rails, steps and other equipment, to more major adaptations such as stairlifts, through floor lifts, level access showers (wet rooms) etc.
30. For 2023/2024 budget year it is predicted that the full budget will be spent once again in its entirety. An additional £128k, as a capital top up, has been awarded by DLUCH this financial year to increase funding and support for people to adapt or maintain their homes. It is anticipated that this additional funding will be spent too.

31. To support the Council's 2030 net zero carbon ambition, we are providing funding to undertake energy improvements and retrofit works within the private housing sector in York and some privately owned housing in adjoining local authorities areas.
32. Monies have been provided through bid submissions to the Department for Energy Security & Net Zero (formerly known as Department for Business, Energy & Industrial Strategy) via the Local Authority Delivery Phase 2 scheme, and the Sustainable Warmth Competition (SWC), involving the Home Upgrade Grant (HUG 1) for properties off the gas grid and the Local Authority Delivery Phase 3 (LAD 3) scheme for properties with a gas supply.
33. Proposed measures within the SWC programme include works to 255 homes, including 335 measures such as solar voltaic panels, air source heat pumps, hybrid air source heat pumps, loft insulation, external wall insulation, and underfloor insulation.
34. An underspend within the financial year is predicted due to the costs of works undertaken being less than previously anticipated costs and so providing better value for money. Several difficulties were encountered finding sufficient suitable properties to carry out works which met the requirements and conditions associated with the grant funding and other partner LAs, who were part of the partnership scheme, were only able to join the scheme later on resulting in fewer premises being involved than anticipated.
35. Engagement with the supplier, EON, to ensure maximum expenditure is being undertaken, to ensure works are completed by the end of September 2023.

Transport, Highways & Environment

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

Major Projects

37. For the York Outer Ring Road the current focus of the project team is to get the planning application for the scheme proposals through the determination period and then to a planning committee. There have

been some challenges and clarifications involving statutory consultees and this has led to a series of delays. The expectation is that the application will be considered at an autumn planning committee. If this is achieved the project team will then be seeking to get approval to make a compulsory purchase order (CPO) in order to lodge an application with the Secretary of State for Transport. Preparation of the CPO documents is well under way.

38. In parallel, work is ongoing to acquire land, develop the business case and complete the detailed design for the scheme. The construction stage is expected to start in late 2024. As a result of this the expenditure projection has reduced to £3.5m in the year from £26.5m.
39. For the Station Gateway Scheme the latest programme indicates expenditure of £9.2m in 2023/24 resulting in slippage of £7m. The utility diversion and highways works have started on site, with completion currently programmed for autumn 2025.
40. The Castle Gateway Transport Improvements scheme aims to improve transport infrastructure in the area of the Castle Gateway development, and the timescales for any proposed schemes are dependent on the wider development proposals. This work is not expected to be delivered in 2023/24 therefore the majority of the funding (£3,423k) will be carried forward to 2024/25. There is a report elsewhere on the agenda updating Members on progress on the scheme.
41. Tadcaster Road Phase 1 project has a projected overspend due to the extent of shallow services, tree roots and the limitations on working times that have taken place to reduce impact on local residents. A formal approach to WYCA as one of the existing funding bodies to see if additional funding can be secured has been made. If additional funding cannot be found to support the project then decisions on value engineering to bring the project within budget and slip elements of the current project into consideration for future phases. These decisions are delegated to the Director of Environment, Transport and Planning. The cost of the scheme even with value engineering is expected to be in the order of £0.6m over budget which will need to be met from existing highways and transport budgets if additional external funding cannot be identified.

Transport

42. The Hostile Vehicle Measures installations are currently progressing with the barriers at High Petergate, Lendal, Goodramgate, Spurriergate, Shambles, Coppergate Path, Minstergate all completed and the sites at Colliergate and Parliament Street sites in progress. Final completion of the scheme is anticipated by March 2024.
43. Within the Integrated Transport budgets a number of schemes have been completed including resurfacing at Rawcliffe Bar Park & Ride site, refurbishment of Malton Road / New Lane traffic signals, safety schemes at Askham Lane / Ridgeway and Wheldrake Lane / Elvington Rd junctions completed. We have also completed improvement to cycle facilities at the build outs along Skeldergate.
44. The Castle Gateway Transport Improvements scheme aims to improve transport infrastructure in the area of the Castle Gateway development, and the timescales for any proposed schemes are dependent on the wider development proposals. This work is not expected to be delivered in 2023/24 therefore the majority of the funding (£3,000k) will be carried forward to 2024/25

Highways

45. The Capital Highway Programme is nearing completion with 3 schemes left to complete. A59 Roman Road near the Red Lion and Elvington Lane and Main Street, Elvington should be completed over the next 2 weeks. Corner Close will be completed this financial year.
46. Additional costs have been incurred at several of the resurfacing schemes, predominately down to the scope of the works increasing in order to improve the condition of the carriageway and supporting infrastructure, typically where further deterioration has occurred since the initial design.
47. The requirement to undertake works outside of normal working hours as directed by the Street Works not anticipated for prior to tender.
48. Carriageway Renewal schemes brought forward into the 2023/24 programme include:
 - Lords Moor Lane to York Lane (budget £100k) due to the need for urgent renewal.

- A1237 / A19 roundabout (budget £100k) due to the need for urgent renewal. This has now been completed.
49. The Large Patching programme is ongoing and making good progress. There's an additional £250,000 allocated budget, which was previously intended for Ward Schemes. This will be used to deliver further large patching works this financial year, including the addition of Yarborough Way, which has been identified as a high priority scheme.
 50. The Footway schemes at Manor Park Road, Forestgate, Coda Avenue and Heslington Lane have been successfully delivered within budget, Myrtle Avenue will soon be complete, and the remaining schemes are now programmed in for delivery within the financial year.
 51. The remaining programme is currently progressing well. However the planned works at Coppergate will be undertaken in the next financial year (24/25) with the full budget to be proactively carried forward into next year's programme. This is due to the amount of works planned in the City Centre.
 52. Due to issues with determining land ownership and highway extents at St Benedicts Road, it is proposed to bring forward Fifth Avenue (subject to Asset Management approval) to replace this scheme in the 23/24 programme and defer St Benedict's Road to 24/25.

Drainage

53. The scheme at Murton Village is complete and the works were delivered within budget.
54. A significant number of gully cover replacements have further been carried out at various locations across the city area, resulting in a marginal overspend on this scheme.
55. Hopgrove Lane South and Elvington Lane schemes were also delivered within budget in advance of resurfacing work.
56. Large drainage repair schemes on Hull Road and Kent Street have been procured through the City of York Council Minor Civils Framework. Hull Road has been substantially completed.

57. Kent Street has been delayed due to archaeology in the excavated areas. Unfortunately the dig has disturbed a burial site and many skeletons have needed to be carefully removed to be buried off site. This has caused long delay to the scheme, which will also lead to additional costs to the scheme.
58. At Castle Mills Lock, the EA Collaborative Delivery Framework (CDF) has been identified as an appropriate procurement model for the works. The scheme will be procured through this framework on a design and build basis. The Council's Procurement Team have now signed off the call-off contract to allow access to the framework. It's likely that the full scheme will be carried forward into the next financial year, although some spend (approximately £200k) on design and procurement of the materials could be incurred in this financial year.

Waste Fleet & Public Realm

59. Vehicle Replacement Programme – there is expected spend by the end of this financial year £1.3m. Due to a delay in some services finalising their orders and long delivery lead in times there is anticipated slippage of a further £2,215k into 2024/25

Regeneration, Economy & Property Services

60. There has been a review of all the budgets across Property Services to determine the need for continued budgetary support and likely value of spend in the year.
61. It is proposed to delete two schemes from the programme
 - a) Shambles Market Power (£180k) – this was to fund improved electricity supply into the market to benefit traders. Since the pandemic and new trader locations at the market this budget is no longer required at this time
 - b) Community Asset Transfer (£175k)– this is a budget available if we need to make improvements to assets in advance of transferring them to the community as part of an asset transfer. It has not been required for a number of years and the borrowing is funded from savings in operational costs from transferring assets. Should funding be required for such assets in the future they will be subject to individual business cases considered by Executive.

62. Elsewhere across the programme slippage has been identified totalling £500k where expenditure can be deferred into 2024/25 reducing the need for borrowing

Customer & Corporate Services

Crematorium Waiting Room

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

Registry Office Phase Two.

64. It is hoped that the refurbishment to the toilets will complete later this year.

Customer & Corporate Services - IT

65. The ICT capital programme has a budget of £3,722k for 2023/24. At Monitor 2, whilst it is known there is over programming it is assumed it will be within budget this financial year and a nil variance is reported.
66. Key purchases completed or in hand to date include:
- Additional Citrix nodes to increase capacity and performance ordered via tender.
 - EDRMS Upgrade agreed and ordered with delivery scheduled for Oct 23.
 - Nutanix storage upgrade/replacement ordered via tender 23 with installation works to be completed by Oct 23, £100k under budget.
 - Significant progress is being made with the Network upgrade and associated telephony whereupon on successful acceptance and sign off invoices will be released for payment.

Communities & Culture

Future Libraries Investment Programme

67. The three library projects have been combined and are reported within a single FLIP (Future Libraries Investment Programme), under the corporate project management structure. The capital budget this year

is £5,378k which includes an education allocation of £255k for Clifton Library.

68. Works at Clifton are 6 months into a 13 month on-site build and are progressing very well. Old buildings have been demolished, improved local school footpath links completed, all underground works and the foundations for the new two storey building are complete. Work is currently focused on the block work construction of the main new two storey building. At Monitor 1 £1.3m was slipped to 24/25 aligning with building continuing until next summer and an anticipated opening date during Autumn 2024.
69. The new library at Haxby is open and design feasibility is ongoing following consultations with local residents for Acomb library.

Westfield Multi Use Games Area Provision

70. Following preliminary investigation works at the York Acorn Sports and Social Club discussions are continuing on the build of Westfield MUGA within the ward.

Changing Places Toilets

71. £244k has been awarded to provide two facilities, one at Oaken Grove, Haxby and the refurbishment of Silver Street in the city centre. Design sign-off has been approved by MDUK for Oaken Grove and the planning determination has now been approved. Tender for the completed design was launched in August and appointment is expected in October 2023. Silver street now has budget approval. Final design is ongoing. Delivery of both is by Feb/ March 2024.

Climate Change

72. The Climate Change programme has a budget of £1,461k for 2023/24, at Monitor 1 £400k of the Northern Forest Land Purchase budget was slipped to 24/25. At Monitor 2, it is requested that a further £734k be slipped to future years in line with match funding requirement of the Public Sector Decarbonisation Schemes.
73. Key achievements since M1 include:
 - Becoming a signatory to the Yorkshire & Humber Climate Commission's Climate Action Pledge

- Completed the Innovate UK funded project, Accelerating York's Net Zero Transition
- Submitted a £4m funding application to Innovate UK for a Retrofit One Stop Shop in York
- York Community Woodland receiving the John Boddy award for Community Forest of the Year at the Great Yorkshire Show and shortlisted for new woodland prize in the Royal Forestry Society awards.
- Launch of York Circular Network Group
- Initiating our Adaptation programme with internal and external workshops and participating in DEFRA's Adaptation Reporting Pilot

Organisational Impact and Implications

74. The report has the following implications:

- **Financial** - are contained throughout the main body of the report. Given the forecast financial position of the Council and the need to reduce expenditure, there will be a review of the capital programme. This review will need to identify ways in which capital expenditure can also be reduced.
- **Human Resources (HR)** - There are no direct HR implications as a result of this report. Any variations to the capital programme that have staffing implications will follow appropriate consultation and HR policies and procedures.
- **Legal** - Whilst this report itself does not have any legal implications, the schemes within the capital programme will themselves will be in receipt of legal advice where necessary
- **Procurement** – Whilst this report itself does not have any procurement implications, schemes within the capital programme are all procured in accordance with the procurement legislation.
- **Health and Wellbeing**, reductions in spend in some areas could impact on the health and wellbeing of both our staff and residents. The impact of any reductions in the capital programme will be carefully monitored so that implications can be considered and mitigated where possible.
- **Environment and Climate action**, as this report is mainly for information to update on the progress of delivery of schemes within

the programme, there are no direct environment and climate action implications as a result of this report.

- **Affordability**, as this report is mainly for information to update on the progress of delivery of schemes within the programme, there are no direct affordability implications as a result of this report.
- **Equalities and Human Rights** — as this report is mainly for information to update on the progress of delivery of schemes within the programme, there are no direct equalities and human rights implications as a result of this report. All individual schemes will be subject to Impact Assessments in the usual way.
- **Data Protection and Privacy**, as this report is mainly for information to update on the progress of delivery of schemes within the programme, there are no direct data protection and privacy implications as a result of this report.
- **Communications**, the information set out in this report does not have any specific communications implications. The finance and performance monitor report elsewhere on this agenda includes details of the communications activity in relation to the overall council finances.
- **Economy**, there are no direct implications related to the recommendations.

Risks and Mitigations

75. There are a number of risks inherent in the delivery of a large scale capital programme. To mitigate against these risks the capital programme is regularly monitored as part of the corporate monitoring process, and the project management framework. This is supplemented by internal and external audit reviews of major projects.

Wards Impacted

76. All wards are impacted by the issues detailed in the report

Contact details

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

Author

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Report approved:	Yes
Date:	

Background papers

- Capital Budget Report – Full Council 23 February 2023
- Capital Programme Outturn 2022/23 and Revisions to the 2023/24-2027/28 Programme – Executive 15 June 2023

Annexes

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

	2023/24	2024/25	2025/26	2026/27	2027/28	Total Capital Programme 2023/24- 2027/28 £000
	£000	£000	£000	£000	£000	
CHILDRENS SERVICES						
Basic Need	2,265	3,500	3,500	0	0	9,265
DfE Maintenance	1,429	700	700	700	0	3,529
SEND - Applefields Extension (Phase 3)	490	1,120	470	0	0	2,080
SEND - Huntington School ERP	820	480	510	0	0	1,810
Schools Essential Mechanical & Electrical Work	1,652	0	0	0	0	1,652
Clifton Green Primary - Re-organisation and Security	1,500	0	0	0	0	1,500
SEND - Specialist SEMH Expansion	1,430	0	0	0	0	1,430
Schools Essential Building Work	1,330	0	0	0	0	1,330
SEND - St Paul's Nursery ERP Expansion	1,195	0	0	0	0	1,195
Fulford School Expansion 2020 Phase 1 and 2	1,191	0	0	0	0	1,191
Children in Care Residential Commissioning Plan	930	0	0	0	0	930
NDS Devolved Capital	221	220	220	220	0	881
SEND - Haxby Road ERP Expansion (Lakeside site)	865	0	0	0	0	865
Improving School Accessibility	442	0	0	0	0	442
Expansion and Improvement of Facilities for Pupils with SEND	366	0	0	0	0	366
Danesgate Extension 2022	229	0	0	0	0	229
Millthorpe School	182	0	0	0	0	182
Family Drug & Alcohol Assess/Recovery Facility	100	0	0	0	0	100
Healthy Pupils Capital Fund	93	0	0	0	0	93
Manor School	77	0	0	0	0	77
Southbank Expansion	56	0	0	0	0	56
Applefields Extension Work 2021 and 2022	37	0	0	0	0	37
ADULT SOCIAL CARE						
Telecare Equipment and Infrastructure	271	275	283	291	300	1,420
Disabled Support Grant	251	260	270	280	290	1,351
Major Items of Disability Equipment	151	147	152	157	162	769
OPA-Haxby Hall	170	0	0	0	0	170
Proof of Concept for robotics & AI within social care	169	0	0	0	0	169
OPA-Ashfield Estate Sports Pitches	162	0	0	0	0	162
OPA - the Centre@Burnholme including enabling works	62	0	0	0	0	62
HOUSING & COMMUNITY SAFETY (HRA & GF)						
Local Authority Homes - New Build Project	0	20,000	18,829	29,743	0	68,572
Major Repairs & Modernisation of Local Authority Homes	11,080	10,339	10,847	11,027	11,243	54,536
LA Homes - Burnholme	9,292	12,384	0	0	0	21,676
Disabled Facilities Grant (Gfund)	2,074	2,375	2,375	2,565	2,565	11,954
Duncombe Barracks	4,047	4,281	0	0	0	8,328
Shared Ownership Scheme	4,636	0	0	0	0	4,636
Local Authority Homes - Phase 2	1,215	2,000	900	0	0	4,115
Local Authority Homes - Project Team	830	1,000	1,370	889	0	4,089
Assistance to Older & Disabled People	920	630	640	650	660	3,500
Home Upgrade Grant (G/fund)	2,882	0	0	0	0	2,882
LA Homes - Hospital Fields/Ordnance Lane	2,504	0	0	0	0	2,504
LA Homes Energy Efficiency Programme	1,600	478	0	0	0	2,078
Willow House Housing Development	350	650	0	0	0	1,000
Housing Environmental Improvement Programme	215	170	170	170	170	895
Lowfield Housing	702	140	0	0	0	842
Water Mains Upgrade	0	360	50	0	0	410
Extension to Marjorie Waite Court	0	90	0	0	0	90
Chaloner Road Site Enabling Works	58	0	0	0	0	58
Tang Hall Library Site Enabling Works (G/fund)	55	0	0	0	0	55
Lincoln Court Independent Living Scheme	47	0	0	0	0	47
James House	12	0	0	0	0	12
Empty Homes (Gfund)	0	0	0	0	0	0
TRANSPORT, HIGHWAYS & ENVIRONMENT						
York Outer Ring Road - Dualling	1,100	22,844	23,952	11,282	0	59,178
Highway Schemes	10,464	7,905	7,905	7,905	7,905	42,084
Replacement Vehicles & Plant	1,327	10,127	169	3,392	7,323	22,338
WYTF - Station Frontage	9,151	6,945	4,382	0	0	20,478
Local Transport Plan (LTP) *	5,368	1,570	1,570	1,570	1,570	11,648
Bus Service Improvement Plan	3,994	6,428	0	0	0	10,422
ZEBRA	10,259	0	0	0	0	10,259
Innovative Flood Resilience	809	1,290	1,490	1,937	0	5,526
WYTF - Castle Gateway Development	565	3,908	50	0	0	4,523
Drainage Investigation & Renewal	1,077	700	900	900	900	4,477
Haxby Station	157	4,000	0	0	0	4,157
Highways - Tadcaster Road	4,483	0	0	0	0	4,483
Flood Alleviation Schemes including Germany Beck	270	3,000	0	0	0	3,270
Replacement of Unsound Lighting Columns	743	578	578	578	0	2,477
Built Environment Fund - Hostile Vehicle Mitigation	2,413	0	0	0	0	2,413
Essential Bridge Maintenance (Lendal Bridge)	300	1,800	0	0	0	2,100
Flood Scheme Contributions	0	1,500	0	0	0	1,500
York City Walls Restoration Programme	802	300	300	0	0	1,402
Highways & Transport - Ward Committees	1,326	0	0	0	0	1,326
TCF - Tadcaster Road Improvements	922	0	0	0	0	922
Special Bridge Maintenance (Struct maint)	880	0	0	0	0	880
Castle Mills Lock	200	600	0	0	0	800
Smarter Travel Evolution Programme	300	461	0	0	0	761
Waste Vehicle Replacement	650	75	0	0	0	725

	2023/24	2024/25	2025/26	2026/27	2027/28	Total Capital Programme 2023/24- 2027/28 £000
	£000	£000	£000	£000	£000	£000
Highways Drainage Works	200	200	0	0	0	400
National Cycle Network 65 Targeted Repairs	356	0	0	0	0	356
EV Charging Asset Replacement	318	0	0	0	0	318
Fordlands Road Flood Defences	221	0	0	0	0	221
Flood Sign Renewal and Rainfall monitoring	195	0	0	0	0	195
Fleet & Workshop Compliance	100	91	0	0	0	191
Public Realm & Waste Equipment	163	0	0	0	0	163
River Bank repairs	0	148	0	0	0	148
Access Barrier Review	98	0	0	0	0	98
Better Play Areas	85	0	0	0	0	85
Knavesmire Culverts	31	50	0	0	0	81
Electric charging Infrastructure	38	0	0	0	0	38
REGEN, ECONOMY & PROPERTY SERVICES						
York Central Infrastructure	1,145	38,500	0	0	0	39,645
Castle Gateway (Picadilly Regeneration)	1,000	3,423	0	0	0	4,423
Asset Maintenance + Critical H&S Repairs	300	406	275	275	275	1,531
West Offices - LED Lighting	925	0	0	0	0	925
Improvements to City Centre & High Streets (UKSPF)	161	375	0	0	0	536
Guildhall	408	0	0	0	0	408
Rural Prosperity Fund	100	300	0	0	0	400
Hazel Court - LED Lighting	304	0	0	0	0	304
Enterprise Infrastructure (UKSPF)	0	300	0	0	0	300
LCR Revolving Investment Fund	300	0	0	0	0	300
Removal of Asbestos	70	167	0	0	0	237
Commercial Property Acquisition incl Swinegate	110	80	0	0	0	190
West Offices - Major repairs	100	0	0	0	0	100
Hazel Court welfare facilities	0	95	0	0	0	95
Photovoltaic Energy Programme	0	81	0	0	0	81
Fire Safety Regulations - Adaptations	0	77	0	0	0	77
Air Quality Monitoring (Gfund)	57	5	0	0	0	62
Built Environment Fund - Shopping Area Improvements	15	0	0	0	0	15
Shambles Modernisation - Power	0	0	0	0	0	0
Community Asset Transfer	0	0	0	0	0	0
STADIUM & MAJOR PROJECTS						
Community Stadium	271	0	0	0	0	271
ICT						
IT Development plan	3,602	2,820	3,170	2,820	2,820	15,232
IT Superconnected Cities	120	0	0	0	0	120
CUSTOMER & CORPORATE SERVICES						
Project Support Fund	841	200	200	200	200	1,641
Capital Contingency	1,176	0	0	0	0	1,176
Crematorium Waiting Room	0	227	0	0	0	227
Registry office Phase 2 Refurbishment	46	0	0	0	0	46
COMMUNITIES & CULTURE						
Future Libraries Investment Programme	4,078	2,026	0	0	0	6,104
Westfield Multi Use Games Area	192	0	0	0	0	192
Energise Roof	58	0	0	0	0	58
Explore self issue machines	10	0	0	0	0	10
CLIMATE CHANGE						
Climate Change schemes including Northern Forest	327	1,384	250	0	0	1,961
GROSS EXPENDITURE BY DEPARTMENT						
PEOPLE DIRECTORATE						
CHILDRENS SERVICES	16,900	6,020	5,400	920	0	29,240
ADULT SOCIAL CARE	1,236	682	705	728	752	4,103
PLACE DIRECTORATE						
HOUSING & COMMUNITY SAFETY (HRA & GF)	42,519	54,897	35,181	45,044	14,638	192,279
TRANSPORT, HIGHWAYS & ENVIRONMENT	59,365	74,520	41,296	27,564	17,698	220,443
PROPERTY SERVICES	4,995	43,809	275	275	275	49,629
CHIEF OPERATING OFFICER						
STADIUM & MAJOR PROJECTS	271	0	0	0	0	271
ICT	3,722	2,820	3,170	2,820	2,820	15,352
CUSTOMER & CORPORATE SERVICES	2,063	427	200	200	200	3,090
COMMUNITIES & CULTURE	4,338	2,026	0	0	0	6,364
CLIMATE CHANGE	327	1,384	250	0	0	1,961
TOTAL BY DEPARTMENT	135,736	186,585	86,477	77,551	36,383	522,732
TOTAL GROSS EXPENDITURE	135,736	186,585	86,477	77,551	36,383	522,732
TOTAL EXTERNAL FUNDING	65,453	55,587	41,394	15,243	6,495	184,172
TOTAL INTERNAL FUNDING	70,283	130,998	45,083	62,308	29,888	338,560



Meeting:	Executive
Meeting date:	16/11/2023
Report of:	Debbie Mitchell Chief Finance Officer
Portfolio of:	Councillor Katie Lomas Executive Member for Finance, Performance, Major Projects, Human Rights, Equality & Inclusion

Decision Report: Treasury Management Mid-year Review and Prudential Indicators 2022/23

Subject of Report

1. The purpose of this report is to provide a mid-year update to the Executive Member for Finance on treasury management activity for the first half of the year and to provide the latest update of the prudential indicators which are included at Annex A to this report.

Benefits and Challenges

2. Treasury Management is the effective management of the Council's cash flow. Doing this effectively protects the Council from risks and ensures the ability to meet spending commitments as they fall due.

Policy Basis for Decision

3. The CIPFA (Chartered Institute of Public Finance and Accountancy) Code of Practice for Treasury Management requires that full Council be updated with, review and approve, as a minimum three reports annually. These reports are the Treasury Management Strategy Statement setting out policy for the forthcoming year, a mid-year review report, and an annual report detailing the treasury activities and performance for the previous year. Quarterly reports are also required to provide an update on treasury management activities and can be assigned to a designated committee or member as deemed appropriate.

4. This report is the Treasury Management Mid-year review, detailing activities undertaken so far, compliance and any variations from policy, performance, and monitoring of the Prudential Indicators.
5. The Council is required through legislation to provide members with a mid-year update on treasury management activities. This report provides an update on activity for the period 1st April 2023 to 30th September 2023. Therefore, this report ensures this Council is implementing best practice in accordance with the Code.

Financial Strategy Implications

6. The Treasury Management function is responsible for the effective management of the Council's investments, cash flows, banking, and money market transactions. It also considers the effective control of the risks associated with those activities and ensures optimum performance within those risk parameters.

Recommendation and Reasons

7. Members are required, in accordance with the Local Government Act 2003 (revised), to:
 - Note the Treasury Management activities to date in 2023/24.
 - Note the Prudential Indicators set out at Annex A and note the compliance with all indicators.

Reason: To ensure the continued effective operation and performance of the Council's Treasury Management function and ensure that all Council treasury activity is prudent, affordable and sustainable and complies policies set.

8. It is a statutory duty for the Council to determine and keep under review the affordable borrowing limits. During the first half of the year ended 30th September 2023, the Council has operated within the treasury and prudential indicators set out in the Council's Treasury Management Strategy Statement for 2023/24.
9. There are no policy changes to the Treasury Management Strategy Statement for members to agree and approve; the details in this report update the position in the light of the updated economic position and budgetary changes already approved.

Background

10. This mid-year report has been prepared in compliance with the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management, and covers the following:
- A brief economic update for the first half of the 2023/24 financial year;
 - A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
 - An update to the prudential indicators;
 - A review of the Council's investment portfolio;
 - A review of the Council's borrowing strategy;
 - A review of compliance with the Treasury and Prudential Limits.

Economic Update

11. The first half of 2023/24 saw:
- Interest rates rise by a further 100bps, taking Bank Rate from 4.25% to 5.25%.
 - Short, medium and long-dated gilts remain elevated as inflation continually surprised to the upside.
 - A 0.5% m/m decline in real GDP in July, mainly due to more strikes.
 - CPI inflation falling from 8.7% in April to 6.7% in August, its lowest rate since February 2022, but still the highest in the G7.
 - Core CPI inflation declining to 6.2% in August from 7.1% in April and May, a then 31 years high.
 - A cooling in labour market conditions, but no evidence yet that it has led to an easing in wage growth.
12. In its latest monetary policy meeting on 20th September 2023, the Bank of England left interest rates unchanged at 5.25%. The minutes show the decision was "finely balanced" with five MPC voted for no change and the other four voted for a 25bps hike. Weak August CPI inflation, the recent loosening in the labour market and downbeat activity surveys are likely to have contributed to the decision. The statement did not say that rates have peaked and once again said if there was evidence of more persistent inflation pressures "further tightening in policy would be required".
13. The Bank also retained the hawkish guidance that rates will stay "sufficiently restrictive for sufficiently long" to indicate to markets rates may stay higher for a more prolonged period, rather than a peak in rate being followed by rate cuts. The sentiment gives the Bank of England the flexibility to respond to new developments, as for example, a rebound in services inflation, another surge in wage growth and/or a further increases in oil prices could conceivably lead to a further raising of rates at the next meeting on 2nd November, or even a pause in November and a rise in December.

Interest Rate Forecast

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

	Bank rate %	PWLB borrowing rates % (including certainty rate adjustment)			
		5 year	10 year	25 year	50 year
Dec 2023	5.25	5.10	5.00	5.40	5.20
Mar 2024	5.25	5.00	4.90	5.20	5.00
Jun 2024	5.25	4.90	4.80	5.10	4.90
Sep 2024	5.00	4.70	4.60	4.90	4.70
Dec 2024	4.50	4.40	4.40	4.70	5.40
Mar 2025	4.00	4.20	4.20	4.40	4.20
Jun 2025	3.50	4.00	4.00	4.30	4.10
Sep 2025	3.00	3.90	3.80	4.10	3.90
Dec 2025	2.75	3.70	3.70	4.00	3.80
Mar 2026	2.75	3.70	3.60	3.90	3.70
Jun 2026	2.75	3.60	3.60	3.80	3.60
Sep 2026	2.75	3.60	3.50	3.80	3.60
Dec 2026	2.75	3.50	3.50	3.80	3.60

Table 1: Link Asset Services Interest Rate Forecast 25th September 2023

15. Currently Bank base rate is at 5.25% and, as shown in the forecast table above, is expected to stay at this level for the next year or so into 2024/25 before steadily decreasing throughout 2025/26 before stabilising around 2.75%. The latest Link Group forecast sets out a view that short, medium, and long-dated interest rates will be elevated for some little while, as the Bank of England seeks to squeeze inflation out of the economy. Gilt yields and PWLB certainty rates were on a generally rising trend throughout the first half of 2023/24. Link Group forecast rates to fall back over the next two to three years as inflation dampens, however, there is considerable gilt issuance to be digested by the market over the next couple of years so there is a high degree of uncertainty as to whether rates will fall that far.

Annual Investment Strategy Update

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

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

Investment Portfolio

20. Investment returns have improved in the first 6 months of 2023/24 compared to those seen in 2022/23. This is due to the continuing increases in the Bank of England Base Rate reflected in market rates. However, expectation is that the bank rate will not rise further and if this is the case investment returns may have reached their peak.
21. Investment returns the Council earns on its surplus cash is dependent on the level of cash held for investment purposes, cash backed reserves and cash flow requirements.
22. The average level of cash balances available for investment purposes in the first 6 months of 2023/24 was £30.902m (£58.184m for the same 6-month period in 22/23).
23. The level of cash balances available is largely dependent on the timing of the Council's cash flow as a result of precept payments, receipt of grants, receipt of developer contributions, borrowing for capital purposes, payments to its suppliers of goods and services and spend progress on the capital programme. These funds are therefore only available on a temporary basis depending on cash flow movement and during the first 6 months of 2023/24 all cash has been kept in more liquid short-term investments which has meant investments returns are not as high as market averages.
24. The level of average cash balances has decreased compared to a year ago due to cash being used to support the Council's capital programme spending and no additional borrowing for capital being taken in 2022/23. The level of average balance available for investment has decreased during the first 6

months due to the continuing policy of avoiding new borrowing by running down spare cash balances to fund the capital programme.

25. The policy of using cash to delay long-term borrowing has served well over the last few years and is being kept under review into the second half of 2023/24 as cash balances for investment are projected to fall and the Council does have an underlying borrowing need. The Council is currently maintaining an under-borrowed position in relation to the Capital Financing Requirement.
26. Investment return (calculated as the amount of interest earned on invested cash for the period) during the first six months of 2023/24 is shown in table 2:

	2022/23 (full year)	2023/24 (half year only)
Average CYC Rate of Return	2.02%	4.66%
Benchmarks		
Average Overnight SONIA	2.24%	4.73%
Average 7 day Backward Looking SONIA	2.23%	4.71%

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

27. The average rate of return achieved for invested cash to date in 2023/24 has been steadily increasing compared to the average seen in 2022/23, due to the Bank of England continually raising the base during the period. The Council has been keeping cash in highly liquid Money Market Funds which provide instant access to cash and therefore has used the average overnight SONIA rate to compare it's return to. There is a slight time lag between the interest earned from investing in these Money Market Funds compared to the base rate and overnight SONIA as Money Market Funds adjust their portfolios in a rising interest rate environment.
28. Opportunities for longer term investments at higher yields are now more prevalent, however as stated above the Council is using its cash balances to delay taking on long-term borrowing. Opportunities that arise for notice and fixed investments are considered in terms of the Councils short to medium term cash flow requirement and under borrowed position.
29. Figure 1 shows the average SONIA rates for a number of investment durations compared with the Bank of England base rate and the rate of return that the Council has achieved on invested cash for the first six months of 2023/24. It shows that the Councils average rate of return on its instant access cash has been steadily increasing for the first six months of the year on the same trend as the Bank of England base rate and the average

overnight SONIA and average 7 day backward looking SONIA rates whilst ensuring the required liquidity and security of funds for the Council.

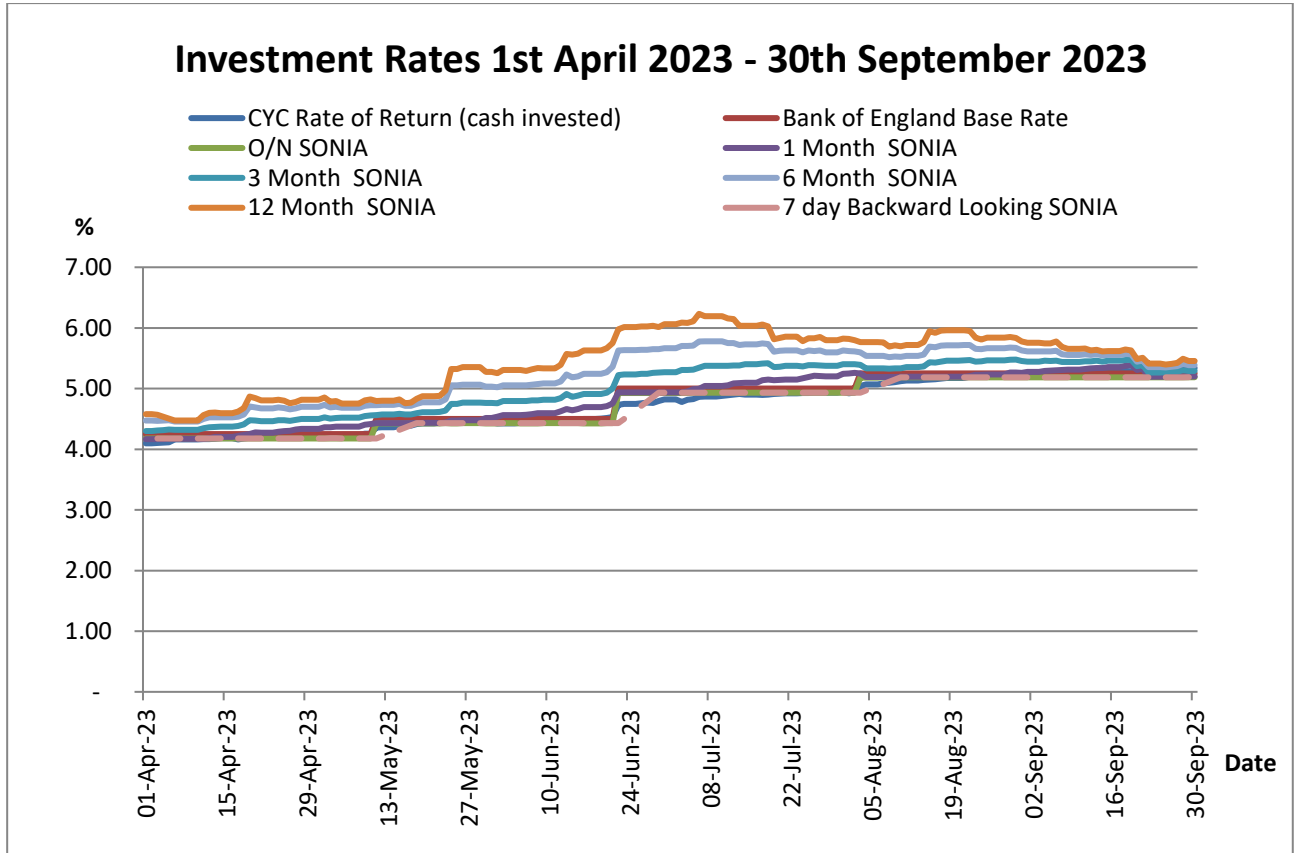


Figure 1 CYC Investments vs Bank of England base rate and SONIA up to 30th September 2023

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

Institution Type	Principal 30/09/23	Average Principal	Average Rate
Fixed Term Deposits	£0.00m	£0.00m	0.00%
Call / Notice	£0.00m	£0.00m	0.00%
Money Market Funds	£18.85m	£30.53m	4.73%
Cash in bank	£0.46m	£0.44m	0.00%
Total Investments	£19.31m	£30.97m	4.66%

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

31. Figure 2 shows the investments portfolio split by cash in bank, deposits in short term call accounts, fixed term investments and Money Market Funds. All of the Money Market Funds have an AAAM credit rating and the cash bank account is A+.

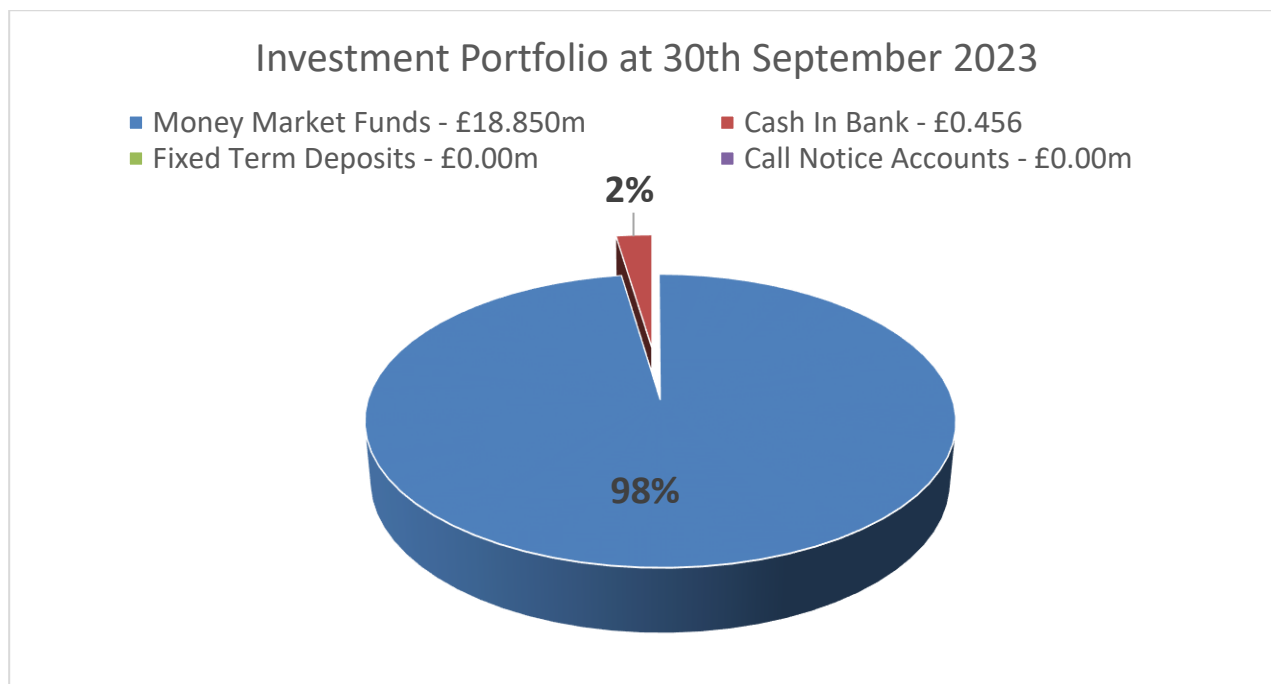


Figure 2 Investment Portfolio by type at 30th September 2023

Borrowing Strategy Update

32. The Council undertakes long-term borrowing in accordance with the investment requirements of the capital programme and all borrowing is therefore secured for the purpose of its asset base.
33. The level of borrowing taken by the Council is determined by the Capital Financing Requirement (the Councils underlying need to borrow for capital expenditure purposes). Borrowing needs to be affordable, sustainable and prudent.
34. Under regulation, the Council can borrow in advance of need and Markets are therefore constantly monitored and analysed to ensure that advantage is taken of favourable rates and the increased borrowing requirement is not as dependant on interest rates in any one year.
35. On the reverse side, the Council's level of borrowing can also be below the Capital Financing Requirement. This would mean that instead of increasing the Council's level of borrowing, surplus funds held for investment purposes would be utilised.
36. The borrowing strategy takes into account the borrowing requirement, the current economic and market environments and is also influenced by the interest rate forecast. The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a

temporary measure. This can be seen on the Councils Liability Benchmark graph as shown by the gap between the loans outstanding and CFR.

Borrowing Portfolio

37. The Councils long-term borrowing started the year at a level of £301.265m. No new loans have been taken during the first six months of the year. The current borrowing portfolio position as at 30th September 2023 is £301.265m.

Institution Type	Principal	Average Rate
<u>Public Works Loan Board</u> PWLB (60) – Money borrowed from the Debt Management Office (HM Treasury)	£293.9m	3.21%
<u>Market Loans</u> LOBO Loans (1) – Lender Option Borrower Option	£5.0m	3.88%
<u>West Yorkshire Combined Authority</u> WYCA (4) – Zero interest loans the purpose of which are to help to fund York Central infrastructure projects.	£2.4m	0.00%
Total Gross Borrowing (GF & HRA)	£301.3m	3.18%

Table 4 Current position at 30th September 2023

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

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

Table 5 Maturing loans in 2023/24

39. The Councils £301.265m of fixed interest rate debt, is split between £146.359m for HRA (£121.550m self-financing debt) and £154.906m for General Fund.

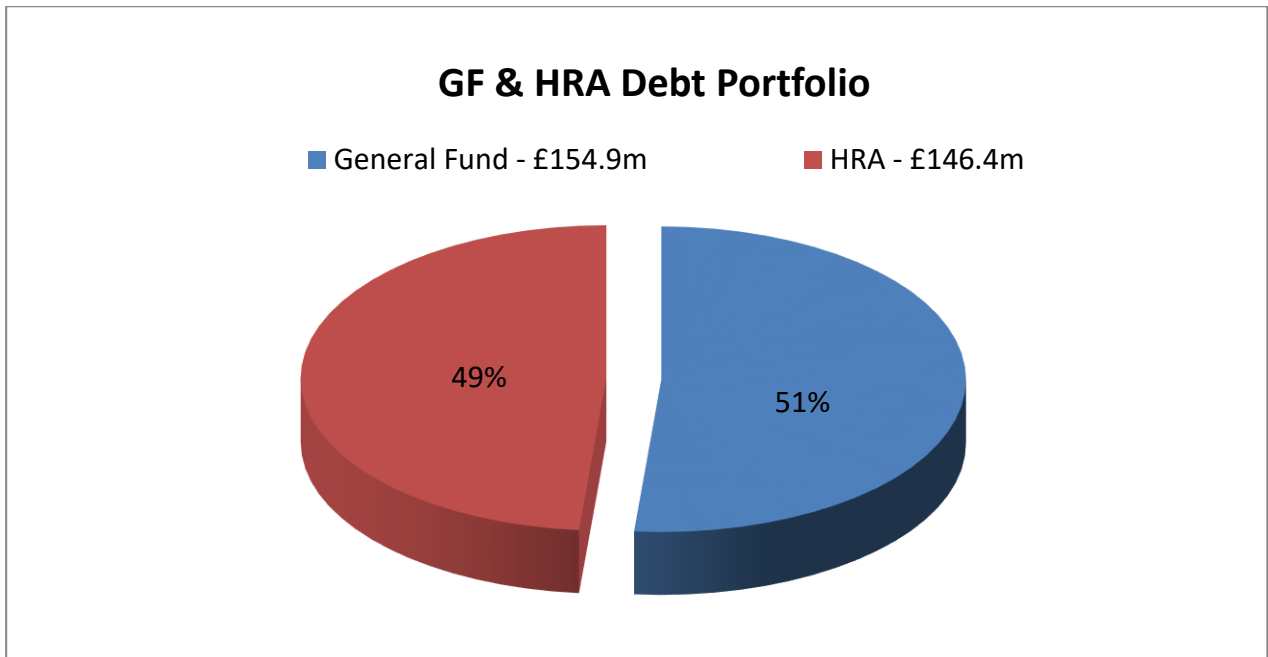


Figure 3 General Fund and HRA debt at 30th September 2023

40. Figure 4 illustrates the 2023/24 maturity profile of the Council’s debt portfolio at 30th September 2023. The maturity profile shows that there is no large concentration of loan maturity in any one year, thereby spreading the interest rate risk dependency.

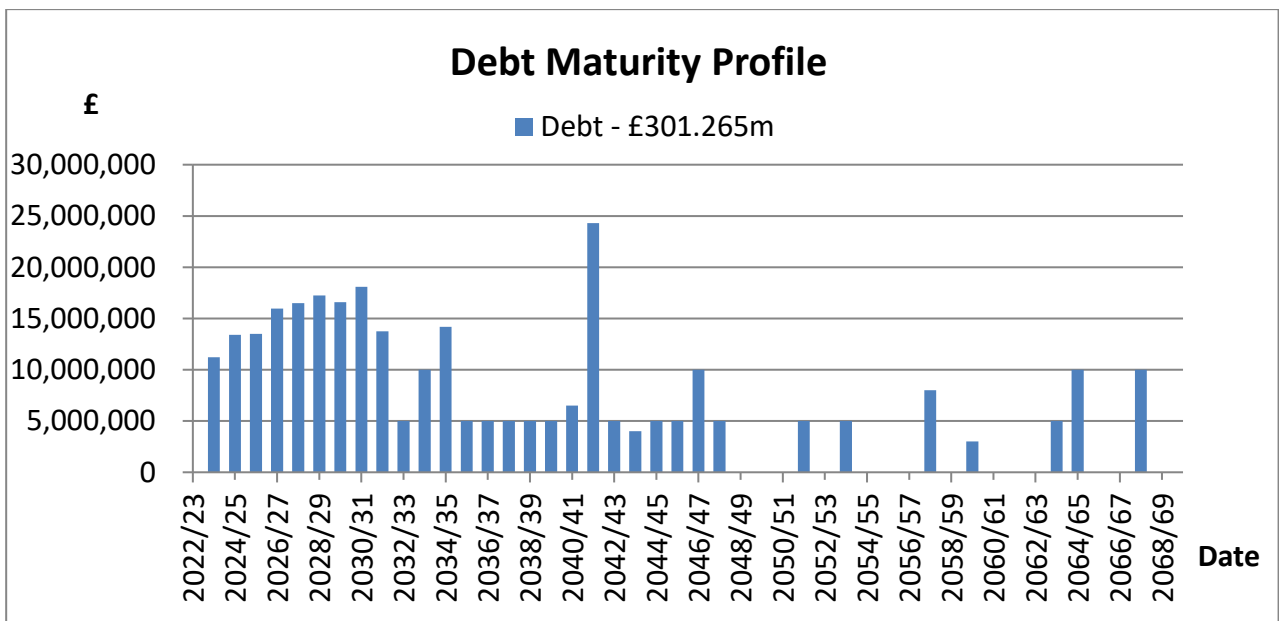


Figure 3 – Debt Maturity Profile at 30th September 2023

41. Should new debt need to be taken in 2023/24, the timing of when that debt is drawn down will depend on the progress of the capital programme. Where greater value can be obtained in borrowing for shorter maturity periods the Council will assess its risk appetite in conjunction with budgetary pressures to minimise total interest costs. Temporary borrowing, including inter authority borrowing, is another borrowing option. Longer-term borrowing could also be

undertaken for the purpose of certainty, where that is desirable, or for smoothing the maturity profile of debt repayments.

42. Table 6 shows PWLB Certainty borrowing rates available for selected loan durations between 1st April 2023 and 30th September 2023 at the highest, lowest and average rates.

	PWLB Certainty borrowing rates by duration of loan				
	1 Year	5 Year	10 Year	25 Year	50 Year
High	6.36%	5.93%	5.51%	5.73%	5.50%
Low	4.65%	4.14%	4.20%	4.58%	4.27%
Average	5.62%	5.16%	5.01%	5.29%	5.00%

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

Compliance with Treasury policy Prudential Indicators

43. The Prudential Indicators for 2023/24 included in the Treasury Management Strategy Statement are based on the requirements of the Council's capital programme and approved at Budget Council on 23rd February 2023 and can be viewed here <https://democracy.york.gov.uk/ieListDocuments.aspx?CId=331&MId=13284>.
44. The treasury management budget was set in light of the council's expenditure plans and the wider economic market conditions, based on advice from Link Group.
45. It is a statutory duty for the Council to determine and keep under review the "Affordable Borrowing Limits" included in the Prudential Indicators. During the financial year 2023/24 to date the Council has operated within the treasury limits and Prudential Indicators set out.
46. An update of the Prudential Indicators is shown in Annex A.

Consultation Analysis

47. Treasury Management strategy and activity is influenced by the capital investment and revenue spending decisions made by the Council. Both the revenue and capital budgets have been through a corporate process of consultation and consideration by the elected politicians.

Options Analysis and Evidential Basis

48. The Treasury Mid-year report shows the mid-year position of the treasury management portfolio at 30th September 2023 and is for the review of the Executive Member for Finance to show compliance with treasury policy and ensure the continued performance of the treasury management function.

Organisational Impact and Implications

49. The treasury management function aims to achieve the optimum return on investments commensurate with the proper levels of security, and to minimise the interest payable by the Council on its debt structure. It thereby contributes to all Council Plan priorities.

- **Financial** - The financial implications are in the body of the report.
- **Human Resources (HR)** - n/a
- **Legal** – Treasury management activities have to conform to the Local Government Act 2003, the Local Authorities (Capital; Finance and Accounting) (England) Regulations 2003 (SI 2003/3146), which specifies that the Council is required to have regard to the CIPFA Prudential Code and the CIPFA Treasury Management Code of Practice and also the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 (SI 2008/414), which clarifies the requirements of the Minimum Revenue Provision guidance.
- **Procurement** - n/a
- **Health and Wellbeing** - n/a
- **Environment and Climate action** - n/a
- **Affordability** - n/a
- **Equalities and Human Rights** - n/a
- **Data Protection and Privacy** - n/a
- **Communications** - n/a
- **Economy** - n/a.

- **Specialist Implications Officers** - n/a

Risks and Mitigations

50. The Treasury Management function is a high-risk area because of the volume and level of large money transactions. As a result, there are procedures set out for day to day treasury management operations that aim to reduce the risk associated with high volume high value transactions. These are detailed in the Treasury Management Strategy Statement at the start of each financial year.

Wards Impacted

All

Contact details

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

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Report approved:	Yes
Date:	31/10/2023

Background papers

- Treasury Management Strategy Statement and Prudential Indicators for 2023/24 to 2027/28 and Annexes A, B, C and D to that report.
<https://democracy.york.gov.uk/ielssueDetails.aspx?IId=68802&PlanId=0&Opt=3>

Annexes

- Annex A – Prudential Indicators 2023/24 Mon 2 (05.10.23)

Glossary of Abbreviations used in the report

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

Prudential Indicators 2023/24 Mon 2 (05.10.23)

	Prudential Indicator		2023/24	2024/25	2025/26	2026/27	2026/27	
1	Capital expenditure To allow the authority to plan for capital financing as a result of the capital programme and enable the monitoring of capital budgets.	GF	£98.2m	£134.1m	£53.7m	£35.1m	£24.3m	
		HRA	£37.5m	£52.5m	£32.8m	£42.5m	£12.1m	
		Other LT	£0.0m	£3.2m	£0.5m	£0.5m	£0.5m	
		<u>Total</u>	<u>£135.7m</u>	<u>£189.8m</u>	<u>£87.0m</u>	<u>£78.1m</u>	<u>£36.9m</u>	
2	CFR Indicates the Council's underlying need to borrow money for capital purposes. The majority of the capital programme is funded through government support, government grant or the use of capital receipts. The use of borrowing increases the CFR.	GF	£328.7m	£398.9m	£401.0m	£410.1m	£416.1m	
		HRA	£146.4m	£149.8m	£153.4m	£153.4m	£153.4m	
		Other LT	£41.7m	£43.9m	£42.6m	£41.5m	£40.3m	
		<u>Total</u>	<u>£516.8m</u>	<u>£592.6m</u>	<u>£597.0m</u>	<u>£605.0m</u>	<u>£609.8m</u>	
3	Liability Benchmark The Liability Benchmark is based on current capital plans and cash flow assumptions, therefore giving the Council an indication of how much it needs to borrow, when it is likely to need to borrow, and where to match maturities to its planned borrowing needs. The liability benchmark makes no assumption about the level of future prudential borrowing in unknown capital budgets.	<p>The chart, titled 'Liability Benchmark', plots the Total Amount (£'000) on the y-axis (0 to 600,000) against years on the x-axis (2023 to 2093). It shows several data series: PWLB Loans (solid blue line), LOBO Loans (solid black line), Variable rate loans (solid light blue line), Net Loans Requirement (forecast net loan debt) (solid orange line), Liability Benchmark (Gross Loans Requirement) (dashed red line), Market Loans (excl LOBO loans) (dashed red line), Short Term inc LA Temporary Borrowing (<1 year) (dashed red line), Existing Loan Debt Outstanding (solid black line), and Loans CFR (solid blue line). The PWLB Loans and Loans CFR lines are the highest, peaking around 2029 at approximately 550,000. The Net Loans Requirement and Liability Benchmark lines are lower, peaking around 2029 at approximately 420,000. The Existing Loan Debt Outstanding line shows a steady decline from 2023 to 2093.</p>						
4	Ratio of financing costs to net revenue stream An estimate of the cost of borrowing in relation to the net cost of Council services to be met from government grant and council taxpayers. In the case of the HRA the net	GF	11.99%	16.28%	17.78%	17.81%	17.84%	
		HRA	13.10%	12.57%	12.29%	12.02%	11.74%	
		<u>Total</u>	<u>12.20%</u>	<u>15.57%</u>	<u>16.73%</u>	<u>16.73%</u>	<u>16.72%</u>	

	Prudential Indicator		2023/24	2024/25	2025/26	2026/27	2026/27	
	revenue stream is the income from rents. <i>Note that financing costs include debt and other long-term liabilities such as PFI and Leases.</i>							
5	External debt To ensure that borrowing levels are prudent over the medium term the Council's external borrowing, net of investments, must only be for a capital purpose and so not exceed the CFR.	Gross Debt Invest Net Debt	£385.0m £15.0m <hr/> £370.0m	£468.5m £15.0m <hr/> £453.5m	£483.3m £15.0m <hr/> £468.3m	£502.1m £15.0m <hr/> £487.1m	£519.0m £15.0m <hr/> £504.0m	
6 a	Authorised limit for external debt The authorised limit is a level set above the operational boundary in acceptance that the operational boundary may well be breached because of cash flows. It represents an absolute maximum level of debt that could be sustained for only a short period of time. The council sets an operational boundary for its total external debt, gross of investments, separately identifying borrowing from other long-term liabilities.	Borrowing CFR / Other long term liabilities	£590.9m £30.0m <hr/> £620.9m (£620.9m set at 2023/24 Strategy)	£602.6m £30.0m <hr/> £632.6m (Based on current CFR projection)	£607.0m £30.0m <hr/> £637.0m (Based on current CFR projection)	£615.0m £30.0m <hr/> £645.0m (Based on current CFR projection)	£619.8m £30.0m <hr/> £649.8m (Based on current CFR projection)	

	Prudential Indicator		2023/24	2024/25	2025/26	2026/27	2026/27	
6 b	<p>Operational boundary for external debt</p> <p>The operational boundary is a measure of the most likely, prudent, level of debt. It takes account of risk management and analysis to arrive at the maximum level of debt projected as part of this prudent assessment. It is a means by which the authority manages its external debt to ensure that it remains within the self-imposed authority limit. It is a direct link between the Council's plans for capital expenditure; our estimates of the capital financing requirement; and estimated operational cash flow for the year.</p>	Borrowing CFR / Short Term Liquidity Requirement	<p>£516.8m</p> <p>£74.1m</p> <hr/> <p>£590.9m</p> <p>(£590.9m set at 2023/24 Strategy)</p>	<p>£592.6m</p> <p>£10.0m</p> <hr/> <p>£602.6m</p> <p>(Based on current CFR projection)</p>	<p>£597.0m</p> <p>£10.0m</p> <hr/> <p>£607.0m</p> <p>(Based on current CFR projection)</p>	<p>£605.0m</p> <p>£10.0m</p> <hr/> <p>£615.0m</p> <p>(Based on current CFR projection)</p>	<p>£609.8m</p> <p>£10.0m</p> <hr/> <p>£619.8m</p> <p>(Based on current CFR projection)</p>	

	Prudential Indicator		2021/22	2022/23	2023/24	2024/25	2025/26	
7	<p>Maturity structure of fixed rate borrowing</p> <p>To minimise the impact of debt maturity on the cash flow of the Council. Over exposure to debt maturity in any one year could mean that the Council has insufficient liquidity to meet its repayment liabilities, and as a result could be exposed to risk of interest rate fluctuations in the future where loans are maturing. The Council therefore sets limits whereby long-term loans mature in different periods thus spreading the risk.</p>	Maturity profile of debt against approved limits	Maturity Profile	Debt (£)	Debt (%)	Approved Minimum Limit	Approved Maximum Limit	
			Less than 1 yr	£11.2m	4%	0%	30%	In line with the TMSS Lobo loans are shown as due at their next call date as this is the date the lender could require payment.
			1 to 2 yrs	£16.4m	5%	0%	30%	
			2 to 5 yrs	£43.0m	14%	0%	40%	
			5 to 10 yrs	£80.7m	27%	0%	40%	
			10 yrs and above	£150.0m	50%	30%	90%	
			Total	£301.3m	100%	-	-	
7	<p>Upper limit for total principal sums invested for over 364 days</p> <p>The Council sets an upper limit for each forward financial year period for the level of investments that mature in over 364 days. These limits reduce the liquidity and interest rate risk associated with investing for more than one year.</p>	Limit / (Current investments greater than 364 days maturing in year)	£15.0m (£0.0m)	£15.0m (£0.0m)	£15.0m (£0.0m)	£15.0m (£0.0m)	£15.0m (£0.0m)	



Meeting:	Executive
Meeting date:	16/11/2023
Report of:	Debbie Mitchell, Chief Finance Officer
Portfolio of:	Cllr Katie Lomas, Executive Member for Finance, Performance, Major Projects, Human Rights, Equality & Inclusion

Medium Term Financial Strategy Update

Subject of Report

1. The purpose of this report is to provide an update to the Medium Term Financial Strategy along with an outline of the 2024/25 budget process.
2. The report also informs Executive of the key risks and challenges, along with an overview of the main assumptions used.

Benefits and Challenges

3. There is a clear benefit to having a medium term financial strategy that enables the Council to manage its budget within available funds. Understanding the financial outlook and the impact of finances on the delivery of the Council Plan helps to manage risk and effectively target increasingly scarce resources to key priorities.
4. The challenges continue to be the uncertainty around funding from Government alongside managing increasing demand across all services, especially within social care, and ongoing inflationary cost pressures.
5. Over the next four years the Council will see some of the most significant financial challenges we have ever experienced. The delivery of this strategy will be extremely challenging for residents, other partners, members, and officers. It is important that we do not underestimate the scale of the challenge ahead. The level of

savings required over the next four years will inevitably require reductions in service levels and may result in some services stopping completely. Robust financial management, clear priorities and a focus on cost control are all essential to ensuring our continued financial sustainability and resilience.

Policy Basis for Decision

6. The Medium Term Financial Strategy covers a four year period and aims to ensure that, as far as possible, resources are aligned to the Council's priorities.

Financial Strategy Implications

7. This report outlines the financial strategy, including key assumptions and identifies a budget gap of £40m over the next 4 years. It also outlines an approach to budget planning which should ensure savings are identified. This is essential to safeguard the Council's financial resilience and stability.

Recommendation and Reasons

8. Executive is asked to:
 - Agree the Medium Term Financial Strategy as outlined in this report

Reason: to ensure the Council meets future financial challenges and produces a robust budget.

Background

9. The Medium Term Financial Strategy sets out an overarching forecast of the financial position for the next four years. The focus is on the General Fund revenue budget as this involves the majority of the Council's day to day spending and income.
10. The report sets out the key assumptions made in respect of Council Tax, pay, other inflationary pressures and Government grants. Members are reminded that these are financial planning assumptions, and no decisions will be made on the 2024/25 budget until Executive and Full Council in February 2024.

11. The financial challenges facing Local Government are a national concern. They are significant and the Council will have to make many difficult decisions in the coming years. Uncertainty regarding the funding position and the short term nature of funding settlements makes long term planning difficult, and therefore the Council will always need to be flexible in its approach to financial planning.
12. Budget reductions of £10m are needed in 2024/25 to allow for known costs, such as inflation and the national pay award. Considering continued pressures in social care and higher inflation, the savings needed are higher than in previous years. The Council has had to make significant budget savings over recent years as shown in the table below.

Year	Savings £m
2023/24	6,633
2022/23	7,870
2021/22	7,892

Consultation Analysis

13. Consultation to date has been with Executive Members and the Council Management Team. A formal communication plan will be put in place to engage residents, staff, partners, and businesses to discuss the Council's financial position between now and when the budget is set in February.

National Context

14. The financial challenges facing Local Government are significant. As outlined in previous financial reports to Executive, many Councils across the country are experiencing significant financial pressures and are struggling to balance their budgets. This is a national challenge but clearly the current economic climate alongside inflationary cost pressures and increasing demand for our services continue to have a financial impact on the Council's budgets.
15. Changes in the way Local Government is funded have masked the reductions in funding for Councils since 2010/11. However, when comparing Core Spending Power (the measure used by

Government) whilst this has increased by 6% since 2010/11, in real terms and mainly due to inflation, there has been a reduction in spending power of 28.5% for York.

16. As highlighted in a recent report by the Institute for Fiscal Studies, York is one of the lowest funded Councils in the country, with a national rank of 143 out of 150. If all services are included, such as NHS, Police and Schools York is the lowest funded in the country ranked at 150 out of 150. Based on 2022/23 information, this shows local government funding per person of £727 in York compared to a national average of £865. Just being funded at the national average would increase City of York Council resources by some £27m per year. The continued delays to Fair Funding Reform therefore have a significant negative impact on York.

Local Issues and Challenges

17. As outlined in previous reports to Executive, the Council is continuing to see significant financial pressures because of inflation and increased demand for our services. There remain underlying budget pressures across both adult and children's social care, despite the allocation of growth each year. All services across the Council are operating in an extremely challenging environment. Whilst these are statutory services that the Council will always deliver to best of our ability, by looking for efficiencies now, we are able to preserve preventative investment that can help to control demand for services in future years.
18. Demand for services continues to increase with an ageing population and with increased complex needs in respect of social care. There are also significant challenges in the health sector, including challenging financial positions for health partners, which are in turn a financial risk to the Council.
19. Nationally there is significant pressure on budgets in children's services. Despite the National Care Review, where Josh MacAlister recommended an injection of £2.6 billion to change the trajectory of future demand and spiralling costs, very little new funding has been announced.
20. A new Council Plan 2023 to 2027, One City For All has recently been approved. Over the next four years the Council will establish the conditions that aim to make York a healthier, fairer, more

affordable, more sustainable, and more accessible place where everyone feels valued, creating more regional opportunities to help today's residents and benefit future generations.

21. It is vital that the financial strategy supports the Council's priorities as outlined in the new Council Plan. However, delivering Council priorities at a time of significant financial challenge will require a more transformational, long term approach to continue to reduce costs overall whilst ensuring resources are prioritised to where they are needed most.

Medium Term Forecast

22. The table below outlines the latest forecast and shows a cumulative budget gap of £40m.

	2024/25	2025/26	2026/27	2027/28
Costs	£m	£m	£m	£m
Pay & Prices	9.6	7.4	7.5	6.6
Cost of capital	1.6	1.6	1.6	1.6
Demographics (social care)	2	2	2	2
Service growth	4.5	4.6	4.2	4.2
Free School Meals	0.1			
Blue Badge city centre access	0.2			
Total costs	18	15.2	15.3	14.4
Income				
Council Tax	-5.9	-3.9	-4.1	-4.2
Business Rates growth	-1.5	-1.25	-1	-1
Total funding	-7.4	-5.15	-5.1	-5.2
Budget Gap	10.6	10.05	10.2	9.2
Cumulative gap	10.6	20.65	30.85	40.05

23. The forecast above is based on several assumptions. The national economic picture continues to be unpredictable, and several factors can influence the Councils finances. Whilst inflation may have peaked, it remains high and above the 2% target set by Government. Any variations from the assumptions used will have an impact on the overall resources available to the Council.
24. Given the current level of inflation, a pay rise of 5% has been assumed in 2024/25. An allowance has also been made for energy

and contract inflation of 5%. Time will tell if the current high levels of inflation prove to be temporary, but we will continue to monitor costs closely.

25. Allowance has been made for service specific growth. In the main, this is to cover known pressures already being experienced and therefore there is limited scope to reduce this.
26. The main assumptions included within the income budgets include a modest growth in business rates income along with a general council tax increase of 2.99% plus a 2% Social Care Precept
27. In terms of a strategy to close this forecast budget gap, several strands of activity are proposed. It remains important to ensure we can effectively control our costs in year and therefore an enhanced cost control group, chaired by the Chief Operating Officer, will complement the Procurement Challenge Panel currently being created. These groups will ensure that expenditure continues to be scrutinised and challenged, helping to deliver value for money, identify opportunities to reduce costs whilst also improving accountability and visibility of spend.
28. The strategy for identifying options to close the budget gap includes:
 - Identifying and maximising external funding sources. The budget amendment agreed at July Council approved a new post focussed on grants and investment which will support the identification of additional resources.
 - A full review of all current and potential fees and charges. Whilst in some cases fees are determined by statute, in many cases the level of fees charged can be decided by the Council.
 - The continuation of the Procurement Challenge Panel will ensure that all contracts are delivering value for money.
 - A continued focus on organisational efficiency, which will include restructuring and integrating services to remove duplication and overlap, exploiting the use of technology where possible and appropriate alongside reviewing the Council's assets to identify potential for generating capital receipts.
 - Prioritisation / service cuts. Given the scale of the financial challenge, it is unlikely that it will be possible to identify £40m of savings from the items listed above. It is therefore

important to understand that some services may need to reduce or stop completely.

- Continued work to review the capital programme and how this can be reduced or reprioritised in a way that helps to achieve the Council Plan whilst ensuring we invest in schemes that help to deliver long term reductions in cost.
- A detailed review of service growth to ensure that only essential items are included, linked to the procurement challenge panel and the enhanced cost control group referred to earlier in the report.
- A focus on delivering integrated early intervention / prevention solutions across the Council and with partners.
- Seeking to ensure additional capacity for complex social care cases with a view to reducing high cost external placements.
- A continued drive to minimise the use and associated cost of agency workers in the Council's workforce.

29. This overall strategy for closing the budget gap will therefore shape a series of service reviews, bringing together an overarching programme of work across the organisation. These reviews will include a review of structures, working practices, customer experience alongside areas for improvement and delivering savings. Work is ongoing to identify the priority areas for review.

30. A core internal programme team of existing staff will be established to support the reviews, engaging other support as and when required. If additional capacity is required, this will be considered as part of the overall programme.

Organisational Impact and Implications

31. **Financial**, this report itself doesn't have any direct financial implications at this stage, but the report outlines that further significant savings are required. The ability of the Council to control its spending and future Government funding announcements will influence the level of savings that are needed.
32. **Human Resources (HR)**, there are no direct implications arising from the budget planning process. Any savings proposals with staffing implications will follow appropriate consultation and HR policies and procedures.

33. **Legal**, there are no direct legal implications related to the recommendations. The Council is under a statutory obligation to set a balanced budget on an annual basis. Any budget proposals and decisions relating to the 2024/25 budget process will be subject to future decision making processes in which legal implications will be considered.
34. **Procurement**, there are no direct implications arising from the budget planning process.
35. **Health and Wellbeing**, there are no direct implications arising from the budget planning process.
36. **Environment and Climate action**, there are no direct implications related to the recommendations.
37. **Affordability**, there are no direct implications arising from the budget planning process. Where any future budget decisions impact on residents on a low income these impacts will be recorded in the individual Equalities and Human Rights Impact Analysis referred to below.
38. **Equalities and Human Rights**, whilst there are no specific implications within this report, the budget itself will be accompanied by an equalities impact assessment and equality issues are considered at all stages of the budget process. Equality Impact Assessments will be completed for any individual budget proposals.
39. **Data Protection and Privacy**, there are no implications related to the recommendations.
40. **Communications**, the information set out in this report necessitates both internal and external communications. With ongoing interest in the current state of Local Government funding, we anticipate this report will attract media attention. A communications plan is being prepared to facilitate the communication with residents, staff, and others, that will be required between now and February, when the budget will be set.
41. **Economy**, there are no direct implications related to the recommendations.

Risks and Mitigations

42. The increased demand for services and ongoing cost pressures across all services, along with the limited funding available to the Council, could mean that there are not enough resources available to support the delivery of the Council Plan. Continued overspending will weaken the Council's financial position, reducing financial stability and resilience.

Wards Impacted

43. All

Contact details

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

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Report approved:	Yes
Date:	03/11/2023

Background papers

None

Annexes

Annex 1 – Summary of potential budget reductions

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Schedule of Potential Budget Reductions

1	Look at where several contracts could be combined into one to generate efficiencies
2	Review external contracts to remove any duplication or overlap
3	Continued budget management and service efficiencies
4	Optimising Adult Social Care spending to ensure residents who are entitled to support get the best possible care
5	A continued reduction in the use of agency staffing across all Council services
6	Effectively manage requests for service from Adult Social Care into pathways that respond better to the needs of residents
7	Increased income from fees and charges across all Council services, including car parking.
8	Increased income from the introduction of a charge for green waste collection
9	Look at how we operate committee meetings including live webcasting
10	Reduce Council spend and activity on a range of services
11	Developing local provision to support young people in York, preventing the need for the use of high cost external placements
12	Look at reduced service levels and opening hours across a range of Council Services. This will include Household Waste Recycling Centres and other general recycling sites
13	Review of Direct Payments in both Children's and Adults Social Care
14	Review of structures and staffing levels across a range of Council services to reduce the staff involved in delivering those services. This will result in a reduction in service levels. It will also include merging some existing teams to make management savings.

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Decision Report: Castle Gateway Update Report and Next Steps

Subject of Report

Meeting:	Executive
Meeting date:	Executive 16/11/2023
Report of:	Neil Ferris – Corporate Director of Place
Portfolio of:	Cllr Lomas Executive Member for Finance, Performance, Major Projects, and Equalities

Decision Report: Castle Gateway Update Report and Next Step

Subject of Report

1. In April 2018, the Executive approved a masterplan for the “Castle Gateway” Scheme (the “**Scheme**”) to transform a large area of the city centre that had seen private sector regeneration proposals fail over a period of 3-decades. The context and detail of the Castle Gateway masterplan and its constituent projects (Castle & Eye of York, Castle Mills, St Georges Field car park, Piccadilly) is set out in the Background section of this Report at paragraph 26.
2. The purpose of this Report is to provide an update on the Castle Gateway masterplan and seek approval for the next steps, necessary to take forward individual projects:
 - 17-21 Piccadilly
 - Castle Mills
 - St George’s Field car park

- Castle car park and Eye of York
- Coppergate Centre

(Annex D illustrates the extent of the Castle Gateway area and the location of individual projects).

3. Since the original masterplan was approved in 2018, the individual Schemes have been progressed in accordance with previous Executive approvals (the previous reports are listed at the end of this report). However, the projects have been impacted by a number of macro-economic factors, including:
 - construction cost inflation driving increases in delivery costs
 - rising interest rates impacting borrowing costs
 - housing market uncertainty
4. There have also been two unsuccessful Levelling Up Funding (“LUF”) bids, which sought to fund the delivery of the public realm around Clifford’s Tower and the Eye of York. These factors have all impacted significantly on the business case for Phase 1 delivery approved in January 2020.
5. Following a review of the Scheme, this Report sets out recommendations for how the projects can be revised to deliver positive outcomes for the city, in accordance with both the original master plan principles, and the recently approved Council Plan and “Our City Centre” Vision. The projects can also be revised to ensure that they deliver against the three key city strategies (Climate Change, Economy, Health, and Wellbeing) that were approved in December 2022.
6. In respect of the Coppergate Centre, the existing head lease currently held by Mahavir Properties Ltd. expires on 14th June 2083. This Report asks Members to consider accepting a surrender of Mahavir’s current headlease and instead granting Mahavir a further head lease of the Coppergate Centre for a period of 250 years, from and including the date of such lease. The land on which the majority of the Centre is situated, is owned by the Council and is subject to an existing lease to Mahavir Properties Ltd., the owner of the Centre, who in turn leases them to the occupational tenants. The new lease would be granted by the Council to Mahavir Properties Ltd. in exchange for land being provided to the Council by Mahavir

Properties Ltd. and investment being made by Mahavir Properties Ltd. to refurbish the public realm of the centre, including the provision of new facilities within St Mary's Square at no capital cost, nor any maintenance liabilities to the Council.

7. The head lease of the 17-21 Piccadilly site currently held by Spark York from the Council expires on 31st October 2024. The Report also sets out the proposal to surrender the current lease to Spark York on the Council's 17-21 Piccadilly site, and the grant of a further lease to Spark York for a period of 2-years from and including 1st November 2023, to allow time for opportunities to be explored to allow this facility to re-locate elsewhere in the city.

Benefits and Challenges

8. **Annex C** provides an overview of the proposed approach, illustrating the Schemes anticipated impact on the Council Plan, their linkage to original master plan objectives and how they will contribute to the themes in the City Centre Vision.
9. Re-aligning the Castle Gateway masterplan with the new Council Plan and its Core Commitments will ensure that these key aspirations for the city are delivered.
10. Reviewing the Castle Gateway masterplan projects and setting out realistic options to progress their implementation, after a period of pause and uncertainty, will ensure that the regeneration of this important area of the city can now progress.
11. The delivery costs for some of the projects can be significantly reduced by changing the design, without compromising some of the overall fundamental principles.
12. The granting of a further headlease term at the Coppergate Centre to the Council's current tenant for an additional period will leverage capital expenditure and investment into the shopping centre, provide an enhanced public realm and new facilities, at no capital cost or maintenance liability to the Council. The surrender to the Council of Mahavir's lease (and of any subtenant's rights over) part of the service yard of land to the rear of the Coppergate Centre will also facilitate the proposals for re-purposing the Castle car park.
13. The headlease of the 17-21 Piccadilly site currently held by Spark York from the Council expires on 31st October 2024. The granting of

a further headlease of the site to Spark York (for a suggested period from 1st November until 31st October 2026) will provide greater security to this local business and allow continuity of operation for a vibrant city centre venue which is home to a multitude of small businesses, and part of the vibrant city centre offer to residents and visitors.

14. However, there are some challenges: whilst all previous survey and evidence base work will be utilised (where still valid) as the basis for project re-design work, amendments to project delivery scope will result in elements of this work on some of the Schemes being abortive. A review at this stage is less costly than making changes during delivery when contracts have been let. The value of all the background and previous design work to date will enable changes to be made quickly and abortive costs to be minimised.

15. Significant engagement and collaboration have been undertaken on the regeneration of the Castle Gateway throughout the project development from inception using the innovative 'My' technique. This was most significant in relation to developing the brief for the Castle and Eye of York area. There is a risk that revised proposals will not be seen as delivering against the expectation that has been built up. However, by realigning the Schemes with current Council priorities, where the underlining principles are not changed, this risk should reduce. Certainty around project delivery will build on the work undertaken to date and allow for momentum to be built up again as Schemes progress. The Council remain committed to consultation on the Castle Gateway project including engagement on the redesign of the Castle and EoY space to inform revisions to the planning application.

Policy Basis for Decision

16. This section sets out how the Castle Gateway contributes to the delivery of the commitments in the Council Plan (2023-27), 'Our City Centre' Vision and the Local Plan.

17. The Castle Gateway projects will contribute to the delivery of the four core 'EACH' commitments in the Council Plan 2023-27 – One City, for all by:
 - **Equalities and Human Rights** – by re-purposing the Castle car park and redesigning the proposals, blue

badge parking will be retained close to the city to aid accessibility, aligning to the emerging Local Transport Strategy's Policy Focus Area 1 - shaping a city centre that is accessible for all.

- **Affordability** – by investigating opportunities to increase the supply of affordable housing within the city centre in the longer term and creating a free amenity/play space for residents.
- **Climate & Environment** - by providing a new green space within the city centre, and enhancing/improving biodiversity, this will aid urban cooling for climate resilience. The public realm improvements will consider climate adaption features for example passive shading/cooling, rest areas, water refill stations. It will also provide sustainable transport modes.
- **Health** – by creating a free amenity and play space for families to encourage healthier lifestyles, coupled with improved connectivity and travel opportunities across the site. Improving walking and cycling routes will contribute to active travel and help improve air quality

18. Below are specific examples taken from the Council Plan to illustrate the above linkages:

- Pg 18 3.2 - develop family friendly foot streets to bring playful exploration to the city centre.
- Pg 26 5.2 Work with partners to develop the city centre.
- Pg 30 3.2 Co-design a plan for Our City Centre to make foot streets more welcoming and accessible.
- Pg 30 4.1 Improve streets, cycleways and footpaths for walkers and wheelers.
- Pg 32 2 Create more affordable housing.
- Pg 36 2.2 Make the most of our green and blue infrastructure to improve biodiversity, improve health and wellbeing and support nature recovery.

19. The Castle Gateway projects will also help deliver the 'Our City Centre' Vision, approved by Executive in October 2023, as set out below:

- **Theme 1 – Family friendly and affordable city centre**
 - The new public realm around Clifford's Tower will create valuable new play space in the city centre and create a space that can be used by people of all ages.
- **Theme 2 – An attractive, active and healthy city centre**
 - The creation of the new public realm space delivers investment in public space and squares.
 - Deliver active travel options for getting into and around the centre of York.
- **Theme 3 – A sustainable city fit for the future**
 - New green space will increase biodiversity in the city and improve climate resilience and reduce surface water run-off.
- **Theme 5 – Embracing our riversides**
 - The Castle and Eye of York designs will celebrate the cultural and environmental benefits of the River Foss, providing a new river edge and walkway linking to the new river park behind the museum.
- **Theme 6 – A safe city centre, which is welcoming and accessible to all**
 - Blue badge parking will be retained close to the city to aid accessibility.
 - Future affordable housing provision on Castle Mills and 17 – 21 Piccadilly will be explored.
 - The new public space at the Castle and Eye of York will provide open space and facilities for residents and will be specifically designed to improve accessibility. This supports the Health and Wellbeing strategy, "Creating an age friendly city for older adults."

- **Theme 7 – Thriving business and productive buildings**
 - Projects will explore and deliver temporary uses in empty buildings and spaces. Spark York is great example of this, and an extension of its lease forms part of this Report. Meanwhile opportunities on the Castle Mills site will be explored, whilst affordable housing options are considered.
- **Theme 8 – Celebrating heritage and making modern history**
 - The new public realm development in the Castle and Eye of York will enhance the setting of the heritage assets surrounding the spaces by; repurposing the car park, enhancing the Eye of York, and transforming the connectivity to this area.

20. In the Local Plan, which we expect to progress to adoption soon, **Policy SS5 – Castle Gateway** is allocated as an “Area of Opportunity.” It is identified as a major regeneration area of the city centre. The projects in the Castle Gateway masterplan are key to delivering this policy.

21. The projects also contribute to deliver of the three (3) 10-year City strategies approved in 2022:

- Economic Strategy (2022-2032).
- Health and Wellbeing Strategy (2022-2032).
- Climate Change Strategy (2022-2032).

Financial Strategy Implications

22. Significant project costs have been incurred to date in line with previous Executive decisions to progress the masterplan proposals for delivery. These break down across the Schemes as follows:

- **Castle and Eye of York** costs of c.£1,000,000 on: engagement work; site surveys; Scheme design in outline and detail; a planning application; project management, programme assurance and support.
 - **St Georges Field Car Park** costs of c.£1,000,000 on: site surveys including liaison with Yorkshire Water and the Environment Agency on flood protection, the detail design and planning application for a potential Multi-Storey Car Park (“**MSCP**”) project management, programme assurance and support; and subsequent options for surface layouts. Unfortunately, a significant component of these costs will have to be written off in year if the decision is confirmed not to proceed with the MSCP.
 - **Castle Mills** costs of c.£2,000,000 on: site surveys and preliminaries, detail design, planning approval, for Scheme and construction detail and technical design (which is at 75% completeness overall) project management, programme assurance and support. The bridge and pedestrian and cycle link design are complete to the stage needed to progress / reprocur a construction partner. Some of these costs may be abortive, but this will be determined at the point when a future Scheme is agreed.
23. These potentially abortive costs are not insignificant, but subject to the decisions of Executive can be treated separately:
- **Castle and Eye of York** – there is a proposed Scheme to go forward - much of the work that has been undertaken is still relevant and can be attributed to the new Scheme.
 - **St Georges Field** - terminating the Scheme to build a MSCP will mean that a significant component of the work undertaken to date will be classed as abortive and will need to be written off to the revenue account at the point the decision is made. However, a decision to proceed with the MSCP would have required borrowing of around £15,000,000, at a cost of c. £1,100,000 pa over a 40-year term to provide an additional 80-spaces and associated revenue. Accordingly, the decision not to proceed does save the Council from a significant ongoing financial commitment.

- **Castle Mills** - the design work to date, and specifically the 2020 planning approval has demonstrated the potential quantum of development that the site can accommodate. The site can therefore be considered as an asset where the costs incurred can potentially be offset by any future capital receipt from the site. Should the capital receipt be lower than the costs incurred, this would be a charge to revenue in the future. Should the Council not secure a capital receipt from the site the costs will be required to be written off to revenue.
24. The decision to confirm the re-purposing of Castle car park will have the impact of reducing car parking income by approximately £1,000,000 per year when parking is withdrawn. This creates a budget pressure, that will need to be managed in the context of the car parking income budget target for future years. However, where there is an over achievement of car parking income by c. £1,000,000 in the current 2023/24 year, there is the potential to address this when future budget setting takes place.

Recommendation and Reasons

25. The Executive is asked to:

17- 21 Piccadilly

- 1) Approve the granting of a further head lease to Spark York of the 17-21 Piccadilly site for a further 2-year period from and including: 1st November 2024 until and including 31st October 2026.
- 2) Delegate to the Director of Housing, Economy, and Regeneration (and their delegated officers), in consultation with the Director of Governance (and their delegated officers), authority to negotiate the terms of and the entry into of such further lease of the 17-21 Piccadilly site to Spark York.

Reason: To enable the current use to continue in the short term and provide a continued income to the Council, whilst allowing Spark York the opportunity to identify an alternative location in the city.

Castle Mills

- 3) Confirm that further work on developing the Castle Mills site is paused and ask officers to investigate appropriate meanwhile use options in parallel with exploring longer term opportunities for the future delivery of 100% affordable housing on this Council owned site.
- 4) Delegate authority to the Director of Housing, Economy and Regeneration (and their delegated officers) in consultation with both the Director Governance and the Chief Finance Officer (and their respective delegated officers) to commission any necessary professional advice required for said work in compliance with the Public Contract Regulations 2015 (**'the Procurement Regs'**) and the Council's Contract Procedure Rules under Appendix 11 of the Council's Constitution (**'Council's CPRs'**), and to draft, negotiate, and conclude any contractual arrangements and/or legal documentation required for said work.

Reason: To seek an active use for this City Centre site and to progress the Council's objective of 100% affordable housing being delivered on Council owned sites.

- 5) Instruct Officers to progress work to secure delivery of the pedestrian/cycle bridge, sustainable travel links, subject to confirmation of funding with West Yorkshire Combined Authority ("**WYCA**"); updated delivery costings; and all necessary approvals, planning, highways, and bridge agreement.
- 6) Delegate authority to the Director of Housing, Economy and Regeneration (and their delegated officers) in consultation with both the Director Governance and the Chief Finance Officer (and their respective delegated officers) to commission any necessary contractors and/or consultants required for said works in compliance with the Procurement Regs and the Council's CPRs, and to draft, negotiate, and conclude any and all such contractual arrangements and/or legal documentation required for said works (including any and all planning agreements and/or highways agreements required; however for the sake of clarity this delegation is not for any requirements of either the Local Planning and/or Highways Authority).
- 7) Delegate authority to the Director of Housing, Economy, and Regeneration and the Director of Environment, Transport and Planning (and their delegated officers) in consultation with both the Director

Governance (and their delegated officers) to draft, negotiate, and conclude with WYCA any and all such contractual arrangements and/or legal documentation relating to the funding for the proposed works.

Reason: To maximise use of external funding, previously allocated by WYCA, to deliver city centre connectivity in accordance with the sustainable travel principles of the Local Transport Strategy, with delivery progressed in advance of development of the Castle Mills site, achieving the wider aims of the Castle Gateway masterplan.

St George's Field Car Park

- 8) Confirm that the Council will not proceed with the building of a MSCP on St George's Car Park and that officers are to develop proposals which balance: improved parking capacity; pedestrian and cycle connectivity; and coach drop off facilities within a surface level layout. This decision acknowledges that there will be an in-year revenue impact to the Council of up to £1m.
- 9) Delegate authority to the Director of Housing, Economy and Regeneration and the Director of Environment, Transport and Planning (and their delegated officers) in consultation with both the Director Governance and the Chief Finance Officer (and their respective delegated officers) to commission any necessary professional advice required for said work in compliance with the Procurement Regs and the Council's CPRs, and to draft, negotiate, and conclude any contractual arrangements and/or legal documentation required for said work.

Reason: A MSCP does not represent value for money in terms of providing additional spaces, reconfiguring the surface level parking will provide improved facilities in accordance with the draft Local Transport Plan.

Castle & Eye of York

- 10) Confirm the re-purposing of the Castle car park to support the delivery of a revised Castle Gateway Masterplan, with retained Blue Badge parking; subject to an updated business case being brought back to Executive for full consideration, and where closure will only occur when a revised Scheme has been approved for delivery.

- 11) Delegate authority to the Director of Housing, Economy and Regeneration and the Director of Environment, Transport and Planning (and their delegated officers) in consultation with both the Director Governance and the Chief Finance Officer (and their respective delegated officers) to commission any necessary professional advice required for the updated business case in compliance with the Procurement Regs and the Council's CPRs, and to draft, negotiate, and conclude any contractual arrangements and/or legal documentation required for said work. A further report to the Executive will be required once the business case has been concluded as it will have a budget impact.

Reason: To enable the Council plan objectives, and Castle Gateway masterplan benefits, to be delivered with parking capacity and city centre traffic reduction prioritised in accordance with the draft Local Transport Plan.

- 12) Confirm the re-design of the Castle and Eye of York Scheme, with a specific emphasis on the retention of blue badge parking numbers, flexible green space with children's play provision and a keen focus on reducing capital and management costs and the submission of revisions to the planning application.

- 13) Delegate authority to the Director of Housing, Economy and Regeneration and the Director of Environment, Transport and Planning (and their delegated officers) in consultation with both the Director Governance and the Chief Finance Officer (and their respective delegated officers) to commission any necessary contractors and/or consultants required for said works in compliance with the Procurement Regs and the Council's CPRs, and to draft, negotiate, and conclude any and all such contractual arrangements and/or legal documentation required for said works (including any and all planning agreements and/or highways / bridge agreements as required; however for the sake of clarity this delegation is not for any requirements of either the Local Planning and/or Highways Authority).

Reason: To enable the existing planning application to be revised with a simpler, more affordable Scheme reflecting the more inclusive ambitions of new Council Plan.

Coppergate Centre

- 14) Approve the granting to Mahavir Properties Ltd. of a new headlease for a period of 250 years [from and including the date of grant of such lease] in return for Mahavir: (i) carrying out improvement works to the shopping centre; (ii) transferring to the Council unencumbered ownership of an agreed area of land to the rear of the Coppergate Centre); and (iii) settlement of rent reconciliations on the basis set out in the report (paras 76-77). Upon the grant of the new lease, the existing lease shall be surrendered.
- 15) Delegate to the Director of Housing, Economy, and Regeneration (and their delegated officers), in consultation with the Director of Governance (and their delegated officers), authority to negotiate the terms of and the entry into of such surrender and replacement head lease of the Coppergate Centre site to Mahavir Properties Ltd. on the basis of the terms set out in this Report.
- 16) To waive the requirements of Rules 11.1.3(iii) and 11.4 of the Council's CPRs in respect of any proposed Leaseholder Development Agreement ("**LDA**") at the Coppergate Centre site between the Council and Mahavir Properties Ltd., further to Rule 26.1 of the Council's CPRs.
- 17) Subject to paragraph 16 of this Report, delegate authority to the Director of Housing, Economy and Regeneration (and their delegated officers) in consultation with both the Director Governance and the Chief Finance Officer (and their respective delegated officers), authority to negotiate the terms of and the entry into a LDA at the Coppergate Centre site with Mahavir Properties Ltd. on the basis of the terms set out in this Report, in compliance with the Procurement Regs and the Council's CPRs.

Reason: To facilitate investment into the shopping centre and provide land to the Council which will aid the plans for Castle Car Park.

Background

26. In April 2018, the Executive approved the Castle Gateway masterplan to transform a large area of the city centre that had seen private sector regeneration proposals fail over 3 decades. The extent of the Castle Gateway masterplan area is set out at **Annex D**.

27. The innovative My Castle Gateway engagement approach, saw the masterplan gaining widespread public and cross-party political support. The proposals focussed on the creation of new high quality public realm and event spaces, around Clifford's Tower and the Eye of York, significantly improving the setting of key heritage assets, and also improving pedestrian and cycle and routes throughout the area. To achieve this the masterplan proposed the consolidation of two large surface level car parks (Castle car park and St George's Field car park) in to a single modern multi storey car park MSCP outside of the inner-ring road and the development of the Castle Mills site with city centre living and commercial units.
28. The business case and delivery strategy for the first delivery phase of the masterplan was approved in January 2020. This phase included: a new bridge over the Foss creating new pedestrian and cycle routes, a riverside public park, and linking to; new apartments and commercial spaces at Castle Mills; a MSCP at St George's Field to replace Castle car park, which would then have become a high-quality public realm/events space – proposed for phase 2 delivery.
29. A number of delivery options were considered, and the Executive approved the Council taking the lead to deliver the projects, acting as developer for the whole of phase one. At that time (January 2020) the business case suggested that a commercial return from the sale of apartments could cover the majority of the costs of the MSCP facilitating the repurposing of Castle car park.
30. It is important to note that the commitment by the Council to invest in the Castle Gateway has already acted as a catalyst for private investment in the area. This is particularly apparent along Piccadilly, where a number of Schemes have been developed / delivered or are in construction. This includes new hotel Schemes and conversion of offices to residential.
31. This private sector investment has included agreed highway improvements being implemented on Piccadilly in line with the highway design agreed by Executive Member for Transport on 17 May 2022. As noted above this has facilitated implementation by developers where they are progressing their projects and includes; the creation of an additional "integrated", on carriageway bus stop in front of the Banana Warehouse site, review of additional public seating and parking provision aiming to maximise Blue Badge parking provision, and to provide a taxi rank and motorcycle parking if possible. The decision also required further work to assess the

feasibility of implementing an alternative cycle route through quieter streets or segregated cycling provision on Piccadilly. This work is being led by the Highways Team.

32. In terms of the Castle Gateway masterplan, as explained at paragraph 3 to this Report, a number of macro-economic factors have impacted significantly on the business case since decisions were taken in January 2020. The background and current context for each component part of project is set out below:

17-21 Piccadilly

33. 17-21 Piccadilly is the site of the former Reynard's Garage and is now the site of the hugely successful Spark York, a pop-up container development hosting many small, local, retail, food, and drink businesses. Spark have occupied the site since 2017. A plan showing the site extent is attached at **Annex E**.
34. In accordance with a decision made by Executive in March 2022, Registered Providers were approached to provide affordable housing on the site, and it was anticipated that the value of the site could provide £500,000 on a 999 year lease basis. However, despite soft market testing providing a reasonable response from Registered Providers, when formal expressions of interest were subsequently invited, only one expression of interest was made. Rising build costs and the relatively small / restricted site were cited as challenges deterring other bidders. Options to provide affordable housing provision on this site will continue to be explored.
35. Spark York has proven to be popular and continues to bring vibrancy and activity to Piccadilly. 17 out of 19 units are currently occupied and the others are under offer, particularly appealing to start-up businesses.
36. Pursuant to Spark:York's current lease, at present they pay a yearly rent comprising the aggregate of:
- (i) a "basic rent" of £25,000 per annum; and
 - (ii) an "additional rent" equal to such amount (if any) by which the "Maximum Rent" exceeds the "basic rent" in that 12-month period (with the "Maximum Rent" being the aggregate of: (a)

£13,333.33 and (b) 30% of Spark:York's profit generated from the site for that 12-month period)

37. In addition, there are art studios, co working space and meeting rooms. Spark advise that 21 of their previous occupiers have moved on as part of those businesses' growth. They also estimate that there is a £4m turnover from current businesses providing 65 jobs and attracting 400,000 visitors a year to the facility. They also advise that they provide free space to community groups to meet which has totalled 800 hours in the last year.
38. Given the success of Spark:York and the lack of interest by Registered Providers in the affordable housing proposition, it is proposed that the Council grant Spark:York a further headlease of the 17-21 site for 2-years from and including 1st November 2024 until and including 31st October 2026. This will provide further time to work with Spark to ascertain if an alternative venue within York could be suitable, such as York Central. Affordable Housing provision on this site will continue to be explored.
39. The precise provisions of the further lease would be negotiated by the Director of Housing, Economy and Regeneration (and their delegated officers) in consultation with the Director of Governance upon advice from officers in Legal Services and Property Services but would contain provisions obliging Spark:York to comply with all statutory controls which will necessitate them in applying for an extended planning consent for which their current use runs until September 2025. Landlord controls within the extended lease, governing noise and issues of potential disturbance would be commensurate with the current lease. This in recognition that, whilst the site is located in the vibrant city centre, that there is residential accommodation in close proximity.

Castle Mills

40. Castle Mills site at 84 Piccadilly is another Council owned site on Piccadilly Planning approval was secured in November 2020 for a Scheme comprising: 106 apartments with 20 affordable units and commercial units at ground floor; a bridge over the river Foss to provide pedestrian and cycle connectivity to St Georges Field and the Castle / Eye of York and highway improvements on Piccadilly. A ground level plan is attached at **Annex F**.

41. A delivery partner (Wates Construction Limited) was procured to provide a detail design and construction costs, work progressed from June 2021 to January 2022, but the contract was ultimately terminated in June 2022, without a finalised design or an agreed construction cost.
42. A significant amount of valuable technical design and further ground investigation and site survey work was completed. Designs for the Foss bridge and associated pedestrian cycle route are sufficiently progressed to facilitate a new procurement. However, in the absence of a material start on site the planning permission will lapse in December 2023 and this will need to be renewed if these elements are to be progressed.
43. Work to progress and the secure delivery of the pedestrian/cycle route and Foss bridge is a key decision to support sustainable travel principles, subject to:
 - confirmation of WYCA funding
 - updated delivery costings
 - securing all necessary approvals; planning, highways, and bridge agreement.
44. The risks associated with bringing the bridge and riverside pedestrian cycle route and park forward in isolation will be assessed as part of this process. The bridge and river park were classed as enablers when the Castle Mills planning application was considered due to the public benefits they deliver.
45. However, where there is a Council commitment to increasing the supply of affordable housing, with 100% affordable housing provision on Council owned sites, a decision is sought to pause work on the development of Castle Mills, and for officers to investigate appropriate meanwhile use options in parallel with exploring all opportunities for the delivery of an affordable housing Scheme on the site. A meanwhile use will prevent this site standing vacant.
46. It should also be noted that the viability of developing this site will be particularly challenging, as set out above, and where there are a range of known technical and ground condition challenges, and some costs relating to the previously agreed Scheme design may be

abortive if a different Scheme is delivered, and these will have to be set against the site value.

St George's Field Car Park

47. Planning permission was obtained on 12 January 2021, for a MSCP on the St George's Field Car Park, including a coach park cycle routes and improved public realm and riverside setting.
48. The MSCP was proposed as a solution to replace two surface level car parks serving the city (Castle Car Park and St George's Field car park). Consolidating the two surface level car parks in to the proposed MSCP reduced the parking capacity across the two locations from 594 spaces to 372 spaces (a loss of 222 spaces).
49. The site is constrained both in terms of restricting the height of the building requiring a floor to be removed, and also the ground constraints limiting the footprint of the building limit the capacity that can be achieved in the MSCP.
50. Due to the constrained capacity, coupled with the sewer diversion that is required, the cost of which has risen significantly and increasing construction costs, the MSCP is seen as not representing value for money; in terms of providing additional spaces.
51. An alternative has been considered for St George's Field car park to improve car parking capacity. Reconfiguring the car park with removal of the coach parking, instead facilitating space for three coach drop off bays could increase capacity at St George's Field from 267 spaces (plus 28 coach parking bays) to 297 spaces (with 3 coach drop of bays).
52. Reconfiguring the existing surface level car park parking will provide improved facilities in accordance with the draft Local Transport Plan.
53. Therefore, a decision not to proceed with the building of the MSCP on St Georges Car Park is included in the recommendation, along with instructing officers to develop a proposal for the St George's car park that seeks to balance improved parking capacity; pedestrian and

cycle connectivity; and coach drop off facilities within the surface level layout.

Castle and Eye of York

54. The heart of the Castle Gateway masterplan is the repurpose of the Castle car park and Eye of York. The Executive previously approved the design and submission of a planning application for a high spec public realm/event space, considering comments received during a public engagement undertaken in drawing up the in the Open Brief during 2019/20.
55. The planning application was submitted on 31st January 2022 (**Annex G** indicates the planning application red line boundary). This has been the subject of ongoing design input from the Castle Gateway Advisory Group and refinements through the My Castle Gateway public engagement project. The following three matters are yet to be resolved on the planning application – wider parking strategy including blue badge parking provision, Hostile Vehicle Measures and access arrangements for the Eye of York.
56. Two levelling up funding bids have been unsuccessful for delivering the project. York was in the lowest priority areas list in the governments levelling up fund process. So, there is a significant funding gap for the current project.
57. Considering the above and to realign this project with the new Council Plan a re-design of the Castle and Eye of York Scheme with specific emphasis on the retention of blue badge parking numbers; flexible green space with children's play provision and a keen focus on reducing capital and management costs is proposed. Consideration will be given in the design process to the new play space proposed within the Coppergate Centre to prevent duplication.
58. The re-purposing of Castle Car Park remains a pre-requisite for any regeneration Scheme for this key city space. The principle of the car park closure was previously approved by the Executive on 21st January 2020 when considering the Castle Gateway Phase one delivery strategy Report. Executive are recommended to confirm the re-purposing of the Castle car park to support the delivery of a revised Castle Gateway Masterplan, with retained Blue Badge parking; subject to an updated business case being brought back to the Executive for full consideration, and where closure will only occur

when a revised scheme has been approved for delivery. The updated business case will set out the overall implications for parking capacity and parking revenue.

59. Options are being explored to deliver a scheme, including a phased approach focusing on the car park and riverside. The Castle car park surface is not in good condition. In the short term some maintenance work will be required to keep the car park operational, however in the longer-term significant expenditure would be necessary to facilitate its ongoing operation. The re-purposing scheme will, however, bring significant benefits to the city: it will retain blue badge accessibility close to the city: provide a green space that will benefit families' health and wellbeing, and also increase connectivity and promote sustainable transport modes.
60. This part of the development supports the aims of the York Public Health physical activity strategy which champions inclusive spatial design, thus having a direct and positive impact on physical and mental wellbeing and improving sedentary behaviour in the population through free well designed play spaces, cycling routes and walking. The scheme supports an accessible city and directly impacts on the ambition of the York Health and Wellbeing strategy to create an accessible and age friendly city. The proposed scheme will help to increase footfall to the city centre and help draw footfall into this part of the city, boosting visitors to the attractions, and benefiting local businesses. It will also provide some biodiversity net gain through new planting and enhancing the riverside, resulting in an improved setting for the historic buildings that occupy this area.

Coppergate Centre

61. The Coppergate Shopping Centre (the "**Centre**") is a purpose-built, open-air Shopping Centre, which opened in 1984. The Centre has retail frontage and pedestrian access from Coppergate; Piccadilly; and Castlegate. To the southwest, the Centre is bounded by the River Foss and two visitor attractions in the form of the York Castle Museum and Clifford's Tower. The Centre is arranged around St Mary's Square with two open air malls, Coppergate Walk and Castlegate.
62. The two major anchor tenants in the Centre are Primark and Fenwick's. Primark opened in November 2016 and includes an

extension which was constructed by the head tenant on the site of 22 Piccadilly, which is owned freehold by Mahavir Property. There are 19 retail tenants together with kiosk units in the Square. The Jorvik Viking Centre visitor attraction is located beneath the Centre and uses two of the retail units for its admissions and gift shop facilities.

63. The footprint of the Centre is c.3.25 acres and is one of the largest real estate holdings in York's city centre. (See plan in **Annex H**)

Coppergate Existing Lease Basis

64. The majority of the land that the Centre sits upon is owned freehold by the Council and is subject to a long leasehold (Headlease) interest held by Mahavir Properties Ltd.. The buildings are owned by Mahavir Properties Ltd. and the head lease is a ground lease (the Council owning the land/ground that the buildings are situated upon). The Council hold a sublease back from Mahavir Properties Ltd. of the car park and toilets within the Coppergate Centre (for nil rent).
65. The term of the headlease granted from the Council is 99 years from 15th June 1984 (i.e., until 14th June 2083) (but with an option for either the landlord or the tenant to require the entry into of a further headlease on the same terms (excluding any further option to renew such further headlease) by serving written notice on the other party at any time between 15th June 2062 and 15th June 2082). Mahavir Properties Ltd.'s lease is a full repairing basis with no repair liability on the council, except for a contribution to the operational service charge through its use of the car park. The current headlease expires on 14th June 2083 but with an option for either the landlord or the tenant to 'extend' the lease by 26 years in the manner specified above. This lease is known as the "**Headlease**" as the head lessee has in turn, granted occupational leases to those occupiers trading in the Centre.
66. The Head Lease is subject to a yearly rent (which is payable to the Council in quarterly instalments) which is equal to the greater of:
- (i) £23,000 per annum;
 - (ii) Such sum as represents 16% of rents that the head lessee receives from the Centre's occupational tenants, less deductible costs which include bad debts, professional fees in rent reviews and lease renewals and for any empty units, rates, insurance, and service charge.

-

The figure currently payable is c. £170,000 per annum.

67. In addition to the area of the shopping centre detailed above, Mahavir Properties Ltd. own the freehold of part of the Primark shop. The reason for this is that this area was formerly a non-council owned cinema, and it thus forms a separate property interest to the majority of the Centre which is held on the long leasehold basis described above.
68. The Council and Mahavir Properties Ltd.'s headlease predecessor, had been in negotiations over a potential lease restructure whereby the existing lease would be replaced by a modern longer term 250-year lease. No deal was ever done, as the previous head lessee were only willing to offer limited investment into the Centre, which is in need of such. The grant of a new replacement 250 head lease on more modern terms was seen as leverage to negotiate such investment. Mahavir purchased the head lease interest last year and discussions have moved positively with investment into the Centre now proposed in exchange for the granting of a longer-term lease.

Coppergate link to Masterplan

69. The Castle Gateway master plan identified the potential of the area at the rear of the Centre.. This area partly forms a service yard serving Fenwick's and the former Topshop unit, which backs on to the Castle Car Park and which is intended to be transformed, from the current surface car park into a public realm area, providing a place for people to gathering for variety activities.
70. Whilst the Council owns the freehold of this area, under the ground lease it has granted, it is subject to the head lease to Mahavir Properties Ltd. whom, in turn, have sublet to other occupational tenants. The Council thus has no control of this area. To bring this into the Council's "unencumbered" control requires the agreement of Mahavir Properties Ltd. the head tenant and the other occupational leasehold interests.

Coppergate - Proposed New Head Lease

71. In return for the grant of a new replacement headlease for a term of 250 years (from date on which such is granted) (whereby the existing 59 year lease with 26 year option to extend would be surrendered on grant of new lease) for nil monetary payment to the Council by Mahavir Properties Ltd., the Council has agreed the following points which shall form part of any new agreement granted.

A. **Land Surrender to the Council, forming part of service yard, for nil cost.**

72. The land surrender detailed above and by that outlined and hatched black on the plan (See **Annex I**) will not involve a payment by the Council to Mahavir or their subtenants of any monetary "surrender" premium. The Council's freehold interest will thus be released from any existing leases currently affecting it without any monetary cost to the Council except for any Stamp Duty Land Tax which may be payable by the Council to HM Revenue & Customs as a result of such surrender arrangement.

B. **Refurbishment**

73. Mahavir will commit to refurbish St Mary's Square which forms the main central public realm hub to the Coppergate Centre. Plans need to be finalised and planning permission obtained, but indicative proposals include the creation of new kiosks; seating areas; paving, signage, and lighting plus children's play area. (See indicative images in **Annex J**).

74. It is envisaged that this will create an enhanced customer experience for visitors and focal point for families with children, given the lack of such facilities in the city centre. The Castle/EoY redesign and these new facilities provided in the Coppergate centre will have regard to each other to ensure they compliment rather than compete. The estimated cost of this Scheme is c £1,300,000 and it is considered that this should encourage the demand and levels of rental achievable in the Centre's retail outlets, for which the Council receive 16% of rents. Under the terms of the new lease, the Council will continue to receive 16% of the sub-lease rents from occupational tenants payable to Mahavir Properties Ltd. by their subtenants as the head rent payable by Mahavir. An increase in demand for units raising rents would thus have a positive impact on the Council's financial position through its 16% share of rent, even though it would contribute nothing financially to the upfront investment.

75. The Council is not obliged to contribute any capital contribution towards any improvements under the current lease, however through not contributing this would naturally diminish the viability, (financial return) to the head lessee in carrying out any such improvement Scheme. Mahavir Properties Ltd. recognises that in lieu of the Council not contributing, this forms part of the deal for a longer lease. The Council will thus not contribute towards the capital investment and Mahavir Properties Ltd. will be responsible for the upkeep and maintenance of the area and its facilities.

C. Settlement of Rent Reconciliations

76. Mahavir Properties Ltd.'s predecessors had paid the Council £236,000 as an estimate of the rental share each year (given the level of rent had stayed relatively static for some years). At year end, a reconciliation process occurred.

77. A number of year's reconciliation statements are outstanding which includes for the Covid period, where there is a risk that the rental owed to the Council is less than has been paid. This matter is a point of legal debate and not accepted by the Council but as part of the deal Mahavir Properties Ltd. have agreed to draw a line under such a notion and hence no back rent would be paid through any previous reconciliation.

Coppergate - Documentation of the New Lease

78. The obligations of:

(i) The Council to:

(a) Accept a surrender from Mahavir Properties Ltd.'s existing headlease; and

(b) Grant new replacement 250-year lease upon completion by Mahavir Properties Ltd. of the agreed "improvement works" to St Mary's Square in accordance with an agreed deadline.

(ii) Mahavir Properties Ltd. to:

(a) use their reasonable endeavours to obtain planning permission (on terms satisfactory to Mahavir Properties Ltd. acting reasonably) for the proposed improvement works to St Mary's Square;

- (b) commence and complete such improvements works within a specified period subject to, and after, obtaining satisfactory planning permission;
- (c) surrender their current headlease of the agreed part of the 'service yard' (after obtaining surrenders from any subtenants who currently also have leases of/rights over such land) (for nil cash payment by the Council to Mahavir Properties Ltd.); and
- (d) surrender their current head lease of the remainder of the site of the Centre to the Council (for nil cash payment by the Council to) in return for the Council granting Mahavir Properties Ltd. new 250-year lease.

This would need to be documented within a detailed Leasehold Development Agreement ("**LDA**") The specification of the improvement works that Mahavir Properties Ltd. would be obliged to carry out (subject to obtaining planning permission) would need to be approved by the Council as landlord and this would form part of the LDA. Only once the agreed works had been implemented would the new lease be granted. The surrender back to the Council of the agreed part of the service yard would also form part of the pre requirements simultaneous with the grant of the new lease.

- 79. The lease back arrangement of the car park and toilets to the Council would remain commensurate with the existing lease, with the Council receiving all car park income.
- 80. A third-party valuation Report has been prepared by an external valuer (see confidential **Annex K**) who advises this deal represents good value to the Council.

Consultation Analysis

- 81. The Castle Gateway Masterplan was shaped through extensive stakeholder and public engagement on both the masterplan and subsequent sub-projects in the form of My Castle Gateway. Over 8,500 comments have been recorded to date.
- 82. The last intensive period of engagement related to the proposed new open space at Castle and the Eye of York. This ran from summer 2019 to February 2022 and included a programme of activities to inform a community open brief for the new public space, followed by

the team sharing the evolving design process through the RIBA concept design, concept proposals, and developed design stages. This provided a process of continuous conversation and feedback to inform the final design which was submitted for the Castle and Eye of York Planning application in February 2022, and full details are set out in the Statement of Community Involvement which accompanied the planning application.

83. The last MCG update blog on the regeneration of the Castle Gateway area was published in June 2022 to accompany the Council's Executive on 16 June 2022. Castle Gateway Advisory Group meetings with stakeholders took place in October 2022 and February 2023, and a further meeting is scheduled for November 2023.
84. The redesign of the space will draw on the wealth of engagement that already exists. One of the main themes of the open brief was "Gathering playfully" which will be key to informing the redesign. The Council remain committed to consultation on the Castle Gateway project, including engagement on the redesign of the Castle and Eye of York space to inform revisions to the planning application.

Options Analysis and Evidential Basis

85. There is an urgent need to confirm how the Castle Gateway projects are to progress following a period of pause, and there is a clear opportunity to re-align project aims and objectives to ensure that they deliver outcomes for the city in accordance with the recently approved Council Plan and Our City Centre Vision.
86. A period of uncertainty where the projects were impacted by a number of macro-economic factors including: construction cost inflation, driving increases in delivery costs; rising interest rates impacting borrowing costs and housing market uncertainty, have all impacted the 2020 business case. It is also the case that delivery funding was not secured through 2-bidding rounds to central government for Levelling up Funding.
87. Accordingly, **Option 1** – is to approve the recommendations in the Report which clearly set out the next steps for all the current Castle Gateway Projects.
88. Other options include:

- **Option 2** - pausing all Castle Gateway projects for now and follow a do nothing approach; or
- **Option 3** - to select only certain projects to continue forward in the short time, while further work is carried out.

89. A new lease at the Coppergate Centre could be withheld as there is no requirement for the Council to grant one. However, the benefits outlined above which have been negotiated as part of the deal with the new owners, would be very unlikely to be realised should a “Do Nothing” option be preferred.

Analysis

90. Option 1 offers a clear way forward in accordance with the recently approved Council Plan and Our City Centre Vision; also responding to the reality that there is significantly less funding available to deliver the Castle Gateway projects. The recommendations allow the regeneration of the area to progress, see the projects aligning to reflect the Council Plan and deliver the masterplan objectives at an affordable cost.

91. Unlocking the regeneration of the Castle Gateway has always presented significant challenges to overcome. The interdependences between Schemes were an integral part of the previously approved delivery model, however, given new Council Plan priorities, including 100% affordable housing on Council sites, and the changed economic circumstances, preclude profit to cross fund projects in the Castle Gateway. To enable regeneration of the area to continue, a new delivery approach is needed, which breaks the interdependencies between the Schemes and through careful redesigns, reduces capital costs to secure early delivery.

92. The regeneration of the area has been informed by extensive engagement and shaped by a strong stakeholder group, with the technical expertise of Council officers. There is strong support to see this area transformed and the key principles of improving the heritage setting of key buildings in York, improving connectivity, providing a free attractive space for residents and visitors, along with greening the city are still part of the vision and supported by the engagement.

93. All other options involve further delay to decision making and additional costs being incurred in undertaking further work on the individual projects where this may not offer significant additional information or certainty to inform future decision making.

Organisational Impact and Implications

- **Financial**, contact: *Chief Finance Officer*.

The key Financial Implications are included within the Strategic Financial Implications. The most significant implication is the need to write off the abortive costs relating to the decision to cease development on the St George's Field site. A detailed analysis of payments made on the scheme will be undertaken to ensure those costs that we incurred designing the multi-storey car park and taking the scheme to planning are written back to revenue. This is anticipated to be up to £1m and will be accounted for at year end. This charge will impact the council's outturn position and update of which is reported elsewhere on the agenda. Whilst the decision provides a short-term negative impact on the council's finances it saves the council from future significant financial liabilities.

There is £4.6m of West Yorkshire Transport Funding towards the transport improvements of the scheme including bridge and associated pedestrian and cycle improvement works. In addition there is £4.4m of Council borrowing approved to fund the aspirations detailed in the report.

- **Human Resources (HR)**, contact: *Head of HR*.

There are no resource implications identified at the current time. Dependent upon the decisions that are made there may be staffing implications in future years which would be managed in accordance with Councils policies.

- **Legal**, contact: *Head of Legal Services*).

Contract & Procurement Law Implications:

Any external professional advice, consultant and/or design services required for any work relating to Castle Mills, St George's Field car park and/or Castle/Eye of York must be procurement in line with the Council's statutory obligations under the Procurement Regs and the

Council's CPRs, with advice and input from the Council's Legal Services and Commercial Procurement teams.

Theoretically, any LDA between the Council and Mahavir Properties Ltd. may also be subject to the Procurement Regs and the Council's CPRs as a "public works contract" and therefore may need to be subject to a formal procurement. Further advice from Legal Services and Commercial Procurement should be sought in due course.

"Public works contracts" are defined as public contracts which have as their objective any of the following:

- the execution, or both the design and execution, of works related to one of the activities listed in Sch. 2 of the Procurement Regs;
- the execution, or both the design and execution, of a work; or
- the realisation, by whatever means, of a work corresponding to the requirements specified by the contracting authority exercising a decisive influence on the type or design of the work.

A **"work"** is defined as *"the outcome of building or civil engineering works taken as a whole which is sufficient in itself to fulfil an economic or technical function"*, e.g., an asset such as a building or road.

Normally any contract "for the acquisition or rental, by whatever financial means, of land, existing buildings or immovable property, or which concern interests in or rights over any of them" is exempt from the Procurement Regs. If the works are incidental to the main object of the contract, namely the land transaction, it is unlikely to constitute a public works contract; in other words where the scope and value of the works are insignificant to the total size and value of the land transaction, they may be considered incidental.

However, this may become more difficult to prove if:

- the works are valued over the relevant procurement threshold (i.e., worth over £5,336,937 (inc. VAT));
- the works are extensive in terms of scope;

- the work(s) must correspond to the Council's specified requirements and the Council exercises a "decisive influence" on the type or design of the work;
- the works are to proceed irrespective of the land transaction;
- the Council becomes the owner of all of part of the works;
- the Council holds a legal right over the use of the works, for example so that they are made available to the public; and
- the Council will enjoy economic advantages from the future use or transfer of the work, for example where it made a financial contribution to the works or assumed some of the project risks.

Based on the estimates and limited information provided to Legal Services at the time of writing this report, the estimated value of the works under the proposed LDA are currently c. £1,300,000. If this remains to be the case, then even though in Legal Services' view it is highly likely the LDA will meet the other requirements above for a public works contract, this will technically take the LDA completely outside of the Public Procurement Regime under Part 2 of the Procurement Regs.

In addition, given that the leaseholder/developer, Mahavir Properties Ltd. currently have a c. 100 years remaining on their lease at the property, one could potentially argue this would mean (even if Part 2 of the Procurement Regs were to apply for whatever reason) that the Council may be able to justify use of the negotiated procedure without prior publication under Reg 32(2)(b)(ii) of the Procurement Regs due to competition is absent for technical reasons (so long as we can still show that no reasonable alternative or substitute exists, and the absence of competition is not the result of an artificial narrowing down of the parameters of the procurement).

If the Procurement Regs were to apply, then there is the potential risk of challenge that there are insufficient technical reasons justifying the use of the negotiated procedure without publication of a notice in accordance with the Procurement Regs, and that the Council is seeking to circumvent the application of the procurement

rules. However, due to the reasons set out within this Report, this risk is considered to be low.

Furthermore, if the Procurement Regs were to apply, the risk of challenge against relying upon Reg 32(2)(b)(ii) could be mitigated by the publication of a Contract Award Notice on Find a Tender immediately after the decision to award the LDA has been taken and then waiting a minimum of 30-days prior to contract signature to see if any challenges are made as such challenges must be brought within 30-days of the date that an aggrieved party knew or ought to have known that a breach had occurred. It is advised that this step is taken.

Regulation 84 of the Procurement Regs is a measure which requires a full record to be kept of the stages of the procurement process. Therefore, where Reg 32(2)(b)(ii) is relied upon, a record needs to be kept of the circumstances which justify the use of the negotiated procedure without prior publication. This is also necessary so to fulfil requirements under Crown Commercial Services Public Procurement Note 1/20, which states that a written record which satisfies the test should be kept and contracting authorities should continue to achieve value for money and use good commercial judgement during any direct award.

Notwithstanding any of the above relating to the Procurement Regs, even if the LDA sits outside of the Public Procurement Regime the direct award of any LDA to Mahavir Properties Ltd. without any kind of procurement exercise beforehand will still require a waiver of Rules 11.1.3(iii) and 11.4 of the Council's CPRs. This can either be:

- via an Executive Decision further to Rules 8.11 and 26.1 of the Council's CPRs; or
- via a waiver request under Rule 26.2.1 and 26.2.6 of the Council's CPRs.

Notwithstanding any of the above relating to the Procurement Regs and the Council's CPRs, further advice from Legal Services will still be necessary on the drafting and conclusion of any proposed LDA, and if the circumstances subsequently change so that the Procurement Regs do in fact apply to LDA, then advice will be needed from both from Commercial Procurement and Legal Services on any relevant tender documentation and process to ensure that such an agreement is set up properly in compliance with the Public Procurement Regime.

Any additional grant funding arrangements, or amendments to existing arrangements, with WYCA or any other funders will need to be reviewed and vetted by Legal Services to that the funding terms and conditions are acceptable and to ensure compliance with the Subsidy Control Act 2022.

Property Law Implications:

It is understood that the sites of the Coppergate Centre and 17-21 Piccadilly are both held by the Council as General Fund assets (rather than Housing Revenue Account/HRA assets)

The Council has the following statutory powers:

- Pursuant to Section 123 of the Local Government Act 1972, to dispose of any General Fund/non-HRA land held by the Council (including granting a lease of it). Although Section 123 requires that the consent of the Secretary of State for Housing, Communities and Local Government be obtained for a disposal at a consideration (price) less than best reasonably obtained, such consent is automatically given for the disposal of General Fund/non-HRA land by a General Consent Order where both of the following conditions are satisfied:
 - the Council considers that the disposal will contribute to the promotion or improvement of the economic, environmental, or social well-being of its area; and
 - the difference/shortfall between the consideration/monetary receipt obtained and best consideration amount does not exceed c. £2,000,000.
- Pursuant to Section 120 of the Local Government Act 1972, to acquire land for the purposes of any of the Council's functions or for the purpose of the benefit, improvement, or development of the Council's area.

As the proposed LDA recommended to be negotiated and entered into the Council and Mahavir Properties Ltd. would contain provisions obliging Mahavir Properties Ltd.to:

- (i) Use their reasonable endeavours to obtain planning permission (on terms satisfactory to Mahavir Properties Ltd. acting reasonably) for the proposed improvement works to St Mary's Square;
- (ii) Commence and complete such improvements works within a specified period subject to, and after, obtaining satisfactory planning permission;

As the Council would be obtaining (upon completion of the proposed improvement works by Mahavir Properties Ltd.:

- (i) a surrender of Mahavir Properties Ltd.'s existing headlease of (and also of any subleases/subtenant rights over) agreed part of the service; and
- (ii) a surrender of Mahavir Properties Ltd.'s existing headlease of the remainder of the site of the Coppergate Centre in return for granting Mahavir Properties Ltd. new 250-year headlease of the Coppergate Centre),

these proposed surrenders would be acquisitions of land by the Council. Therefore, the amount/value of any 'consideration' or deemed consideration (whether monetary or non-monetary in nature) paid/given by the Council in return for obtaining such surrenders may attract Stamp Duty Land Tax ("**SDLT**") and result in the Council becoming liable to pay SDLT to HM Revenue & Customs ("**HMRC**"). However, the grant of any lease by a landlord to the same tenant in return for that tenant having surrendered their previous lease from that landlord is not classed as "chargeable consideration" for obtaining a surrender of the previous lease and so the Council should not be liable to pay any SDLT to HMRC.

- ***Procurement***

Any proposed works or services will need to be commissioned via a compliant procurement route under the Council's Contract Procedure Rules and where applicable, the Public Contract Regulations 2015. All tenders will need to be conducted in an open, fair, and transparent way to capture the key principles of procurement and to achieve all required outcomes of the project. Procurement will recommend market engagement events to seek advice on market conditions to allow the council to create attractive,

realistic and deliverable procurements. Further advice regarding the procurement routes, strategies and markets must be sought from the Commercial Procurement team.

- ***Health and Wellbeing***, contact: *Director of Public Health*.

The matters discussed in the report broadly reflect the Health and Wellbeing strategies for the city. There is a perceived positive impact on health and wellbeing, however a desk top Health Impact Assessment if not already completed should be factored into the project planning and undertaken in due course to highlight and analyse the health impacts and where required offer mitigation within the projects going forward.

Each scheme of works has green areas and play space access outlined, and, in the detail of the design, we would hope the strategic health and wellbeing ambitions for the council are reflected: Reduction of smoking and working towards a smoke free city, reduction in the consumption of alcohol. Well-lit and accessible play spaces which are available for all to use, including women and girls and older adults.

- ***Environment and Climate action***

Exploration of longer-term opportunities for the future delivery of 100% affordable housing at Castle Mills should not compromise on the sustainability of new developments, which should aim to be operationally net zero carbon and minimise embodied carbon associated with construction.

The proposal for St George's Field Car Park will avoid embodied carbon emissions from a new MSCP construction. Any future development will need to consider contributions towards reducing carbon emissions associated with the city's transport system.

The updated business case for a revised Castle Gateway Masterplan should include a Carbon Impact Assessment for proposed options, in line with the objectives of the Local Transport Plan and Climate Change Strategy

The proposals set out within this Report are in line with the Council's Plans. York's Climate Change Strategy identifies that 28% of emissions are from transport and that we should be seeking to reduce overall travel miles and increase uptake of active travel and public transport. It also fits with the transport objectives of the Local Transport Strategy approved at Executive in October in that the proposals support an inclusive, accessible, affordable city, support delivery of the Climate Change Strategy, support delivery of the Economic Development Strategy, improve health and wellbeing through healthy place shaping, improve the local environment by reducing air pollution and noise and protect the city's heritage and enhance public spaces.

- ***Affordability,***

These proposals secure ongoing security for small, diverse and vibrant businesses in Spark as well as exploring opportunities for more affordable housing in the city. The improvements to the public realm will provide free spaces for all ages to enjoy.

- ***Equalities and Human Rights,***

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

A high-level Equalities Impact Assessment has been carried out and is annexed to this report at **Annex A**.

There are no equalities implications identified in respect of the matters discussed in this report. However, an Equalities Impact Assessment will be carried out for each project in due course and the process of consulting on the recommendations in this report will

identify any equalities implications on a case-by-case basis, and these will be addressed in future reports.

- ***Data Protection and Privacy***

Data protection impact assessments (“DPIAs”) are an essential part of our accountability obligations and is a legal requirement for any type of processing under UK GDPR. Failure to carry out a DPIA when required may leave the council open to enforcement action, including monetary penalties or fines. DPIAs helps us to assess and demonstrate how we comply with all of our data protection obligations. It does not have to eradicate all risks but should help to minimise and determine whether the level of risk is acceptable in the circumstances, considering the benefits of what the council wants to achieve. As there is no personal data, special categories of personal data or criminal offence data being processed to inform the Castle Gateway Update Report, there is no requirement to complete a DPIA. This is evidenced by completion of DPIA screening questions. (see Annex B – Data protection implication form).

- ***Economy***

York city centre is home to around a quarter of York’s businesses and is a key attractor of inward investment and business growth. Castle Gateway and the Eye of York, including the Castle and St Georges Field car parks, are important entry points and facilitate our vibrant city centre economy. The measures set out in this report support the delivery of the York Economic Strategy 2022-2032 and the involvement of the York Economic Partnership in shaping future delivery of the Our City Centre Vision will ensure continued close alignment with city and business priorities.

- ***Communications***

Significant work has been done to support the project to date, including on the ‘my castle gateway’ process and in explaining the project and its ambitions. Further communications support will be required to provide an update on the project to all of our stakeholders, outline next steps and support any future engagement work, should this be necessary.

- **Property** – *Head of Property* – *Property implications are included within the main body of the report.*

Risks and Mitigations

94. The principal risks associated with the Castle Gateway project at this stage are reputational and non-delivery. This is why re-evaluating the projects as proposed in this report is necessary, so that the regeneration of this area can progress and is not further stalled.
95. There is a risk that having engaged extensively and raised expectations amongst the public, the change of approach will not fully deliver initial expectations. However, the bigger risk to the city is not to change the delivery approach and see the regeneration of the area continue to stall. The key principles remain and are embedded in the over-arching delivery aims for delivery which should mitigate this risk.

Wards Impacted

All wards

Contact details:

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

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Report approved:	Yes
Date:	07/11/23

Co-author

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Service Area:	City Development

Telephone:	01904 551312
Report approved:	Yes
Date:	06/11/23

Background papers

Report to the Executive, 'York's Southern Gateway,' October 2015
<https://democracy.york.gov.uk/ieListDocuments.aspx?CId=733&MId=>

Report to the Executive, 'York Castle Gateway,' January 2017
<https://democracy.york.gov.uk/ieListDocuments.aspx?CId=733&MId=9309>

Report to the Executive, 'The Castle Gateway Masterplan,' April 2018
<https://democracy.york.gov.uk/ieListDocuments.aspx?CId=733&MId=10197&Ver=4>

Report to the Executive, 'Castle Gateway phase one delivery strategy,' January 2020
<https://democracy.york.gov.uk/ieListDocuments.aspx?CId=733&MId=11115&Ver=4>

Report to the Executive, 'Update on Castle Gateway and Business Case Review,' October 2020
<https://democracy.york.gov.uk/ieListDocuments.aspx?CId=733&MId=12297&Ver=4>

Report to the Executive 'Castle Gateway Update' June 2022
<https://democracy.york.gov.uk/ieListDocuments.aspx?CId=733&MId=13287&Ver=4>

Annexes

Annex A - Summary EIA

Annex B - Data Protection Implications Form

Further Annexes – as below -

Annex C - Overview of proposed approach

Annex D - Extent of Castle Gateway Masterplan Area Plan

Annex E – 17 - 19 Piccadilly location plan

Annex F - Castle Mills site plan with Foss Bridge / ped / cycle link

Annex G - Castle / Eye of York planning app red line
Annex H – Extent of Coppergate Centre
Annex I - Land surrender plan rear of Coppergate
Annex J - Coppergate proposed improvements.

Confidential Annex

Annex K – Coppergate Centre Valuation Advice

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Annex A

City of York Council Equalities Impact Assessment

Who is submitting the proposal?

Directorate:	Place		
Service Area:	City Development		
Name of the proposal :	Castle Gateway		
Lead officer:	Kathryn Daly – Head of City Development		
Date assessment completed:	Update to previous EIA – Feb 21		
Names of those who contributed to the assessment :			
Name	Job title	Organisation	Area of expertise
Sally Cawthorn	Regeneration Officer	City Of York Council	Regeneration
David Warburton	Head of Regeneration	City Of York Council	Regeneration

Step 1 – Aims and intended outcomes

1.1	What is the purpose of the proposal? Please explain your proposal in Plain English avoiding acronyms and jargon.
	<p>In April 2018, the Executive approved a masterplan for the 'Castle Gateway' to transform a large area of the city centre that had seen private sector regeneration proposals fail over a period of 3 decades. Since the original Masterplan was approved in 2018, the individual schemes have been progressed as approved by Executive. However, the projects have been impacted by a number macro economic factors, all of which have impacted significantly on the phase 1 business case approved in January 2020.</p> <p>The new administration is committing to the Castle Gateway Masterplan and agreeing the next steps to move forward, following a period of pause. The key projects are: 17 -21 Piccadilly, Castle Mills, St George's Field car park, Castle car park and Eye of York, Coppergate Centre. The timing of this review presents an opportunity to consider how the projects can now deliver positive outcomes for the city in accordance with the original master plan principles and the recently approved Council Plan and 'Our City Centre' Vision. As well as considering more cost effective delivery.</p> <p>This change to projects, will require additional work to revise and further design the schemes. This EIA is an overarching document for the Castle Gateway projects, and as work progresses each project will have a sub EIA linked back to this one.</p> <p>This overarching EIA:</p> <ul style="list-style-type: none">• provides an overall summary of the different projects being considered• provides commitment to identifying stakeholders and how we will engage with them.• Summarises stakeholder engagement & co-production, and how this has shaped the proposals.• summarises the scope the separate EIAs to follow.

1.2	Are there any external considerations? (Legislation/government directive/codes of practice etc.)
	<p>Relevant legislation includes:</p> <ul style="list-style-type: none"> • Equality Act 2010, which aims to protect people from discrimination in the workplace and in wider society. The Act includes a Public Sector Equality Duty, which requires public bodies to consider how their decisions and policies affect people with protected characteristics. The public body also should have evidence to show how it has done this It also requires that public bodies have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations between different people when carrying out their activities. The Equality Act 2010 covers the following protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation. • Human Rights Act –sets out the fundamental rights and freedoms that everyone is entitled to. In making a decision the council must consider carefully the balance to be struck between individual rights and the wider public interest and whilst it is acknowledged that there could be interference with a Convention right, the decision must be reasonably justified as it is a proportionate means of achieving a legitimate aim. • The Blue Badge scheme: rights and responsibilities in England (www.gov.uk/government/publications/the-blue-badgescheme-rights-and-responsibilities-in-england) • Protect Duty consultation documents (www.gov.uk/government/consultations/protect-duty) • Hostile Vehicle Mitigation guidance (www.gov.uk/government/publications/crowded-places-guidance/hostile-vehiclemitigation-hvm#vehicle-as-a-weapon-vaw) <p>Planning Acts/Guidance</p> <p>The planning process will also necessarily consider the design of public space in the context of the above</p>

1.3	Who are the stakeholders and what are their interests?
	A bespoke, 'My Castle Gateway' engagement was undertaken, delivering a comprehensive approach to public consultation and engagement from the earliest stages of the project. With over 8500 comments now received, logged and taken into account.
	<p>The 'My Castle Gateway' approach was a long term bold and innovative public engagement initiative, it has reached a diverse audience through a wide range of participatory approaches including social media (Facebook, twitter, Instagram, and YouTube channels), events, walks, talks and debates. Further detail can be found online on the 'My Castle Gateway' website and social media channels. 'My Castle Gateway' has been an ongoing and open conversation which has ensured that the public has been involved from the very early stages of visioning and master planning and will continue to be involved through the delivery stages of the project and beyond.</p> <p>An advisory group of principal land holders and custodians for this area of the city has also provided advice and critical challenge to the Gateway proposal proposals. This stakeholder group will continue to be involved through a dedicated Task and Finish group of the Economic Partnership focussed on delivery of the 'Our City Centre' Vision.</p> <p>In addition, officers have regularly engaged with other key stakeholders with an interest in the area and internally with Members and council officers.</p> <p>Police – designing out crime/HVM</p>
1.4	What results/outcomes do we want to achieve and for whom? This section should explain what outcomes you want to achieve for service users, staff and/or the wider community. Demonstrate how the proposal links to the Council Plan (2019- 2023) and other corporate strategies and plans.
	<p>Delivery of the Castle Gateway master plan will contribute to the delivery of key commitments in: the Council Plan (2023-27); 'Our City Centre' Vision; and the three 10-year strategies approved in 2022, Economic Strategy (2022-2032), Health and Wellbeing Strategy (2022-2032) and Climate Change Strategy (2022-2032).</p> <p>The Castle Gateway projects will:</p> <ul style="list-style-type: none"> • Re-purpose and redesign the Castle car park as a green space with children play space and retain blue badge parking close to the city to aid accessibility.

	<ul style="list-style-type: none"> • The green space will enhance/improve biodiversity, therefore contributing to deliver a sustainable city to help deliver climate improvements in the city centre. • Create a free amenity and play space for families to encourage healthier lifestyles coupled with improved connectivity and travel opportunities across the site. Helping to improve health and wellbeing. • Investigate opportunities to increase the supply of affordable housing within the city centre in the longer term. • Explore the opportunities of affordable housing within the area on two key sites in the Castle Gateway – 17 – 21 Piccadilly and Castle Mills • Extend the lease for Spark: York on 17 -21 Piccadilly whilst an alternative site is found, and affordable housing options are explored. Preventing the site remain vacant. Meanwhile uses will also be explored on the Castle Mills site. • Continue to seek to deliver the bridge over the river Foss and the river park at the back of the museum, increasing connectivity and sustainable transport options in the city. • Explore options to improve the surface level car park at St George's rather than build a multi storey car park. • Provide better pedestrian and cycle routes throughout the area. <p>The projects therefore have a broad scope that will help to deliver benefits for residents and businesses with respect to: equalities and accessibility; physical health and wellbeing, sustainable transport, and climate change. Helping to create a more sustainable city.</p>
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Step 2 – Gathering the information and feedback

2.1	What sources of data, evidence and consultation feedback do we have to help us understand the impact of the proposal on equality rights and human rights? Please consider a range of sources, including: consultation exercises, surveys, feedback from staff, stakeholders, participants, research reports, the views of equality groups, as well your own experience of working in this area etc.	
	Source of data/supporting evidence	Reason for using
	Public consultation	Regeneration Team Insight:

Whilst at this stage of the project no dedicated consultation on the impact of the Castle Gateway masterplan on equality rights and human rights has been undertaken, the Regeneration Team has carried out extensive public engagement on the key sites within the masterplan through My Castle Gateway approach and on creating a Vision for the city centre through My City Centre. This, coupled with insight from wider CYC engagement on city centre access as outlined below, provides a detailed starting point, where the comprehensive insight can be further explored as each project is reviewed/ progresses.

Through the Planning process, the **Design & Access Statement** for each planning application will explain the design approach and how access provision has been considered, including how all users will have equal and convenient access including access to, and movement around the site.

The re-design of the **Castle and Eye of York** scheme requested by this Executive report includes a brief to reflect the more inclusive ambitions of the new Council Plan. The review will focus on the retention of blue badge parking numbers, as well as flexible green space with children's play provision, and reducing capital and management costs. The project team will work with stakeholders to shape the proposals as they develop.

1. **My Castle Gateway** – engagement with residents and stakeholders throughout the masterplan process and proposals for each key site. Further details can be accessed via the My Castle Gateway website [here](#), and detailed Statements of Community Involvement were submitted for

previous planning applications and can be seen via the planning portal for the [St Georges Field & Castle Mills](#), and [Castle and Eye of York](#).

My Castle Gateway New Public Spaces Open Brief, May 2020 - [Movement](#)

Acknowledges that The Castle Gateway is not just about gathering and spending time in the area itself, it is also about movement to and through to areas beyond.

“Cycles as mobility aid... secure cycle parking... “

“People who are blind or partially-sighted are using textured and high contrast designs in the public spaces to navigate to and through the area”

2. **My City Centre Vision** – engagement with residents, businesses and special interest groups in 2021 to develop a vision for what the city centre could look like in the future. The vision was endorsed by Executive in November 2021, and an updated Our City Centre vision was endorsed by Executive in October 2023 to reflect the new Council Plan and 10 year strategies. Our City Centre Vision Theme 6 is *“A safe city centre which is welcoming and accessible to all”*, which includes *“improving accessibility for disabled people through a wide range of measures.”*

Wider Council Insight:

1. **Consultation on principles of reinstating blue badge access** – September 2023, nearly 3000 respondents gave feedback on principles including: returning to previous access before the emergency Covid measures were implemented; different access arrangements during city centre events; recognising security risks, finding solutions and longer term solutions.

2. **Reverse The Ban Petition** – was submitted to the council in October 2022 with 2,734 signatories campaigning for better “*access to York city centre for people with a Blue Badge, including access to the footstreets and sufficient parking spaces, designed in a way that addresses legitimate security concerns*”.
3. **City Centre Access Project** - the extent of the footstreet area has been subject to ongoing discussions for a number of years as part of the City Centre Access project in response to the threat of terrorism as outlined in the report, and particularly the use of hostile vehicles as a potential mode of attack. This had led to the approval of a first phase of hostile vehicle mitigation measures for the existing permanent footstreet area, but with potential future phases to expand the area of protection
4. **Temporary Covid measures** – When the temporary Covid measures were introduced, the Council engaged with approx. 450 individuals as well as advocacy groups representing thousands of people with disabilities and/or reduced mobility across the city. An open community brief detailed the main themes and challenges which these changes sought to address, and the summary of conversations with the city’s businesses and representative groups. The principles of the footstreets extension was broadly supported by a majority of respondents to the citywide survey, which was also reflected in the support from residents identifying themselves as disabled. There are tangible benefits for many, in particular blind and partially sighted people, children, and older people. However, the desire from many for footstreets and spaces to be vehicle free is in contrast to Blue Badge holders’ request for vehicular access to the pedestrianised area. These objections were articulated in a

petition signed by 1,093 people, including 501 York residents, calling for the reversal of the changes.

- 5. Additional consultation undertaken for the November 2021 Decision to permanently remove blue badge access** – A consultation took place to review available Blue Badge Parking on the outskirts of the city centre in April 2021. This took the form of an online questionnaire and two online workshops on 22 April 2021, one during the working day and one in the evening, to allow those working in disability organisations and professional advocates to attend, while also offering an out of office hours opportunity for those who may want to take part but are at work or unavailable during the day. This consultation was promoted through the media, on social media (tagging disability organisations), and to the following organisations: Alan Bott Charity, York Disability Rights Forum, York Human Rights City, York Programme for UN International Day of People with Disabilities, Jorvik Deaf Connections, Lollipop, York People First, MS Society, Older Citizens Advocacy York, Wilberforce Trust, Healthwatch York, My Sight York, York Carers Centre, York Carers Forum, York Parent Carer Forum, Age UK York, Converge (York St John), Mind, York Advocacy (Mind), Learning Disability Self Advocates Forum, York Self Advocacy Forum, York Inspirational Kids, York Access and Mobility Club Facebook Group, York Older People's Assembly, York Dementia Action Alliance, CVS, York Wheels, Dial and Ride, Shopmobility, Inclusive Engagement, Individuals from CCA Exercise, Labour Women's Officer, York Cycle Campaign, Get Cycling, Sight Loss Council, York Accessibility Action, Action on Hearing Loss, British Deaf Association, York Disability Week, York ME Community, Blueberry Academy, and York Alheimers.

	<p>The engagement followed an open conversation approach, both online and offline, including direct conversations with individuals and advocacy groups. This allowed detailed discussions to take place with those who wished to engage in depth, and captured general views through an online survey, which was distributed to nearby residents, city centre businesses, and paper based questionnaires distributed across the city as requested. In total there were 540 survey responses completed, of the completed surveys 270 were completed by residents who are Blue Badge holders, 65 by residents who are not Blue Badge holders, 69 by carers of a Blue Badge holder, 7 from businesses (including taxi drivers) and 129 skipped the question.</p> <p>6. Statutory consultation for the November 2021 Decision - The statutory consultation for the amendment of the TROs was advertised on 9th July 2021, with an original end date of 6th August 2021, which was extended until 13th August 2021. 206 representations were received on the proposal to remove Blue Badge access exemptions, 5 in support and 201 against the proposal and detailed in the November 2021 report.</p>
Research reports	<p>For the August 2019 Executive report, approving the permanent changes to the Traffic Regulation Order to deliver the Phase 1 Hostile Vehicle Mitigation proposals in the city centre, an independent review of Blue Badge Parking Access was commissioned from Parking Perspectives a consultancy specialising in parking.</p>

	<p>Disabled Motoring UK, a charity and advocacy group for disabled people, were commissioned to produce an independent review of York’s disabled access offer in 2020. (Annex 5 Nov 2021 Exec report)</p> <p>Martin Higgitt Associates produced an independent York City Centre Active Travel Study, October 2021 (Annex 6 Nov 2021 Exec report)</p> <p>Strategic Review City Centre Access and Council Car Parking – approved by Executive November 2021, including a strategy for access to and through the city centre footstreets and an Access Action Plan to implement improvements to access that were developed through public and stakeholder engagement (ref. open brief).</p>
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Step 3 – Gaps in data and knowledge

3.1	What are the main gaps in information and understanding of the impact of your proposal? Please indicate how any gaps will be dealt with.		
Gaps in data or knowledge	Action to deal with this		
The projects will require re-design and further work to develop them and to realign them with the Council's priorities. The impact of the changes will need to be considered.	Use previous engagement/consultation work and data to inform this work Re-engage to test concepts and ideas with stakeholders identified		
Costs/Funding?	Phased approach Value engineering Soft v Hard landscaping balance		
Policy changes	Keep under review		

Step 4 – Analysing the impacts or effects

4.1	Please consider what the evidence tells you about the likely impact (positive or negative) on people sharing a protected characteristic, i.e. how significant could the impacts be if we did not make any adjustments? Remember the duty is also positive – so please identify where the proposal offers opportunities to promote equality and/or foster good relations.		
Equality Groups and Human Rights.	Key Findings/Impacts	Positive (+) Negative (-) Neutral (0)	High (H) Medium (M) Low (L)
Age	<i>New and improved public spaces will accommodate a diverse range of uses and activities for people of different ages from young people to older residents.</i>	Positive	H

Disability	<i>The proposals will deliver modern standards, accessibility and legibility in the public realm, streetscape, and new buildings. Redesigning and retaining blue badge spaces in the Castle Car Park will allow this level of access to be retained</i>	Positive	H
Gender	<i>No impact identified</i>	Neutral	
Gender Reassignment	<i>No impact identified</i>	Neutral	
Marriage and civil partnership	<i>No impact identified</i>	Neutral	
Pregnancy and maternity	<i>No impact identified</i>	Neutral	
Race	<i>No impact identified</i>	Neutral	
Religion and belief	<i>A circular path around the Motte has been designed with input from the Liberal Jewish Community to enable people to participate in a walk to as an act of memorial for lives lost in the 1190 massacre. It will have a dedicated space to reflect and remember this and other historic events.</i>	Positive	M
Sexual orientation	<i>No impact identified</i>	Neutral	
Other Socio-economic groups including :	<i>Could other socio-economic groups be affected e.g. carers, ex-offenders, low incomes?</i>		
Carer	<i>No impact identified</i>	Neutral	

Low income groups	<p><i>New and improved public spaces will accommodate a range of uses, activities and events which can be accessed and enjoyed at low or no cost to residents and visitors.</i></p> <p><i>Improved access to the city through route improvements and improved access to facilities could have a positive impact on low income groups with limited mobility. Improving access to leisure and employment opportunities in the city centre</i></p> <p><i>Improved access to affordable housing could be provided for those on lower incomes</i></p>	Positive	H
Veterans, Armed Forces Community	<i>No impact identified</i>	Neutral	
Other			
Impact on human rights:			
List any human rights impacted.			

Use the following guidance to inform your responses:

Indicate:

- Where you think that the proposal could have a POSITIVE impact on any of the equality groups like promoting equality and equal opportunities or improving relations within equality groups
- Where you think that the proposal could have a NEGATIVE impact on any of the equality groups, i.e. it could disadvantage them
- Where you think that this proposal has a NEUTRAL effect on any of the equality groups listed below i.e. it has no effect currently on equality groups.

It is important to remember that a proposal may be highly relevant to one aspect of equality and not relevant to another.

<p>High impact (The proposal or process is very equality relevant)</p>	<p>There is significant potential for or evidence of adverse impact The proposal is institution wide or public facing The proposal has consequences for or affects significant numbers of people The proposal has the potential to make a significant contribution to promoting equality and the exercise of human rights.</p>
<p>Medium impact (The proposal or process is somewhat equality relevant)</p>	<p>There is some evidence to suggest potential for or evidence of adverse impact The proposal is institution wide or across services, but mainly internal The proposal has consequences for or affects some people The proposal has the potential to make a contribution to promoting equality and the exercise of human rights</p>
<p>Low impact (The proposal or process might be equality relevant)</p>	<p>There is little evidence to suggest that the proposal could result in adverse impact The proposal operates in a limited way The proposal has consequences for or affects few people The proposal may have the potential to contribute to promoting equality and the exercise of human rights</p>

Step 5 - Mitigating adverse impacts and maximising positive impacts

5.1	Based on your findings, explain ways you plan to mitigate any unlawful prohibited conduct or unwanted adverse impact. Where positive impacts have been identified, what is been done to optimise opportunities to advance equality or foster good relations?

Step 6 – Recommendations and conclusions of the assessment

6.1	Having considered the potential or actual impacts you should be in a position to make an informed judgement on what should be done. In all cases, document your reasoning that justifies your decision. There are four main options you can take:
<ul style="list-style-type: none"> - No major change to the proposal – the EIA demonstrates the proposal is robust. There is no potential for unlawful discrimination or adverse impact and you have taken all opportunities to advance equality and foster good relations, subject to continuing monitor and review. 	

- **Adjust the proposal** – the EIA identifies potential problems or missed opportunities. This involves taking steps to remove any barriers, to better advance quality or to foster good relations.
- **Continue with the proposal** (despite the potential for adverse impact) – you should clearly set out the justifications for doing this and how you believe the decision is compatible with our obligations under the duty
- **Stop and remove the proposal** – if there are adverse effects that are not justified and cannot be mitigated, you should consider stopping the proposal altogether. If a proposal leads to unlawful discrimination it should be removed or changed.

Important: If there are any adverse impacts you cannot mitigate, please provide a compelling reason in the justification column.

Option selected	Conclusions/justification
No Major change to the proposal	This EIA is an overarching EIA for the Castle Gateway Masterplan projects. It demonstrates that continued consultation will form a key part of the development and testing of the individual projects to address unlawful discrimination or adverse impact. Opportunities to advance equality and foster good relations will continuing and be monitored and reviewed. This will be reported back via the individual project EIA's ahead of delivery

Step 7 – Summary of agreed actions resulting from the assessment

7.1 What action, by whom, will be undertaken as a result of the impact assessment.			
Impact/issue	Action to be taken	Person responsible	Timescale
Redesign/progression of realigned projects	Continue consultation to assess discrimination and impact	CYC Regeneration Team	Ongoing
Sub EIA's for project	Produce sub EIA's for the key projects	CYC Regeneration Team	As the projects progress

Step 8 - Monitor, review and improve

8. 1	How will the impact of your proposal be monitored and improved upon going forward? Consider how will you identify the impact of activities on protected characteristics and other marginalised groups going forward? How will any learning and enhancements be capitalised on and embedded?
	As the projects progress, the impact of the proposals will be monitored through <ul style="list-style-type: none">• continued engagement and consultation with those identified in the EIA• Continuous review of the impact of the proposals, changes to government guidance, and compliance with equalities and guidance

ANNEX B

Annex B – Data Protection Implications

As there is no personal data, special categories of personal data or criminal offence data being processed, there is no requirement to complete a DPIA for this report.

This is evidenced by completion of DPIA screening questions AD-01220.

If approved, any next steps in the individual projects, that involve the collection or processing of personal information, will need to carry a data protection impact assessment.

DPIA Screening Questions

The below screening questions should be used to find out if a DPIA is necessary. If you answer “Yes” to any of the questions below, it is an indication that a DPIA is required so please contact information.governance@york.gov.uk for advice and support on completing a DPIA

Please send your completed form to information.governance@york.gov.uk

Title/Reference	Castle Gateway	
Brief description	The purpose of this report is to provide an update on the Castle Gateway masterplan and seek approval for the next steps, necessary to take forward individual projects	
Screening completed by		
Name	David Warburton/James Bailey	
Job Title	Head of Regeneration	
Department	Place	
Email	david.warburton@york.gov.uk	
Review date	25.10.2023	
Screening Questions – please answer the below questions for how you are planning to or already do use, personal identifiable information eg personal data, special categories of personal data or criminal offence and conviction data		Yes or No
1	Use systematic and extensive profiling or automated decision-making to make significant decisions about people.	N
2	Process special category data or criminal offence data on a large scale.	N
3	Systematically monitor a publicly accessible place on a large scale.	N
4	Use new technologies, innovative technological or organisational solutions.	N
5	Use profiling, automated decision-making or special category data to help make decisions on someone’s access to a service, opportunity or benefit.	N

6	Carry out profiling on a large scale including evaluation or scoring	N
7	Process biometric or genetic data.	N
8	Combine, compare or match data from multiple sources.	N
9	Process personal data without providing a privacy notice directly to the individual and/or other processing involving preventing data subjects from exercising a right or using a service or contract.	N
10	Process personal data in a way which involves tracking individuals' online or offline location or behaviour or other systematic monitoring	N
11	Process children's personal data for profiling or automated decision-making or for marketing purposes, or offer online services directly to them.	N
12	Process personal data which could result in a risk of physical harm in the event of a security breach.	N

ANNEX C

Castle Gateway - Overview of Proposed Approach (November 2023)

Project	Original masterplan objectives (2018)	Original Approach (as per previous Executive decisions)	Proposed Approach (2023)	Council Plan Commitments (2023-2027) Anticipated Impact of Proposed Approach (subject to final business case decisions)				Our City Centre Vision (2021, updated 2023)
				<u>Equalities & Human Rights</u>	<u>Affordability</u>	<u>Climate & Environment</u>	<u>Health</u>	
Castle & Eye of York	<p>Castle and Eye of York heart of the masterplan</p> <p>Enhance the setting of Nationally significant historic assets</p> <p>Create a new multifunctional public realm and events space in the city centre for residents and visitors</p> <p>Enhanced cultural and heritage offer, including event space – building on the City’s USP</p>	Hard landscaped multi-purpose events space, estimated delivery cost c. £15m (subject to full design/costings)	<p>Accessible, sustainable, flexible amenity space which includes free children’s play facilities and enables active use of the space to encourage footfall.</p> <p>A keen focus on reducing capital and management costs compared to original masterplan approach.</p>	✓	✓	✓	✓	<p>Theme 1 – Family friendly and affordable city centre New public realm will create valuable city centre play space and a space that can be used by all ages.</p> <p>Theme 2 – An attractive, active and healthy city centre Deliver investment in new public realm space.</p> <p>Theme 3 – A sustainable city for the future New green space will increase biodiversity in the city, improve climate resilience and reduce surface water run-off.</p> <p>Theme 8 – Celebrating heritage and making modern history New public realm will enhance the setting of surrounding heritage assets.</p>
	Reduce vehicle journeys inside inner ring road			Closure of Castle Car Park. Reduction/relocation of	Repurposing of Castle Car Park to support the delivery of a revised Castle Gateway	✓		

Castle Gateway - Overview of Proposed Approach (November 2023)

Project	Original masterplan objectives (2018)	Original Approach (as per previous Executive decisions)	Proposed Approach (2023)	Council Plan Commitments (2023-2027) Anticipated Impact of Proposed Approach (subject to final business case decisions)				Our City Centre Vision (2021, updated 2023)
				<u>Equalities & Human Rights</u>	<u>Affordability</u>	<u>Climate & Environment</u>	<u>Health</u>	
		disabled parking provision further away from city centre.	<p>Masterplan, to include retention of disabled parking provision at the site</p> <p>Incorporates improved signage and linkages between the city centre and the Castle & Eye of York facilities to encourage footfall.</p>					<p>parking will be retained close to the city to aid accessibility.</p> <p>The new public space will provide open space and facilities for residents and will be specifically designed to improve accessibility.</p>
	Focus on sustainable transport and connectivity - pedestrian and cycle routes	<p>New river edge and walkway linkages to new riverside park behind museum</p> <p>Wider connectivity to city</p>	<p>New river edge and walkway linkages to new riverside park behind museum</p> <p>Wider connectivity to city</p>			✓	✓	<p>Theme 5 – Embracing our riversides The design will celebrate the cultural and environmental benefits of the River Foss, providing a new river edge and walkway linking to the new river park behind the museum.</p>
Castle Mills	Focus on sustainable transport and connectivity - pedestrian and cycle routes	New pedestrian/cycleway bridge and improved sustainable transport links	<p>New pedestrian/cycleway bridge and improved sustainable transport links, to maximise use of secured external funding and deliver sustainable, city centre connectivity</p>			✓	✓	<p>Theme 2 – An attractive, active and healthy city centre Deliver active travel options for getting into and around the centre of York.</p>

Castle Gateway - Overview of Proposed Approach (November 2023)

Project	Original masterplan objectives (2018)	Original Approach (as per previous Executive decisions)	Proposed Approach (2023)	Council Plan Commitments (2023-2027) Anticipated Impact of Proposed Approach (subject to final business case decisions)				Our City Centre Vision (2021, updated 2023)
				<u>Equalities & Human Rights</u>	<u>Affordability</u>	<u>Climate & Environment</u>	<u>Health</u>	
	Provide new city centre homes, including affordable homes	Provision of 106 apartments including 20 affordable units, plus commercial space at ground level	Investigate appropriate meanwhile use options in parallel with exploring longer term opportunities for the future delivery of 100% affordable housing on this Council owned site		✓			<p>Theme 6 – A safe city centre which is welcoming and accessible to all Explore affordable housing provision on Castle Mills.</p> <p>Theme 7 – Thriving business and productive buildings Explore meanwhile use opportunities c Castle Mills site, whilst affordable housing options are considered.</p>
St Georges Field	Reduce vehicle journeys inside inner ring road	New build Multi Storey Car Park (MSCP) at an estimated cost of £15m. Net reduction in overall car parking provision from closure of Castle Car Park = 222	<p>Not to proceed with the building of a MSCP on St George’s Car Park, to ensure value for money and alignment with the draft Local Transport Plan. Net reduction in car parking provision from repurposing of Castle Car Park is estimated at 290 spaces but this will be subject to detail design.</p> <p>Reconfigured design for the surface level space, balancing the provision of pedestrian and</p>		✓	✓		<p>Theme 2 – An attractive, active and healthy city centre Include active travel options for getting into and around the centre of York.</p> <p>A new signalised pedestrian and cyclist crossing is being installed on the inner ring road section of Tower Street, adjacent to St George's Field as part of the Active Travel Programme, (construction 30 Oct - 24 Nov 2023). The crossing will link</p>

Castle Gateway - Overview of Proposed Approach (November 2023)

Project	Original masterplan objectives (2018)	Original Approach (as per previous Executive decisions)	Proposed Approach (2023)	Council Plan Commitments (2023-2027) Anticipated Impact of Proposed Approach (subject to final business case decisions)				Our City Centre Vision (2021, updated 2023)
				<u>Equalities & Human Rights</u>	<u>Affordability</u>	<u>Climate & Environment</u>	<u>Health</u>	
			cycle connectivity , coach drop off facilities and improved standards					cyclist and pedestrian access from the St George's Field riverside path to the north side of the Inner Ring Road at York Castle Museum.
17-21 Piccadilly	Act as a catalyst to regenerate this rundown part of the city Provide new city centre homes, including affordable homes	Short term lease to Spark York Investigate opportunities for disposal for affordable housing purpose	Further 2-year lease to Spark York enabling the current use (and associated economic impact) to continue at the site in the short term, providing a continued income to the Council , whilst allowing the opportunity for Spark York to identify an alternative location in the City Medium term – affordable housing		✓			Theme 6 – A safe city centre, which is welcoming and accessible to all Future affordable housing provision on 17 – 21 Piccadilly will be explored. Theme 7 – Thriving business and productive buildings Explore and deliver temporary uses in empty buildings and spaces, e.g. Spark York.
Coppergate		No improvements proposed	New 250 year head lease on Coppergate Centre to enable c. £1.3m investment in/around St Marys Square (proposals subject to planning approvals but will potentially include new play area, removal of ad-hoc food	✓			✓	Theme 2 – An attractive, active and healthy city centre Delivers investment in public space through refurbishment and new facilities within St Mary's Square (at no cost to Council).

Castle Gateway - Overview of Proposed Approach (November 2023)

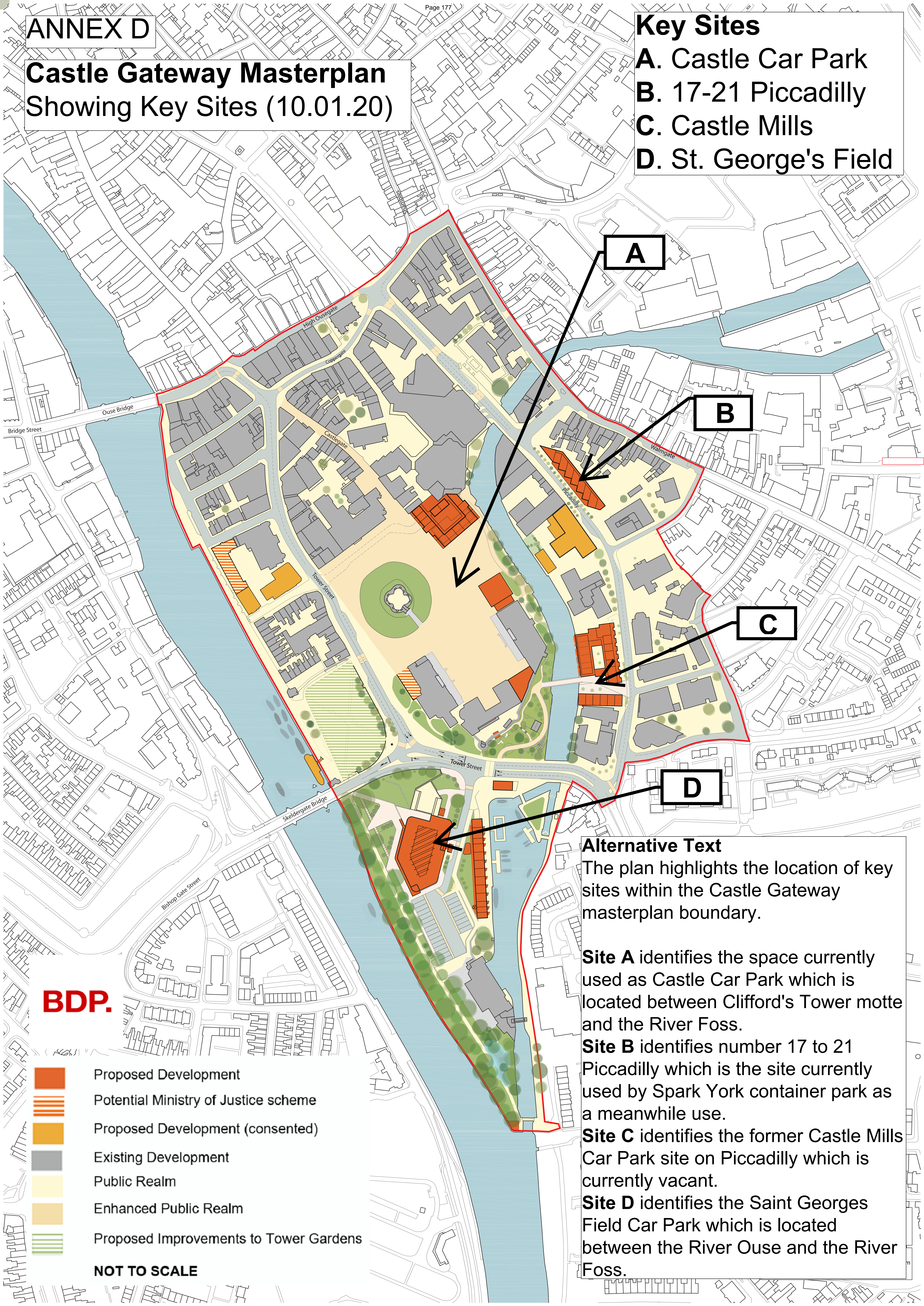
Project	Original masterplan objectives (2018)	Original Approach (as per previous Executive decisions)	Proposed Approach (2023)	Council Plan Commitments (2023-2027) Anticipated Impact of Proposed Approach (subject to final business case decisions)				Our City Centre Vision (2021, updated 2023)
				<u>Equalities & Human Rights</u>	<u>Affordability</u>	<u>Climate & Environment</u>	<u>Health</u>	
			stalls, new seating areas and kiosks, improvements to paving, seating and lighting, removal of glass canopy) and release of land at rear of Coppergate to support Castle & Eye of York proposals (including retention of blue badge parking)					

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ANNEX D

Castle Gateway Masterplan Showing Key Sites (10.01.20)

- ### Key Sites
- A. Castle Car Park
 - B. 17-21 Piccadilly
 - C. Castle Mills
 - D. St. George's Field



BDP.

- Proposed Development
- Potential Ministry of Justice scheme
- Proposed Development (consented)
- Existing Development
- Public Realm
- Enhanced Public Realm
- Proposed Improvements to Tower Gardens

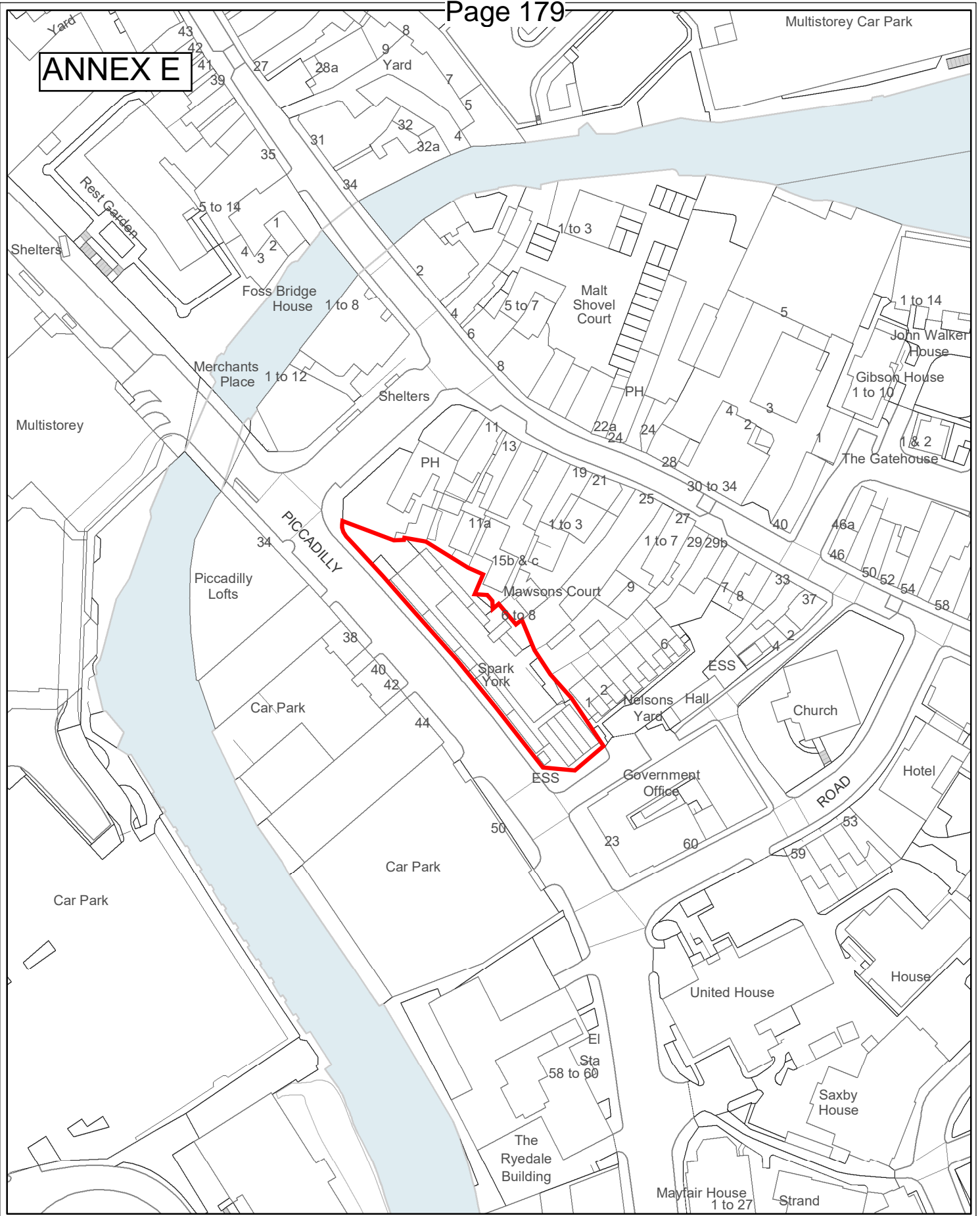
NOT TO SCALE

Alternative Text
The plan highlights the location of key sites within the Castle Gateway masterplan boundary.

- Site A** identifies the space currently used as Castle Car Park which is located between Clifford's Tower motte and the River Foss.
- Site B** identifies number 17 to 21 Piccadilly which is the site currently used by Spark York container park as a meanwhile use.
- Site C** identifies the former Castle Mills Car Park site on Piccadilly which is currently vacant.
- Site D** identifies the Saint Georges Field Car Park which is located between the River Ouse and the River Foss.

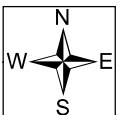
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ANNEX E



Asset & Property Management

17 - 21 Piccadilly, York.



SCALE 1:1,250

DRAWN BY: KLM

DATE: 03/02/2020

Originating Group:

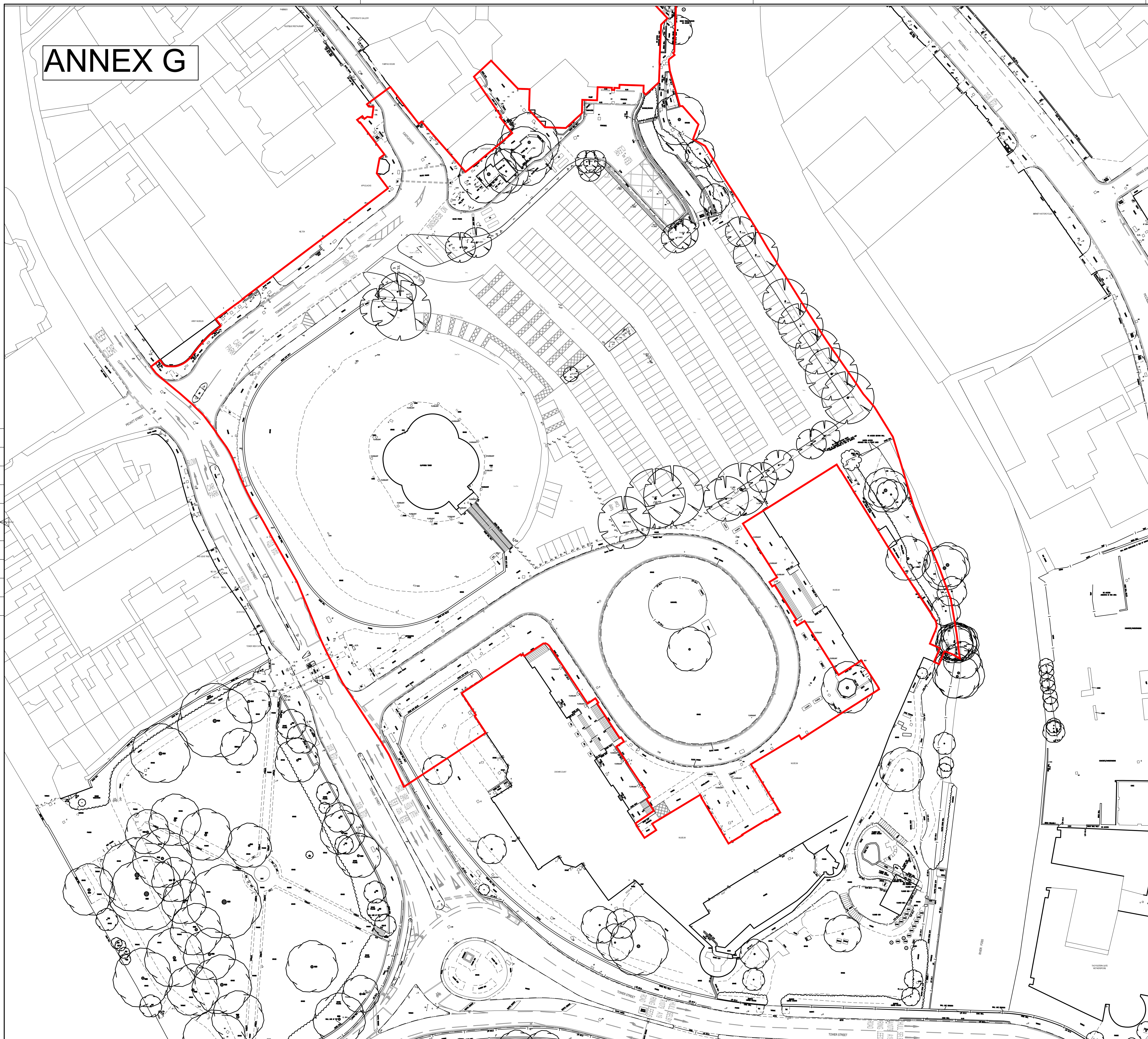
Asset & Property Management

Drawing No.

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ANNEX G

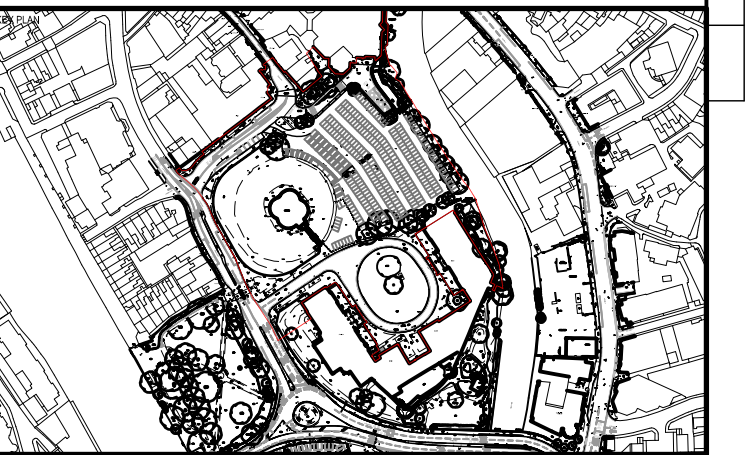


KEY:
 SITE BOUNDARY

BUILDING DESIGN PARTNERSHIP SHALL HAVE NO RESPONSIBILITY FOR ANY USE MADE OF THIS DOCUMENT OTHER THAN FOR THAT WHICH IT WAS PREPARED AND ISSUED.
 ALL DIMENSIONS SHOULD BE CHECKED ON SITE.
 DO NOT SCALE FROM THIS DRAWING.
 ANY DRAWING ERRORS OR DIVERGENCES SHOULD BE BROUGHT TO THE ATTENTION OF BUILDING DESIGN PARTNERSHIP AT THE ADDRESS SHOWN BELOW.

NOTES

P01 - REVISED PLANNING SUBMISSION SC MC 24.05.22



BDP.
 ARCHITECTURE
 DESIGN
 ENGINEERING
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 www.bdp.com

EYE OF YORK PUBLIC REALM

P2008535

SITE PLAN

SCALE @ A1
 1:500

DATE
 MAY '22

PROJECT REFERENCE
 EOY-BDP-ZZ-XX-DR-L-900000

REVISION
 P01

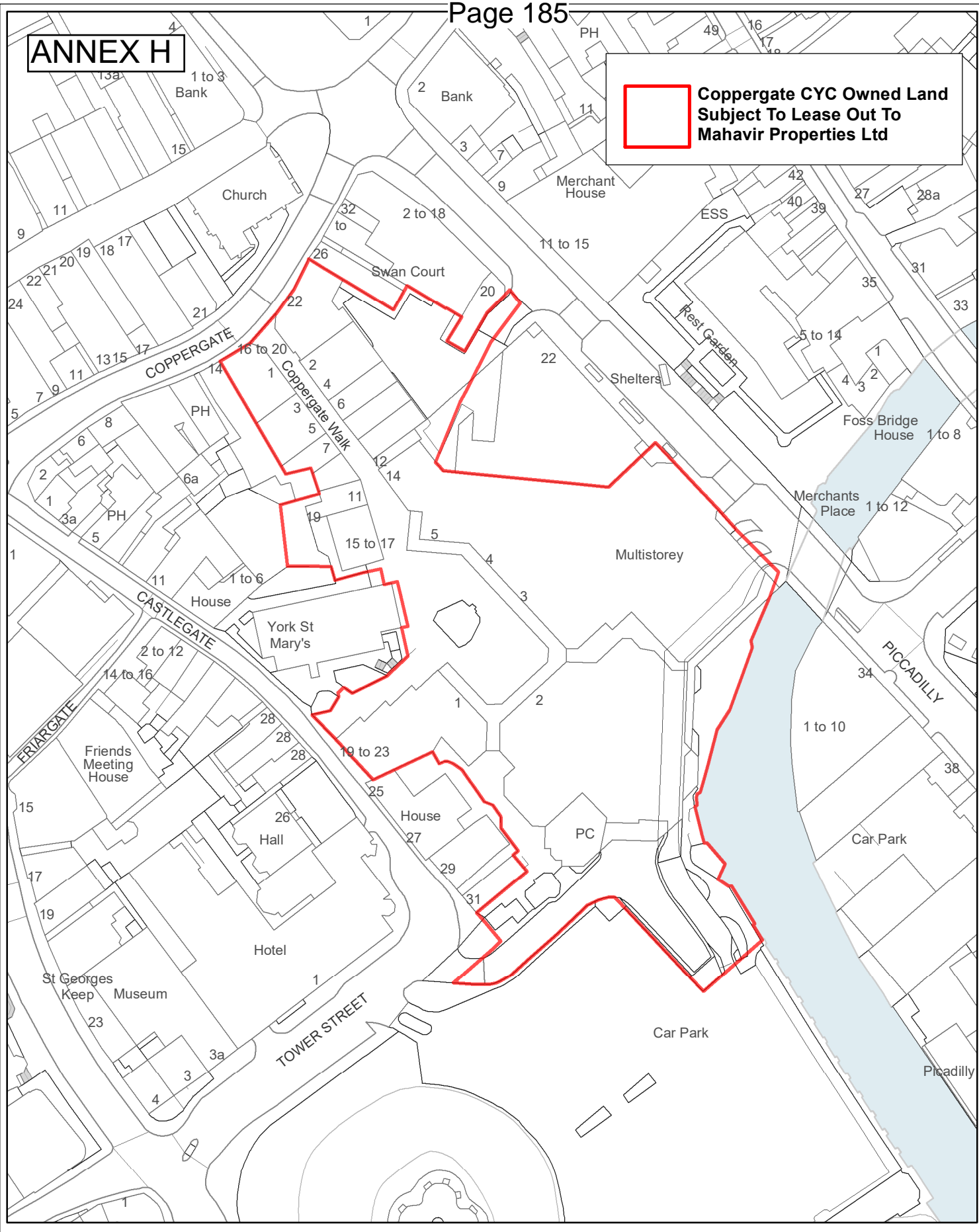
FOR PLANNING

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ANNEX H



**Coppergate CYC Owned Land
Subject To Lease Out To
Mahavir Properties Ltd**



**Asset & Property
Management**

Coppergate Centre Land Leased Out To Mahavir Properties LTD

SCALE 1:1,250 DRAWN BY: KLM DATE: 21/09/2022
Originating Group: **Asset & Property Management** Drawing No.



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Coppergate Boundary Plan



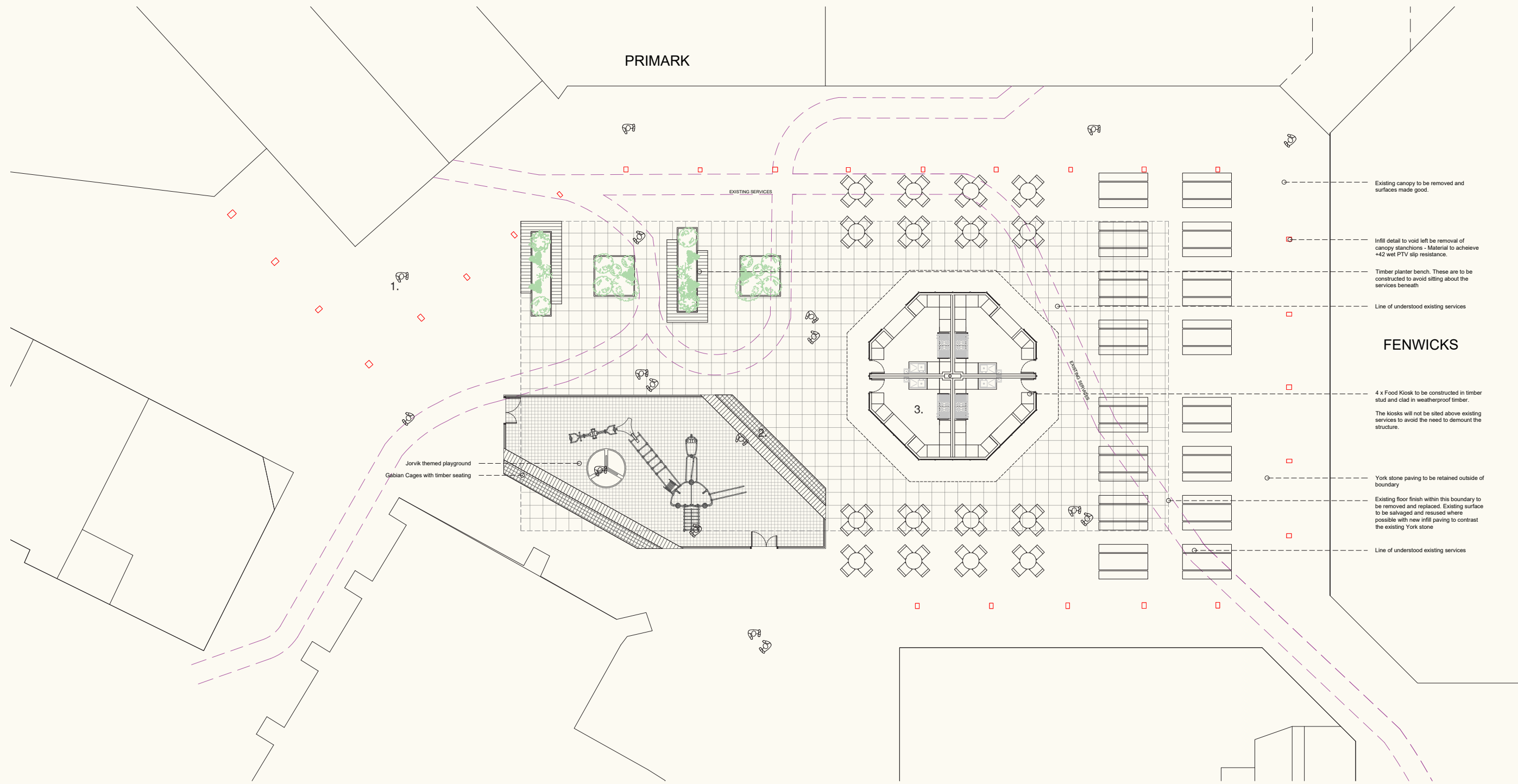
- Key
- Coppergate boundary
 - Proposed extent of service yard
 - Infill of access ramp
 - Extent of service yard for removal
 - Extent of works within Coppergate Boundary

LP00900_SK220922_COPPERGATE BOUNDARY OVERLAY
SCALE 1:500@A3

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Appendix
Indicative Proposals
Coppergate Centre

SITE PLAN



- Existing canopy to be removed and surfaces made good.
- Infill detail to void left be removal of canopy stanchions - Material to achieve +42 wet PTV slip resistance.
- Timber planter bench. These are to be constructed to avoid sitting about the services beneath
- Line of understood existing services
- FENWICKS
- 4 x Food Kiosk to be constructed in timber stud and clad in weatherproof timber. The kiosks will not be sited above existing services to avoid the need to demolish the structure.
- York stone paving to be retained outside of boundary
- Existing floor finish within this boundary to be removed and replaced. Existing surface to be salvaged and reused where possible with new infill paving to contrast the existing York stone
- Line of understood existing services

Phase 1

Removal of existing canopy and make good paving where necessary.

Phase 2

Removal of internal resin floor finish.

Phase 3

Install new floor finish and new insertions i.e. Kiosks, Playground, Planters, Furniture & Lighting

1.5

COPPERGATE CENTRE
PUBLIC REALM
YORK

JH.A

PRECEDENT IMAGES



PUBLIC SQUARE VISUAL



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

Document is Restricted

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Meeting:	Executive
Meeting date:	16 th November 2023
Report of:	Corporate Director for Adults and Integration
Portfolio of:	Cllr Jo Coles, Executive Member for Health, Wellbeing and Adult Social Care

Decision Report: Specialist Mental Health Housing and Support

Subject of Report

1. There is a widely accepted shortage of the right type of accommodation and support to meet the needs of people in York with mental ill-health. The deficit of specialist housing and support options for people with multiple and complex needs, particularly around mental health, and substance use disorder, was identified as a priority in an in-depth piece of co-production on the entire housing pathway. The resultant programme of work focuses on enabling people with complex mental health needs, including those with associated substance use disorder and behavioural difficulties, to access the right type of housing, with the right level of support, at the right time to meet their needs. This paper seeks approval for a change in delivery methodology for this programme of work.
2. On 22nd August 2020, the Executive approved plans to deliver 53 new specialist mental health housing and support places through the development of hub and spoke model.
3. On 15th July 2021 CYC and Vale of York Clinical Commissioning Group (now NHS Humber and North Yorkshire Integrated Care Board (“**ICB**”)) completed a Section 75 partnership agreement in relation to Mental Health Housing and Support (the “**Section 75 Agreement**”). This covers partnership arrangements agreed between CYC and the ICB for 10-years, from 2021 – 2031. It was based on the previously tendered service arrangements that unfortunately did not result in a contract award. The proposed

arrangements in this report therefore deviate from what is currently within the Section 75 Agreement. Any modifications/variations to the existing Section 75 Agreement (or replacement) would need to be in place prior to commencement of any new proposals. Any arrangements with other stakeholders such as Tees, Esk and Wear Valleys NHS Foundation Trust (“TEWV”) would also need agreeing and documenting also.

4. A decision is needed to enable us to amend the original plan and to seek to alter the ICB Section 75 Agreement arrangements and explore alternative delivery options through adopting a phased approach of delivery for the wider programme, which includes a 12-month pilot of 7-units at 92 Holgate Road which will commence in March/February 2024.

Benefits and Challenges

5. Benefits and challenges of a phased approach to delivery of the wider programme which includes a 7-unit pilot at 92 Holgate Road.

- a) Benefits:

- i. More immediate capacity to meet current increased demand whilst the housing schemes are being developed.
- ii. Opportunity to demonstrate savings for both ourselves and our TEWV funding partners.
- iii. Opportunity to develop a methodology of how York’s partners successfully support people with multiple and complex needs in a community setting.

- b) Challenges:

- i. The pilot does not allow for the complexity that the final model will. It does increase our current ability to meet the needs of people with a level of complexity that we have been previously unable to successfully support.

Policy Basis for Decision

6. There is a widely accepted shortage of the right type of accommodation and support to meet the needs of people in York with mental ill-health. The need to improve mental health housing

and support in the city has been highlighted and committed to in several key strategic documents including:

- a) York's Health and Wellbeing Strategy 2017-2022
- b) All Age Mental Health Strategy for York 2018-2023
- c) York Homelessness Strategy 2018-2023
- d) Priorities of the York Mental Health Partnership.

7. The Council Plan committed to 'good health and wellbeing' and agreed to "prioritise support for rough sleepers and work in partnership with the police and other agencies to improved services for people with complex needs, such as substance abuse and mental health issues."

Financial Strategy Implications

8. Source of Funding

As per para 3, CYC and the ICB currently have a Section 75 Agreement for Mental Health Housing and Support arrangements. This covers 10 years from 2021 – 2031. It contains obligations including a CYC and ICB partnership, a Pooled Fund and that CYC would commission the previously intended Mental Health Housing and Support service (that did not result in an awarded service contract).

9. In the Section 75 Agreement the ICB agreed to contribute sum of [£4,327,700] (to be increased subject to inflation) over 10 years. In the event any of the ICB's contribution was to be made up of funding they received from TEWV the ICB was to enter into agreements between the ICB and TEWV. To date the ICB, through TEWV, have provided £926k of 'pump priming' funding to roll out the model of specialist mental health supported housing outlined in Annex 3. Project spending and commitments to 31 March 2025 against this leave an estimated £429k balance to fund the stage-1 pilot at Holgate Road. It should be noted that there are further commitments against this funding beyond March 2025 and replacement funding will need to be found if the balance is used to fund the pilot.

In addition to the pump priming funding above there is a CYC agreement to draw down £131k from the Venture Fund towards the funding of this project

10. Project Costs

It is expected that the stage-1 pilot scheme at Holgate Road will cost in the region of £452k for a year (net of IHM income).

11. Projected Savings

CYC currently has 62 individuals under the age of 65 with mental health support needs in residential placements at a total weekly cost of £80,340 and an annual cost of £4,189,169.

Four individuals have been identified as having the potential to step down from these high-cost placements into the pilot. This would generate savings of £2,576 per week or £133k per year. NB this exercise identified more than 4 individuals who also have the potential to step down when further provision is available.

Recommendation and Reasons

12. **Recommendation:**

- a) To adopt a phased approach of delivery for the wider programme which significantly includes a 7-unit pilot at 92 Holgate Road for 12-months.
- b) To enter a service contract with mental health support services provider (the “**Provider**”) for a Term of 12-months for provision by the Provider from 92 Holgate Road of a 7-unit mental health support service (the “**Service Contract**”).
- c) To grant a lease of 92 Holgate Road to the Provider for a Term of 12-months (the “**Lease**”).
- d) To amend the existing Section 75 Agreement with the ICB to address changes to the long-term intentions of the Mental Health Housing and Support project and the funding requirements for the 12-month pilot at 92 Holgate Road.
- e) To delegate authority to the Corporate Director of Adult Services and Integration (“**DASS**”) (and their delegated officers), in consultation with the Director of Governance (and their delegated officers), to:

1. negotiate the provisions, and conclude the entry into, of the Service Contract and the Lease;
2. negotiate and approve any required amendments to the existing Section 75 Agreement and arrangements with the ICB on the Council's behalf; and
3. negotiate and agree any arrangements and agreements with TEWV, ICB or other stakeholders as may be required including (but not limited to) any alternatives or replacements to the existing ICB Section 75 Agreement if necessary.

Reasons - The reasons for this are as follows:

- a) The Pilot should allow for in-year financial savings against high-cost residential placements.
- b) The delivery of suitable accommodation at the 2-sites previously identified at Woolnough House and Crombie House will take several years. A 7-unit pilot at 92 Holgate Road will enable immediate delivery of the project's aspirations within a currently vacant resource.
- c) The level and acuity of demand has only increased since the development of the original delivery plan. The Pilot will enable us to go a small way towards meeting this increased level of need.
- d) Although the shared house setting is not suitable for people with the highest level of associated risks who require self-contained accommodation, it will increase our ability in the interim to meet the needs of people we have been previously unable to successfully support due to levels of complexity. The pilot cohort will contain a mixture of people who have been in expensive out-of-area residential placements, in long-term NHS rehabilitation placements, people within the resettlement pathway with significant mental health and substance use disorder support needs and people stepping down from Foss Park

- e) This new service will not succeed without the support of other specialist services such as the mental health teams with TEWV, Drug and Alcohol services, police and community safety, primary care and the third sector offer for people with multiple and complex needs. The pilot will provide an opportunity to develop a methodology of how York successfully supports people with multiple and complex needs in a community setting. Work is ongoing with TEWV and other partners to develop what this support will look like. The pilot is an opportunity to develop partner working arrangements whilst managing the risk by working with a smaller cohort of people. These arrangements will be tested and refined over the pilot period ready for the expansion into the final phase of the project.

Background

13. The deficit of housing and support options for people with multiple and complex needs, particularly around mental health and substance use disorder was identified through extensive coproduction as one of four priorities in the 2019 Resettlement Review of the entire housing pathway.
14. As a result, in 2020 the executive authorised a programme of work that would enable people with complex mental health needs, including those with associated substance use disorder and behavioural difficulties, to access the right type of housing, with the right level of support, at the right time to meet their needs. It initially aimed to do this through:
 - a) *“The development of 21 Housing First places. Housing First is an internationally recognised and evidence-based model of housing and support for those with chronic housing, health, and social care needs. With Housing First, the idea is that people are provided with permanent housing with no requirement to prove that they are ‘housing ready’ and then personalised, intensive ‘wrap around’ support is provided to help them develop and retain their independence and maintain a tenancy.*
 - b) *Two new specialist mental health supported housing schemes (32 places) that were to be developed on two sites currently owned by the Council at Woolnough House, off Hull Road, and Crombie House on Danebury Drive in Acomb. Each scheme*

will have 24/7 onsite staffing and will contain 10 places, as well as providing support to another 6 satellite flats within a 1-2 mile radius of the scheme.”

15. Unfortunately, the market was unable to provide the housing development required and the procurement was closed without any potential delivery partners. The project continued to deliver against the Housing First aspiration, but a change in approach is required to deliver the rest of the model.

Consultation Analysis

16. The model was co-produced with all identified stakeholders within the housing and mental health pathways over a period of 3-years. The recommended model and way forward were authorised by both our CYC governance processes and those of our partners in health.
17. Since the programme has been refreshed, project controls have been developed to ensure any development of approach is signed off by partners. The Project Board is attended by the wider community, including people with lived and worked experience. A CYC/TEWV steering group also informs decision making. A fortnightly task and finish is attended by both front line and strategic management from social work, housing, health and the third sector and provides challenge and support to enable delivery of the original ambitions.
18. All recommendations have been developed through these processes.

Options Analysis and Evidential Basis

19. **Recommendation 1: Adopt a phased approach to delivery of the wider programme which includes a 7-unit pilot at 92 Holgate Road**
 - a) The delivery of suitable accommodation at the above two identified sites at Woolnough House and Crombie House will take several years. The level and acuity of demand has only increased since the development of the original delivery plan. A 7-unit pilot at 92 Holgate Road will enable immediate delivery of the project's aspirations within a currently vacant resource.

- b) Although the shared house setting is not suitable for people with the highest level of associated risks who require self-contained accommodation, it will increase our ability in the interim to meet the needs of people we have been previously unable to successfully support due to levels of complexity. The pilot cohort contains a mixture of people who have been in long-term NHS rehabilitation placements, people within the resettlement pathway with significant mental health and substance use disorder support needs and people stepping down from Foss Park

- c) This new service will not succeed without the support of other specialist services such as the mental health teams with TEWV, Drug and Alcohol services, police and community safety, primary care and the third sector offer for people with multiple and complex needs. The pilot will provide an opportunity to develop a methodology of how York successfully supports people with multiple and complex needs in a community setting. Work is ongoing with TEWV and other partners to develop what this support will look like. The pilot is an opportunity develop partner working arrangements whilst managing the risk by working with a smaller cohort of people. These arrangements will be tested and refined over the pilot period ready for the expansion into the final phase of the project.

- d) The Pilot will inform the next phase of the project through financial and outcomes-based analysis. In addition to financial factors the evaluation criteria for Year 1 is set as follows:
 - i. Increased housing and support provision for people with complex MH support needs.
 - ii. Increased specialism within the system for complex cases as evidenced by number of difficult to place cases at MH Housing Panel.
 - iii. Decreased delayed discharges at Foss Park due to lack of appropriate housing and support.
 - iv. Decreased usage of rehab placements.
 - v. Decreased unplanned move-ons/ evictions where homeless services/rough sleeping is the departure destination.
 - vi. Decreased number of people in out-of-borough placements.

Organisational Impact and Implications

20. **Financial**, contact: Chief Finance Officer.

a) Stage 1

The ICB through TEWV provided the Specialist MH Housing and Support Project £926k of 'pump priming' funding. This is in addition to a CYC agreement to draw down £131k from the Venture Fund, which has not yet been used.

It is expected that savings will be made from placing individuals in this pilot setting. The identity of the customers to be moved has not yet been agreed but as outlined in paragraph 11 above there are at least four individuals currently in CYC placements who would be suitable candidates for the pilot. Placing these four would save around £133k p.a. which will reduce the amount of the pump priming funding that will be needed to fund the pilot and therefore reduce the impact on the funding for stage 2 of the project (see b below).

Funding is currently being used towards the Housing First Workers (£115k p.a.), Tennyson Avenue (£52k over 2 years) and topping up the RSG grant to fund MH Nurses (£88k over 3 years). The balance available at the start of 2023/24 was £794k. Further commitments on the above for 2023/24 and 2024/25 amount to £365k, which leaves an estimated £429k balance unspent by March 2025.

It is expected that the stage-1 pilot scheme at Holgate Road will cost in the region of £452k for a year (net of IHM income). Please note this figure does not include the potential costs of work needed on the site to bring it to a suitable condition to be used as a base for the pilot. The cost is currently being estimated and will be ready by November.

It should also be noted that use of the pump priming funding and the Venture Fund to support stage-1 of the project will reduce the amount available to fund stage 2 of the two new specialist housing schemes.

b) Stage-2

This paper is in relation to the 12-month Stage-1 pilot of a wider project that was given Executive approval on 27 August 2020 and to which the ICB through TEWV have contributed nearly £1m towards its delivery.

The Stage-1 pilot will deplete this initial funding and a transition to Stage 2 will rely on the 'business as usual' model. Ongoing service costs were agreed to be shared by CYC and the ICB through TEWV. The majority of future CYC funding was to be sourced from the closure of 22 The Avenue and recycling of that funding for 7 low risk beds into 32 higher risk specialist beds. CYC funding was also to be sourced from the expected savings from costly out-of-area placements as summarised below (for full details see pages 14-16 Annex 3):

- i. Current revenue funding available from the existing service at 22 The Avenue and is the budget released by re-providing the existing 22 The Avenue service. The 2023/24 budget for 22 The Avenue is £464k.
- ii. Savings realised within Adult Social Care Mental Health budgets due to CYC social workers reducing the numbers of individuals placed in long term care settings (residential) and the numbers accessing intensive community support options.
- iii. Increased income that will go to the service landlord /support provider to offset the overall costs through the housing benefit entitlements using Intensive Housing Management (IHM). Using current levels estimates for the final model of 53 units equate to £232,882.
- iv. Contribution from TEWV which was initially agreed at £500k/annum.

The following case study illustrates some of the financial benefits to supporting people in local community services. In July 2021 E was placed in specialist complex care residential service in Wakefield at a cost of £3,993 per week. Severe and enduring mental health needs can require long-term support, however, methodologies such as the recovery approach can deliver outcomes of increased wellbeing and independence. Placement outside of the borough poses logistical barriers to ensuring this approach as it is more difficult to maintain contact with the individual, monitor the ongoing appropriateness of the placement and the quality of services. In the case of E, after 2 years within this Service there has been a recent request to increase the weekly care package to £4,666. Isolation from family, friends and local communities can all negatively affect an individual's progression to

recovery and wellbeing which in turn has an impact on the level of support required.

21. **Human Resources (HR)**, contact: Head of HR.

22. **Legal**

Recommendation 1

○ **Statutory Duties**

- Section 117 of the Mental Health Act 1985 describes the duty to provide aftercare services in some circumstances following hospital admission.
- Section 75(5) of the Care Act 2014 defines “after care services” as services which:
 - meet a need arising from or related to the person’s mental disorder; and
 - reduce the risk of a deterioration of the person’s mental condition (and, accordingly, reducing the risk of the person requiring admission to a hospital again for treatment for the disorder). Establishing a supported housing pathway would help to meet the Section 117 duty under the Mental Health Act 1985, prevent re-admission and support long term recovery.
- The Children Act 1989 and associated legislation places ‘pathway’ duties on local authorities to support young care leavers into independence, which includes support with accommodation needs.
- The Housing Act 1996 provides instances where the local authority has a duty to provide accommodation to homeless persons, including some instances where an individual is in “priority need”. Priority need includes several categories of individual, including persons who are vulnerable because of mental illness. Without appropriate accommodation for people with complex needs there is a risk that this duty may not be met.

○ **Commercial & Procurement Law Implications**

- Any works and/or support services necessary to adapt the property at Holgate Road must be commissioned in accordance with a robust procurement strategy that complies with both CYC's Contract Procedure Rules and Part 2 the Public Contract Regulations 2015. Advice must be sought from both Commercial Procurement and Legal Service with regards to the Tender Documents and the form of Contract.
- Service contracts entered between CYC, and any public bodies will require advice from Legal Services to ensure that these comply with the requirements of Reg 12(7) of Public Contract Regulations 2015 relating to co-operation between contracting authorities, in accordance with CYC's powers under the Local Authorities (Goods & Services) Act 1970, Sections 101 and 11 of the Local Government Act 1972, Section 93 of the Local Government Act 2003, and Section 1 of the Localism Act 2011 (the "Powers").
- It is essential that CYC review the existing s75 arrangements. Any variations to the current Section 75 Funding Arrangements with the ICB, or any alternative partnership/collaboration arrangements between CYC and partners within the ICB, TEWV, Drug and Alcohol services, the police and community safety, primary care and the third sector in accordance with the above Powers will need to be developed with advice from Legal Services and Finance on the different routes and the associated advantages and risks of each route. Full instructions will need to be provided to Legal and Finance to analyse in due course.
- Regarding Section 75 partnership agreements, such arrangements are subject to the requirements of the NHS Act 2006, the NHS Bodies and Local Authorities Partnership Arrangements Regulations 2000 and related law.

Section 75 of the NHS Act 2006 can enable partners (certain NHS bodies and Councils) to collaborate in respect of defined "Prescribed Functions". This can

(subject to also meeting other criteria) enable partners to collaborate including as below:

- a) *by contributing to a common fund which can be used to commission health or social care related services;*
- b) *for a local authority to commission health services and NHS commissioners to commission social care; and*
- c) *for joint commissioning and commissioning of integrated services.*

The power to enter into section 75 agreements is also conditional on meeting the following:

- i. The arrangements are likely to lead to an improvement in the way in which those functions are exercised; and*
 - ii. The partners have jointly consulted people likely to be affected by such arrangements*
- Any personal data relating to the pilot service that is to be shared between the partners must be subject to a Data Sharing Arrangement which complies with UK Data Protection Legislation, produced in conjunction with Legal Services and the Information Governance Teams (see below). The same applies to any data processing arrangements between the partners and/or any works or service providers to ensure that required

○ ***Property Law Implications***

- 92 Holgate Road (“the Property”) is currently a Council-owned building. It is understood that the Property is currently vacant. It is not known whether such building is currently part of the Housing Revenue Account/HRA or is General Fund/GF asset.
- The Council has statutory powers:
 - Pursuant to Section 123 of the Local Government Act 1972, to dispose of any General Fund/non-

HRA land held by the Council (including granting a lease of it). Although Section 123 requires that the consent of the Secretary of State for Housing, Communities and Local Government be obtained for a disposal at a consideration (price) less than best reasonably obtained, such consent is automatically given for the disposal of General Fund/non-HRA land by a General Consent Order where both of the following conditions are satisfied:

- the Council considers that the disposal will contribute to the promotion or improvement of the economic, environmental, or social well-being of its area; and
 - the difference/shortfall between the consideration/monetary receipt obtained and best consideration amount does not exceed c. £2M.
- Pursuant to Section 32 of the Housing Act 1985, to dispose of any HRA land held by the Council (including granting a lease). Although Section 32 requires that the consent of the Secretary of State is obtained for a disposal of HRA land (whether at or below market value), General Consent Orders automatically give SoS consent to disposal/leasing of such land where:
 - the disposal is at market value; or
 - by way of “short tenancy” comprising a lease for a term not exceeding 7-years (but on the expiry of such tenancy a further short tenancy of the land cannot be granted pursuant to such General Consent until at least 1-year after the original short tenancy has expired).
 - Regarding HRA land, Section 25 of the Local Government Act 1988 prohibits a local authority from providing/giving “financial assistance or gratuitous benefit” when disposing of HRA land

(including disposing for a price below market value) without the consent of the Secretary of State. However, a General Consent Order (“**GCO**”) does give SoS consent to the provision of financial assistance/gratuitous benefit in the limited circumstances specified in such GCO, including to the provision to any person of financial assistance or gratuitous benefit consisting of the disposal of an asset comprising a dwelling house or hostel where:

- the aggregate amount or value of the financial assistance or gratuitous benefit provided by the local housing authority to all persons under this consent in any financial year shall not exceed the sum ascertained by multiplying the population of the area of the authority by the figure of £3.00;
- the disposal must be:
 - by way of a lease for a term not exceeding 21-years; and
 - to either:
 - a registered provider of social housing; or
 - a person who intends to use the accommodation for occupation by persons with a special need; and
 - the aggregate number of dwelling-houses comprised in the disposal and any previous disposal by the local authority under this consent in the same financial year must not exceed a number (the “**ceiling**”) equal to the greater of 50, or one quarter of one per cent of the number of dwelling-houses owned by the

authority at the commencement of the financial year in which the disposal takes place.

In any event, it is considered that General Consents give CYC power to dispose (by way of leases for a term up to 7-years) of the necessary properties to the appointed service provider without needing to apply for and obtain express consent from the Secretary of State.

- It is considered that use of the Property for the proposed purpose is still 'a housing use' (such that consent should not need to be obtained from the Secretary of State for change of use from HRA housing to non-housing use pursuant to Section 19 of the Housing Act 1985). If the Council wishes to "appropriate" (change the use of) a HRA property currently used for housing purposes to a non-housing use then the consent of the Secretary of State may be required.

23. ***Procurement, contact: Head of Procurement.***

For the recommendations in this report where the council needs to commission building works and/or support services to adapt the properties at Holgate Road and provide specialist mental health services these must be procured in accordance with CYC's Contract Procedure Rules and also the Public Contract Regulations 2015. Advice and support must be sought from both Commercial Procurement and Legal Service with regards to the development of the procurement procedure to be followed, tender documentation, and the form of contract to be advertised to seek competition and receive valid tender submissions to be evaluated for the award of the contract.

The budget for the Mental Health support services will likely exceed the current Light Touch Regime (LTR) threshold of £663,540 which is applicable to Health and Social Care contracts. Therefore, the Public Contract Regulations 2015 stipulates that where a contract exceeds the LTR threshold a Contract Notice must be published in the public domain i.e.,

the website Find a Tender, and to invite competitive tenders by publishing the framework tender documents in a e-tendering website i.e. Yortender and ensure the evaluation and award of the contract follow the principles of equal treatment and transparency and the council receives value for money and suitable providers to deliver these commissioned services.

The Commercial Procurement team will support commissioning colleagues to prepare the procurement documentation and work alongside Legal Services, Finance to draft the tender documentation and appropriate form of contract, evaluation methodology and criteria to assess quality and price to identify the bidder(s) that are best to complete the works and provide the services as defined within the tender documents and represents the Best Value to the council.

24. ***Health and Wellbeing***, contact: *Director of Public Health.*

The pilot will deliver a number of benefits to both the individual and to the system, however, the health and wellbeing of the individuals within the service will need a more specialist approach than that previously taken in community services. This will be delivered partly through the commissioning of an experienced, specialist mental health provider who will be onsite 24/7 to manage the service. This provider will benefit from TEWV clinical supervision which will ensure staff can respond to changing levels of risk and complexity within the community.

The service has been designed for meet the needs of those with multiple support needs including those with 'dual diagnosis'. The pilot will ensure that individuals are supported to manage their substance use disorder using clear pathways and partnership working with the York Drug and Alcohol Services to ensure these specialist services can provide targeted support to those in this pilot.

Our current inhouse service (22 The Avenue) is unable to support people at risk of suicide. This pilot will meet that current gap through provision of a more specialist service ran by an experienced mental health provider with appropriate training and processes in relation to this risk. In addition to the specialist nature of the provider and staff trained in this area,

the building will be modified to remove any physical risk, for example, the stair banisters are being heightened and works done on the bedrooms in relation to anti ligature guidance,

25. **Environment and Climate action**, contact: Director of Transport, Environment and Planning, and Head of Carbon Reduction.

26. **Affordability**, contact: Director of Customer and Communities.

27. **Equalities and Human Rights**,

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

At the time of writing there are no equalities implications identified in respect of the matters discussed in this report. However, an Equalities Impact Assessment will be carried out in due course and the process of consulting on the recommendations in this report will identify any equalities implications on a case-by-case basis, and these will be addressed in future reports.

28. **Data Protection and Privacy**, contact: Information Governance and Feedback Team Manager – every report must consider whether to have a Data Protection Impact Assessment (DPIA) and this section will include the compliance requirements from the DPIA or explain why no DPIA is required.

29. **Communications**, contact: Head of Communications.

30. **Economy**, contact: Head of Economy.

Risks and Mitigations

31. Creating community provision for people with more serious levels of mental illness is a risk that needs to be mitigated through ensuring the specialist networks can wrap around and offer support to the pilot. These services include Drug and Alcohol services as mentioned above. A key partner is TEWV who has been involved with this pilot from conception.
32. TEWV fully supports the development of the specialist mental health supported accommodation in acknowledgement of the significant deficit in provision for the citizens of York. The development will be supported by the Specialist Community Mental Health Teams, this will include the Crisis and Home Treatment Team, the Assertive Outreach and Recovery Team as well as the Community Mental Health Teams. When required each resident will have an identified Key worker who will support and coordinate care. The resident will have access to psychiatry, psychology, occupational therapy, and nursing.
33. The provider of the service, as well as the services who provide input to the residents, will have access to Trauma informed training from TEWV specialist Psychological Therapists. This is part of a Trauma Informed North Yorkshire and York, a community approach to build good practise in the community, share resources, and strengthen relationships. The hostel provider will have access to Specialist Clinical Supervision. There is ongoing engagement with the specialist services to support the launch of the mental Health housing.
34. The financial risk of this approach is the depletion of project monies within the 12-month period. This leaves no scope for timescale slippage when transitioning to the Year 2 business-as-usual funding model. The majority of ongoing funding for the expanded specialist model will be provided through the decommissioning of 22 The Avenues (see attached previous papers in appendix 3). The 12-month project enables us to maintain 22 The Avenues, test the model and begin wider system transition. However, to mitigate the financial risk, we must ensure that all processes are in place to enable budgets to transfer at the end of the 12-month period. The previous project commenced the TUPE process with staff at 22 The Avenues. HR will be immediately engaged with around the plan to

ensure clear process and staff communication should the recommendations be approved. No steps have been taken in advance of approval.

35. The recommendations above enable us to better manage the risks that were highlighted by the previous project. For example, adopting a phased approach with a pilot allows us to ensure we have the most efficient and effective model of delivery for this cohort before commissioning on a wider scale. This change also enables us to respond in a timelier manner to the risks to the community of not having appropriate community services.
36. The recommendation to allow us to explore alternatives to the previous delivery mechanisms will enable us to be responsive to realities of the market. Permission to explore beyond the previous plan will enable us to gather information in order to make an informed value for money recommendation as to how we source appropriate accommodation for this much needed Service.

Wards Impacted

37. All wards will be impacted.

Contact details

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

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Report approved:	Yes
Date:	01/08/2023

Co-author

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Service Area:	All Age Commissioning
Telephone:	01904554099

Report approved:	Yes
Date:	01/08/2023

Background papers

Annexes

Annex 1: York Homelessness Pathways 2022

Annex 2: Mental Health and Homelessness

Annex 3: Executive Paper 27th August 2020

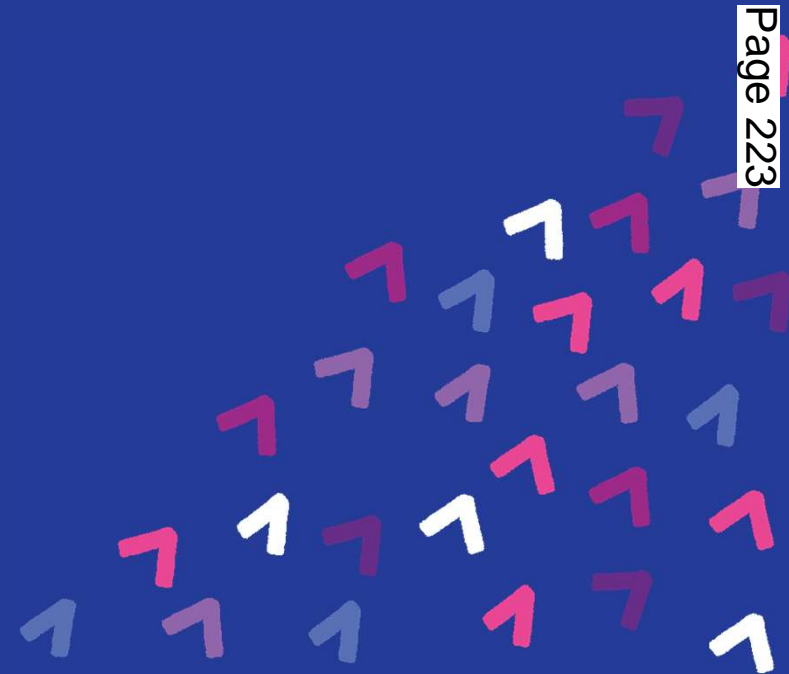
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CHANGING LIVES

York Homelessness Pathways Jan 2022

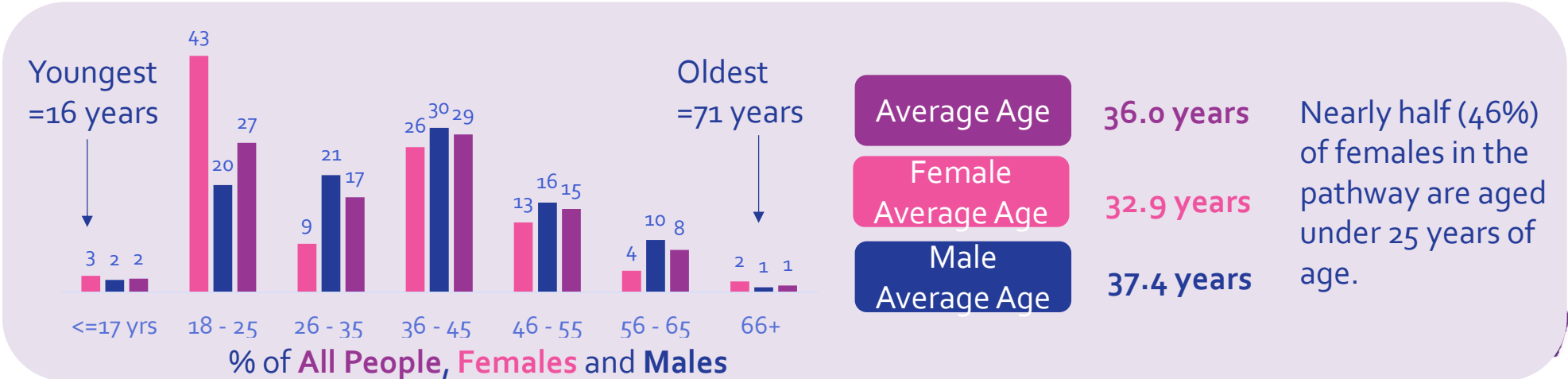
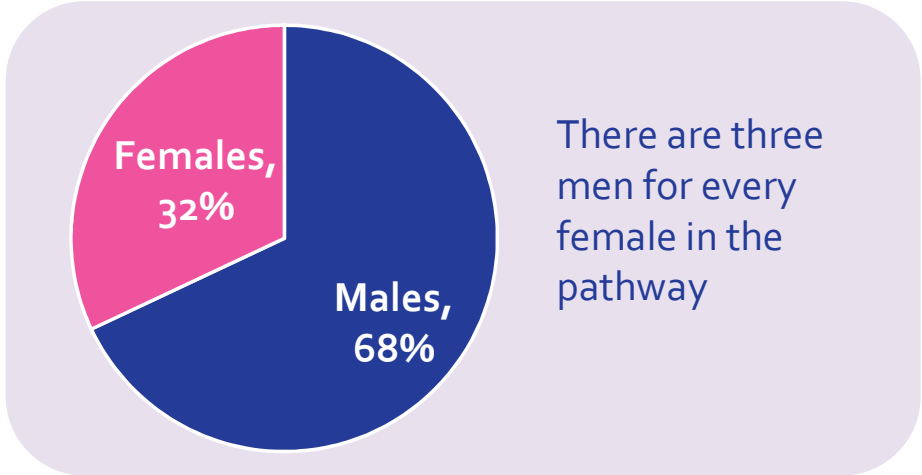
Presenter | Lissa Anderson

Date | 16th February 2022



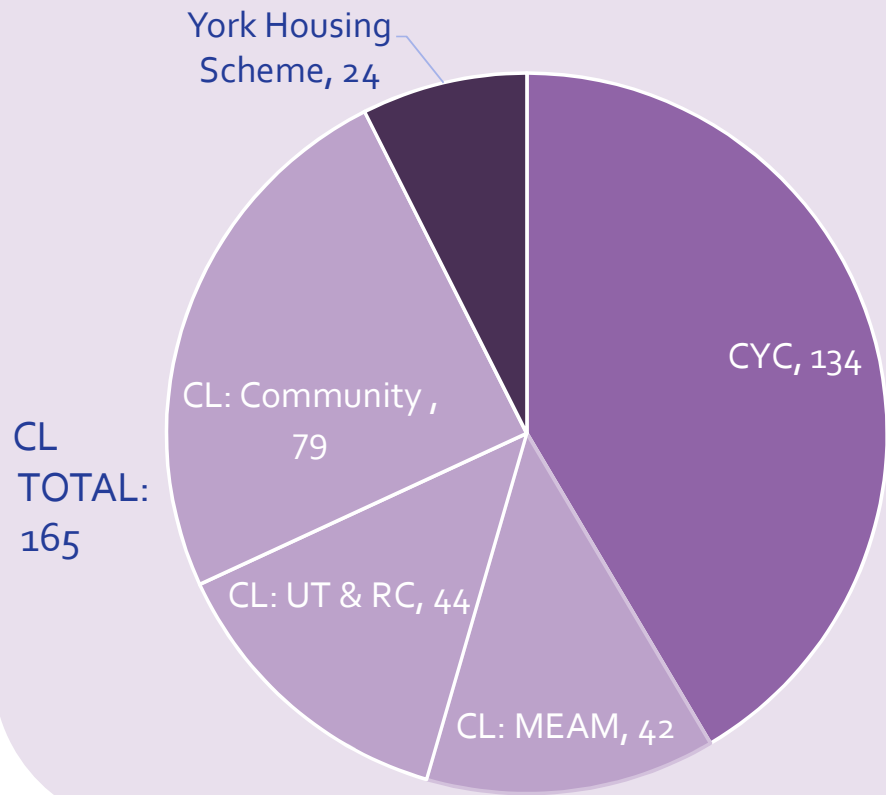
Profile of those in York Homelessness Pathway - January 2022

323
People in pathway

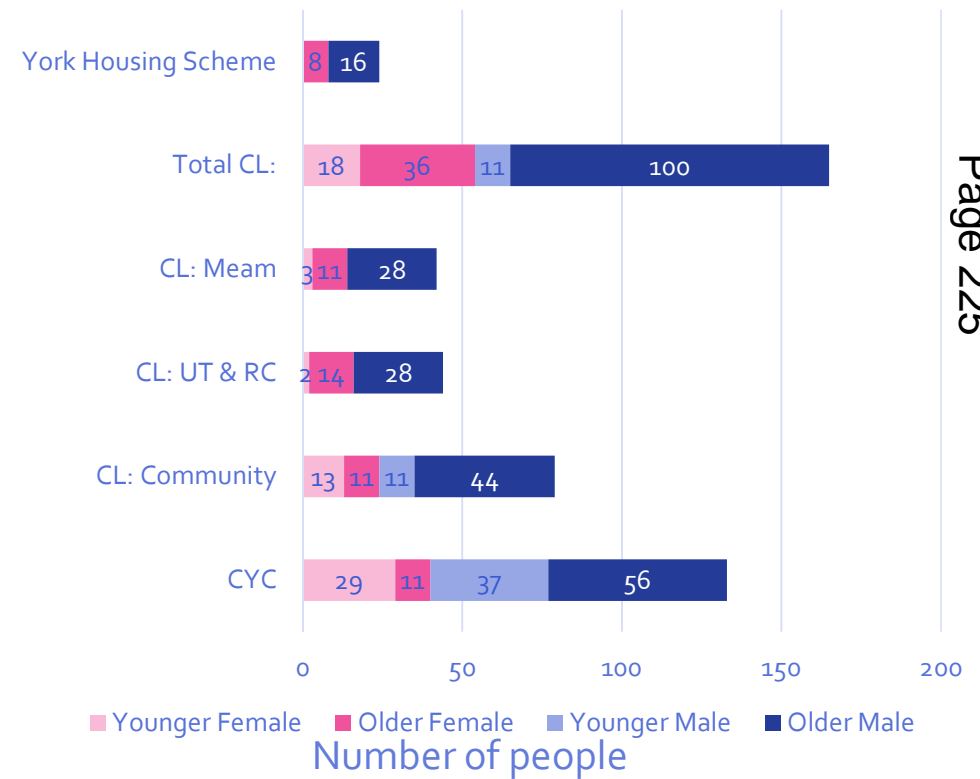


Sample details by provider:

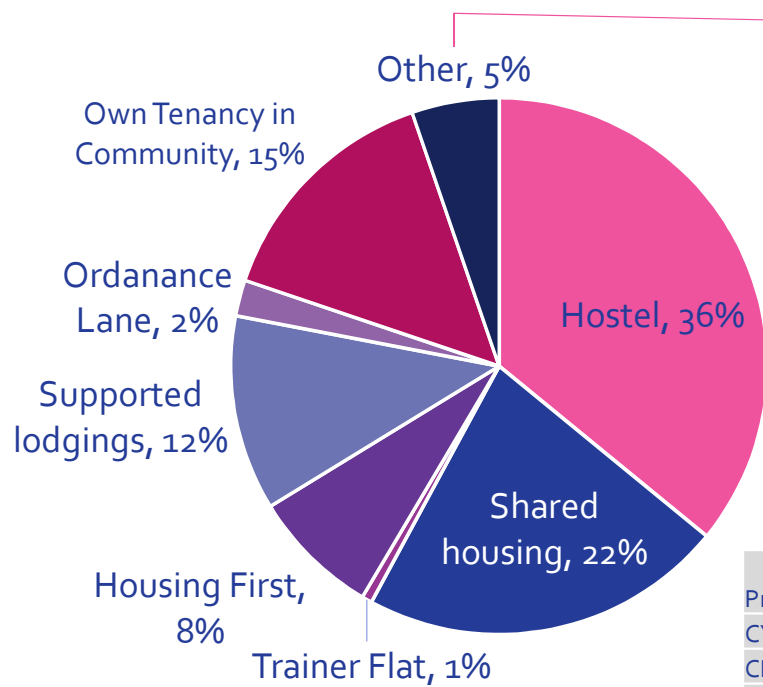
Number of people by Provider



Age and gender split by provider



Type of accommodation:

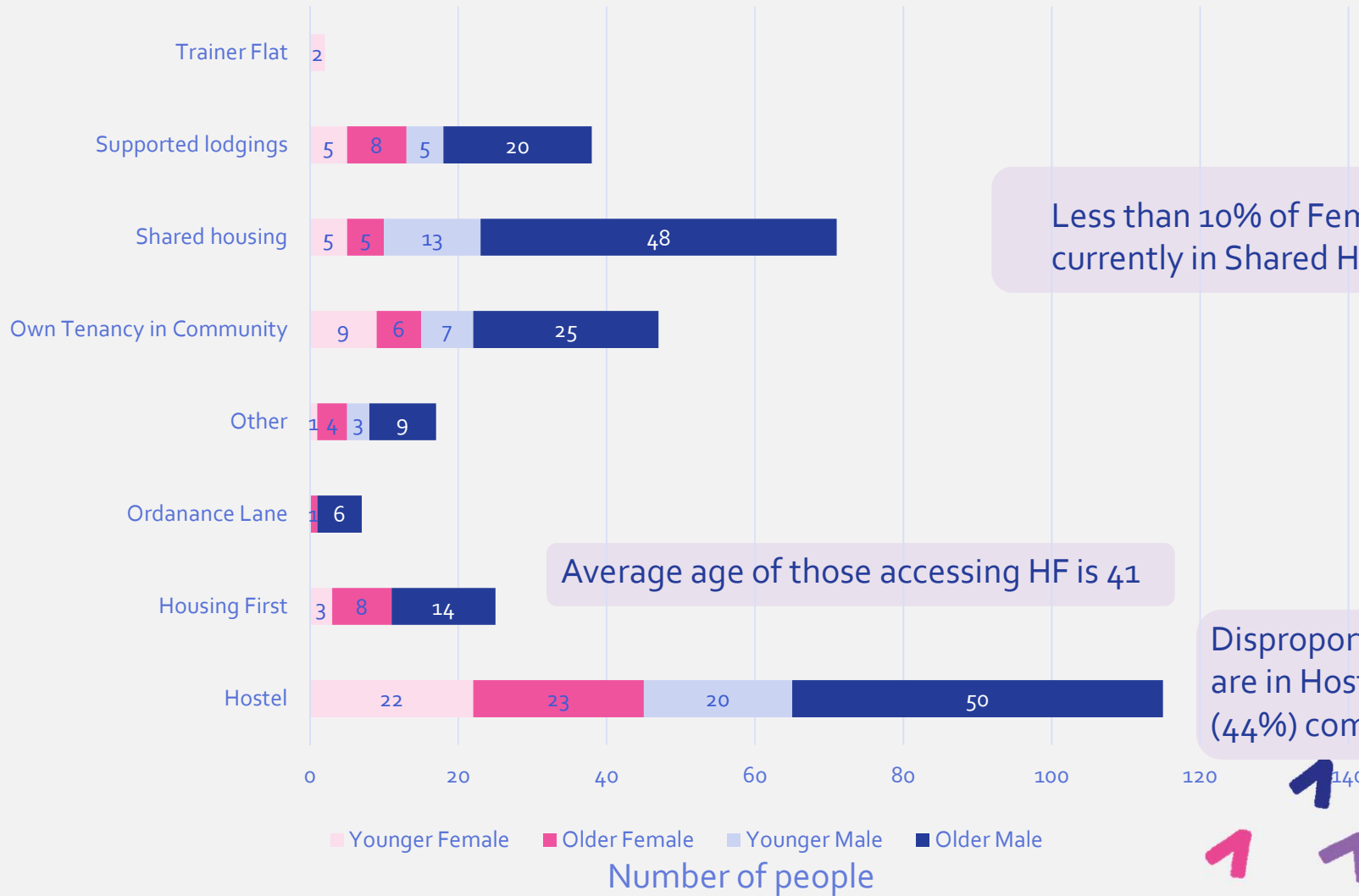


- Prison
- Partner
- Prison
- Prison
- Nighstop- will become SL
- Floating support
- Floating support
- B&B
- Sofa Surfing

Type of accommodation by Provider:

Project:	Hostel	Housing First	Ordanance Lane	Other	Shared housing	Supported lodgings	Trainer Flat	Grand Total
CYC	65	6	5	6	37	12		131
CL: Community		2			34		2	79
CL: MEAM	7	17	2	11		2		42
CL: UT & RC	44							44
CL: TOTAL	51	19	2	11	34	2	2	165
York Housing Scheme						24		24
Grand Total	116	25	7	17	71	38	2	323

Type of accommodation by gender and age



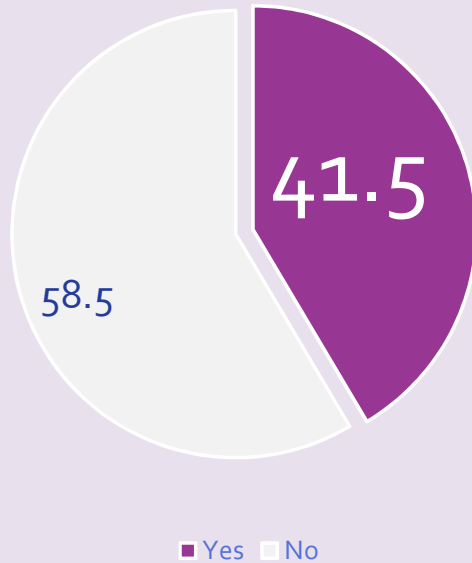
Less than 10% of Females are currently in Shared Housing

Average age of those accessing HF is 41

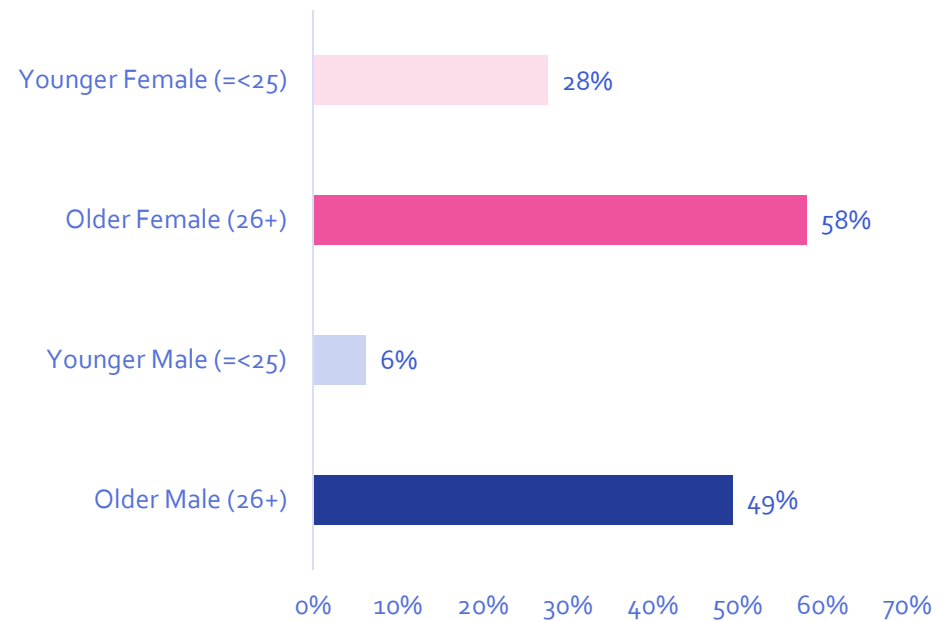
Disproportionally more Females are in Hostel accommodation (44%) compared to Males (32%)

Repeat Presentations

% of people who are repeat presentations



Repeat presentations by gender & age



2 out of every 5 people are currently on at least their third stay. As you'd expect re-presentation rates increase with age, females have a slightly higher propensity to represent. There appears to be a spike in re-presentations amongst younger females, with 3 in 10 of those in the pathway on at least their third stay.

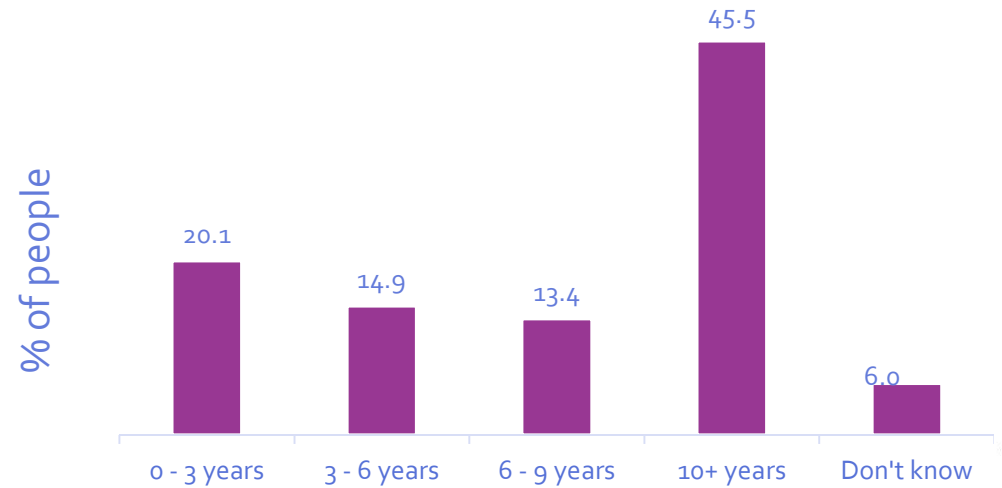
Repeat Presentations

41.5%

Of people currently in the system are re-presentations

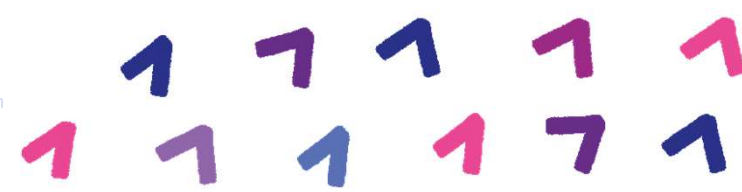
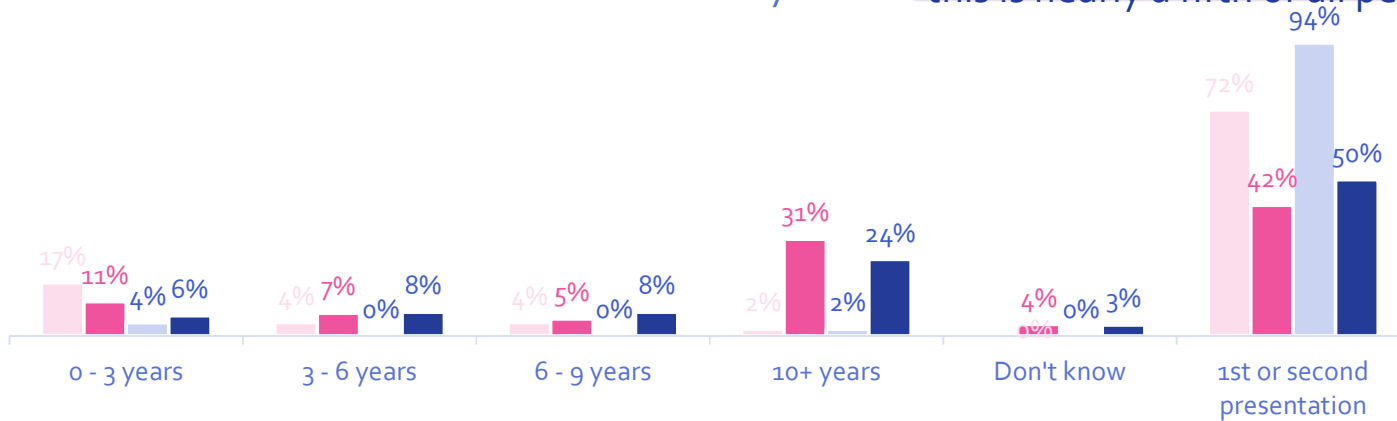


Time in the system



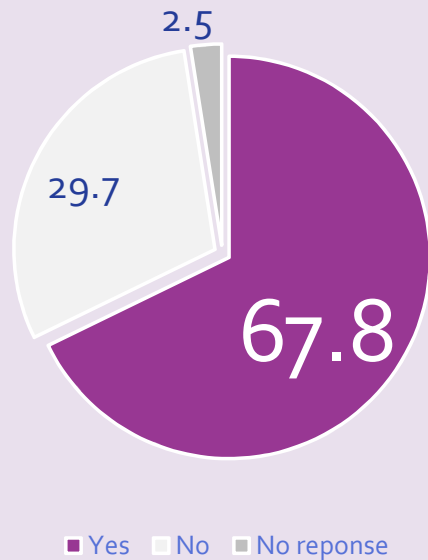
3 in 5 of those that are re-presentations (59%) are known to have been in the system for 6 or more years. Nearly half of all re-presentations (46%) have been in the system for more than 10 years, this is nearly a fifth of all people currently within the pathway (19%)

Time in the system

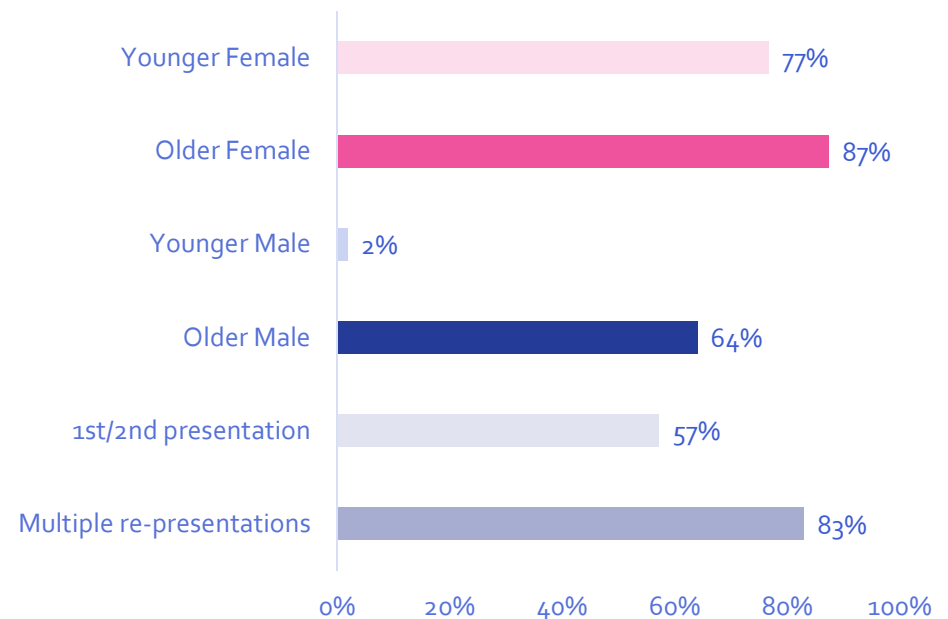


Experience of Trauma

% of people who are known to have experience of Trauma



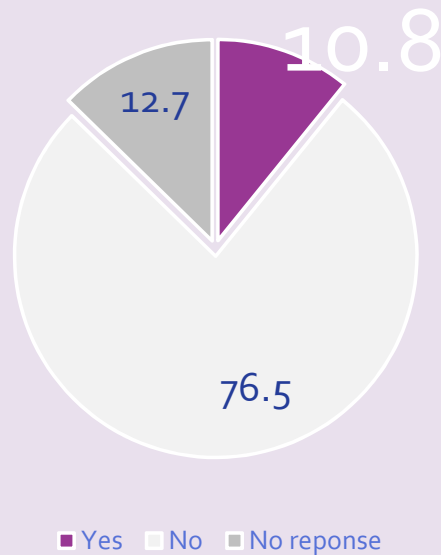
Who had experience of trauma:



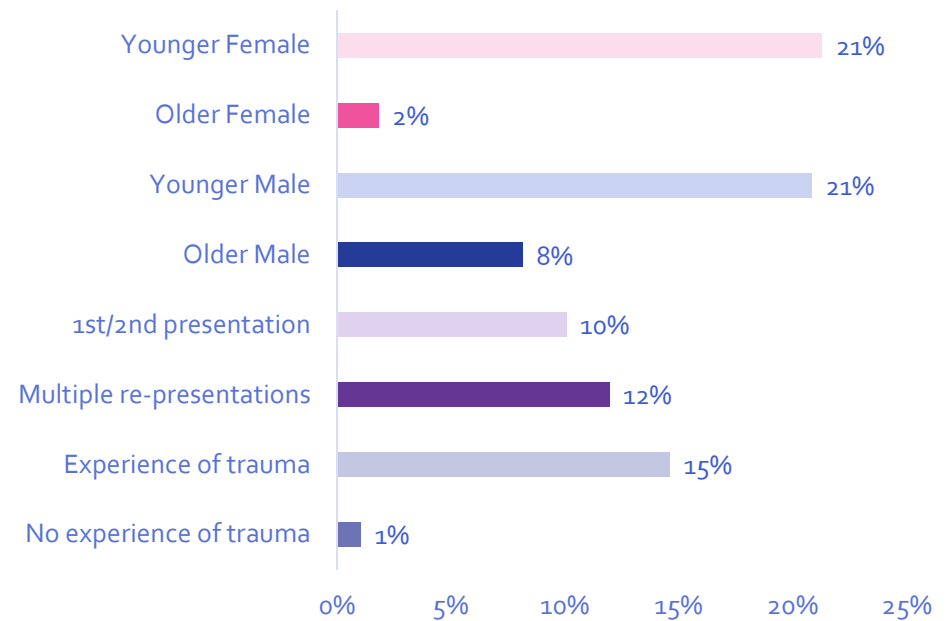
Over two thirds (68%) are known to have experience of Trauma. Females within the pathway are more likely to be identified with Trauma (80%) than males (61%). Those with multiple re-presentations into the pathway have an increased propensity to experience Trauma. Young males are significantly less inclined to experience or disclose Trauma.

Care Leaver

% of people who are known to be a Care Leaver



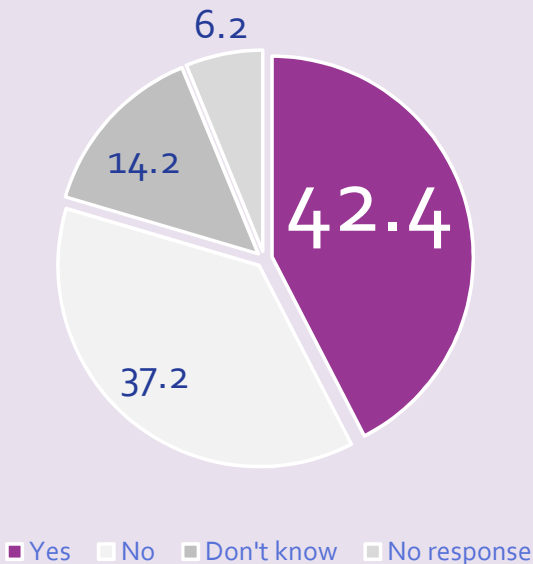
Who is a Care Leaver:



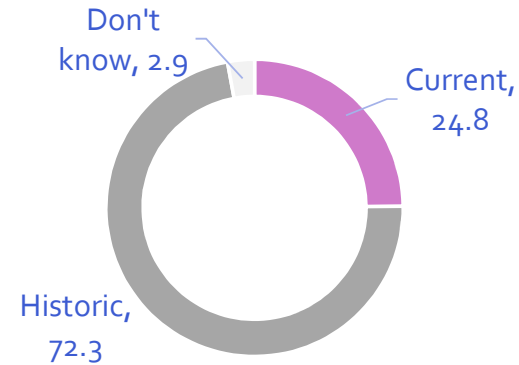
Only 1 in 10 people within the Pathway are known to be Care Leavers. There is a higher prevalence of those with experience of Care amongst the younger people accessing the pathway. 15% of those with experience of trauma, were Care Leavers, indeed nearly all (91%) of Care Leavers had experience of trauma.

Domestic Abuse

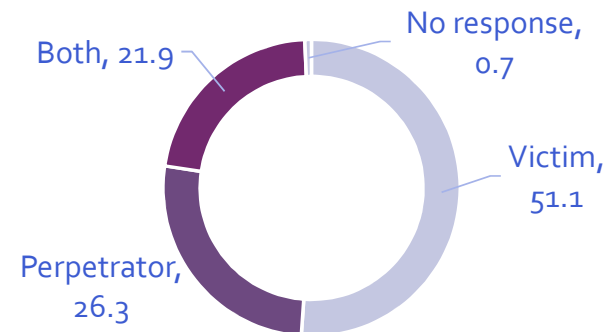
% of people who are known to have experienced Domestic Abuse



When:



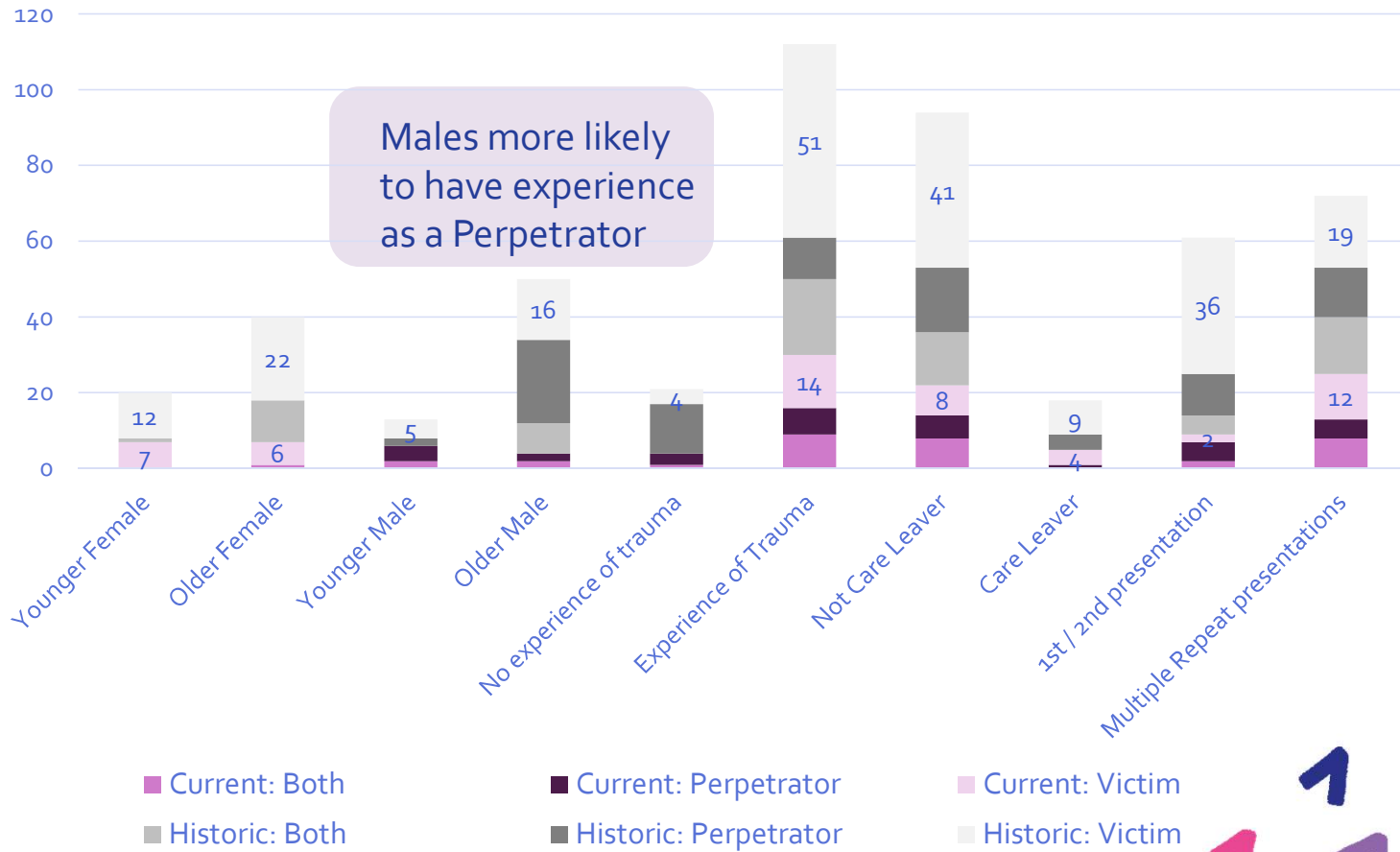
Nature of experience:



Four in ten people (42%) have experience of Domestic Abuse. The majority of experiences were historic (72%), a quarter (25%) of experiences are known to be current. 7 in 10 people (73%) have experience as a victim, nearly half (47%) have experience as the perpetrator.

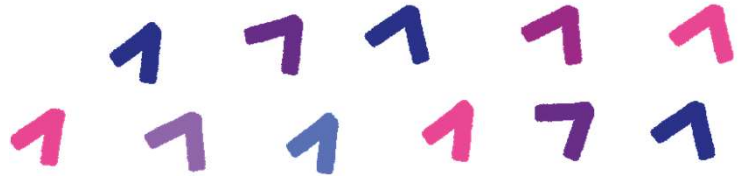
Domestic Abuse

Who has experienced domestic abuse



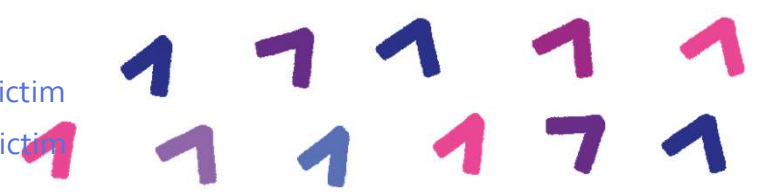
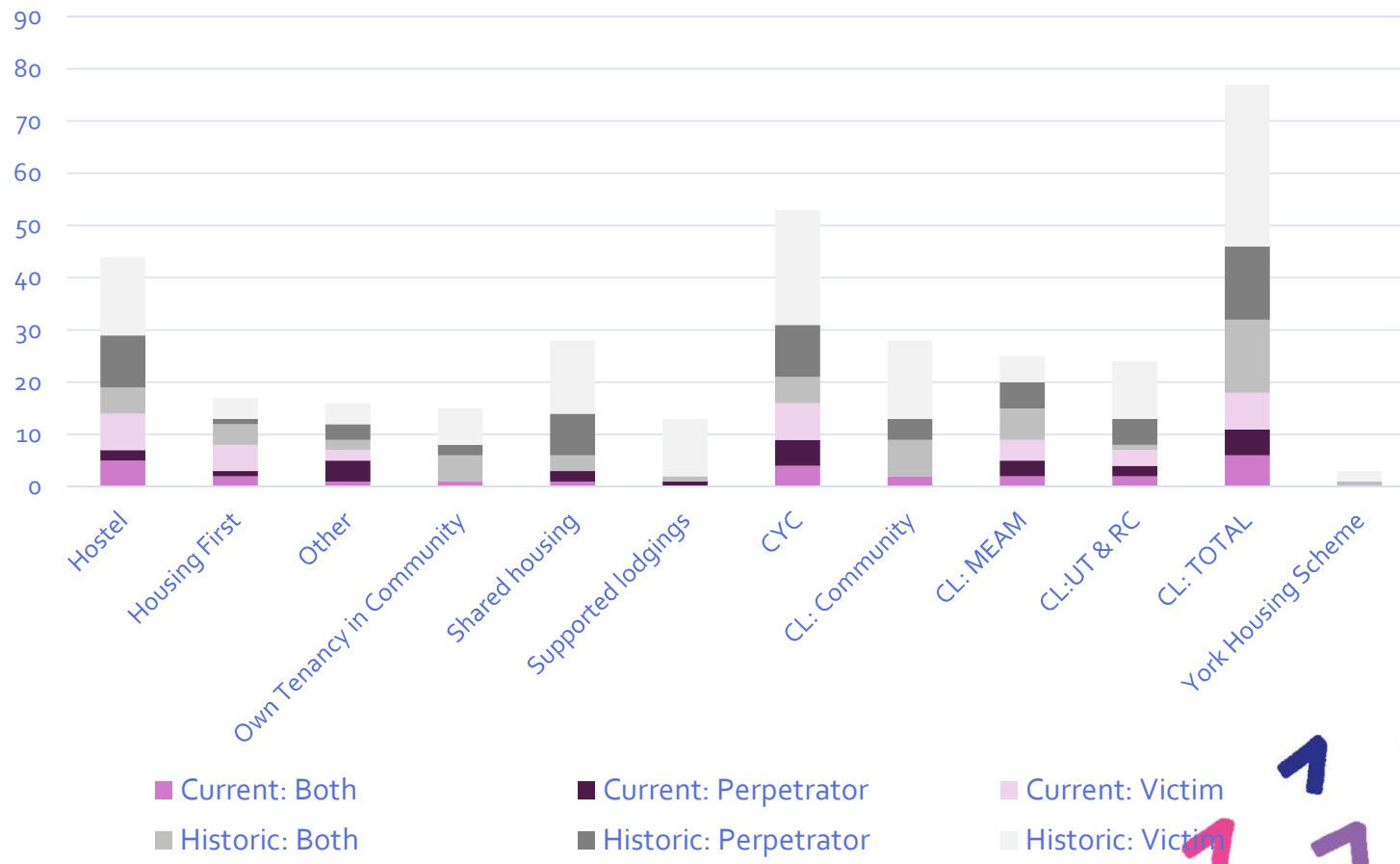
Males more likely to have experience as a Perpetrator

20 people have experience of DA (typically as a perpetrator), who are not know to have experienced trauma.



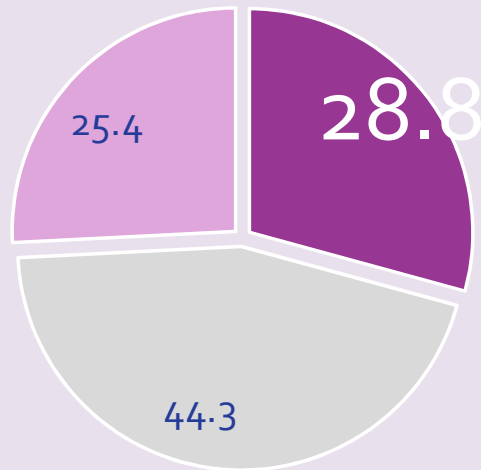
Domestic Abuse

Experience of DA by type of housing / provider

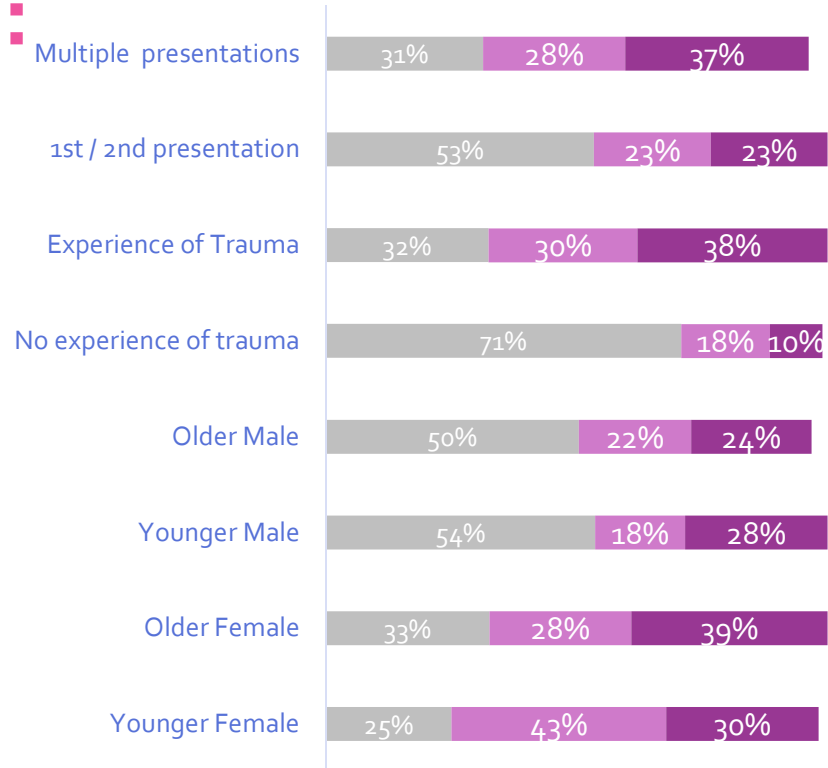


Involvement with TEWV:

% of people: Involvement with TEWV



■ Yes, current ■ None aware ■ Yes, historic



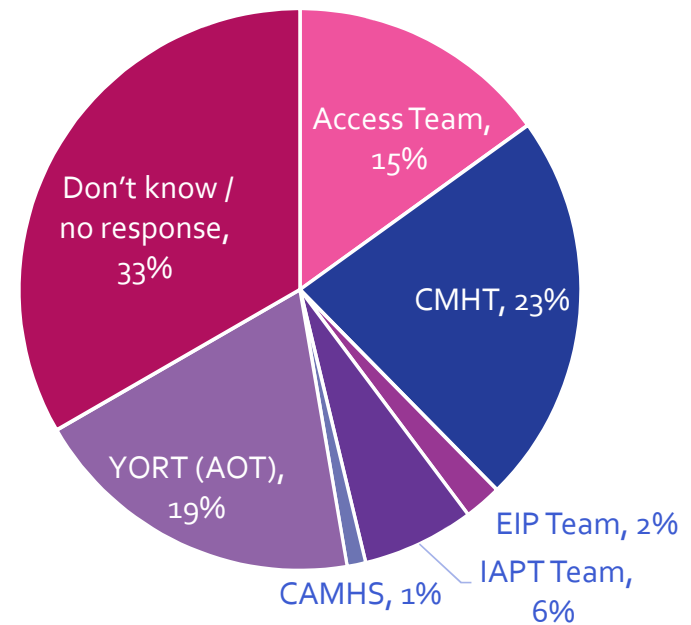
6 in 10 people are known to have had some involvement with TEWV, 29% of those in the pathway are currently on TEWV's books. Females are more likely to have either current or historic involvement.

Involvement with TEWV:

29%
Of people currently in involved with TEWV



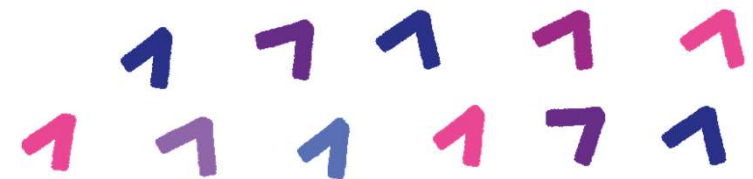
Current programme:



In a third of instances people were known to be involved with TEWV but the specific programme wasn't known or recorded. People within the pathway are most likely to engage with CMHT and YORT.

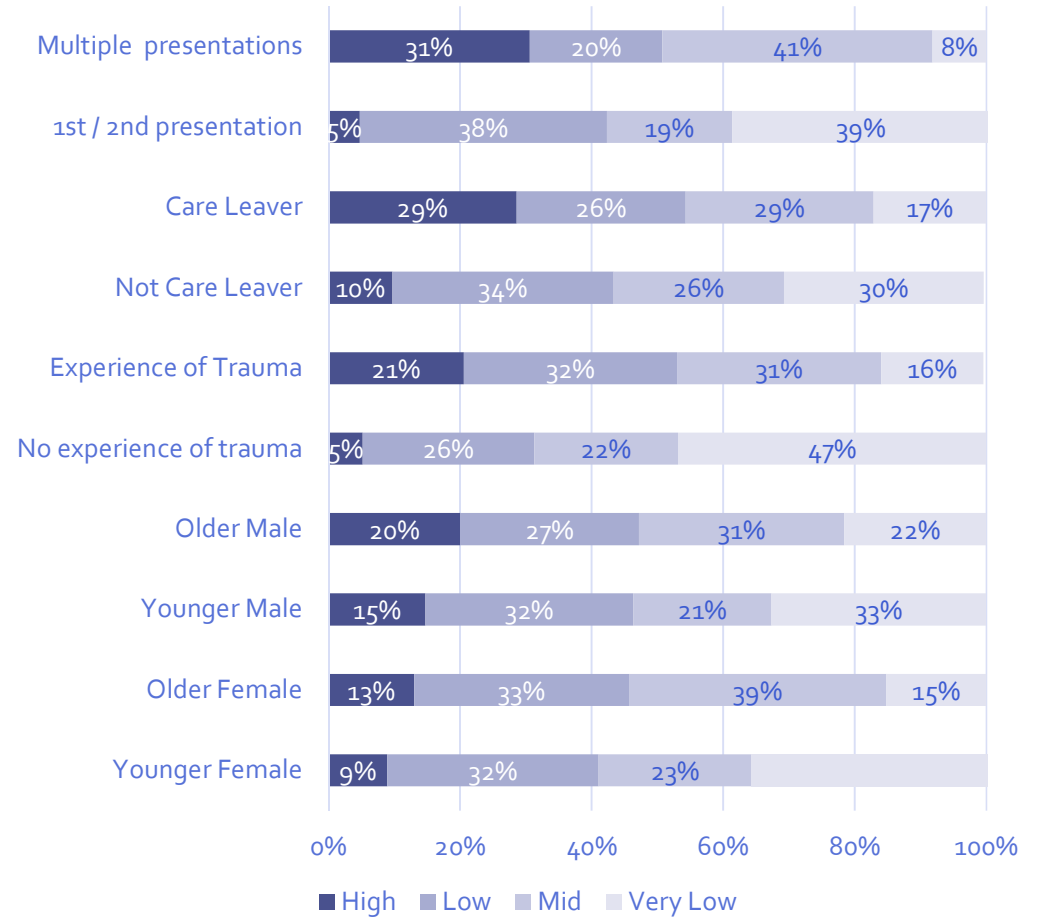
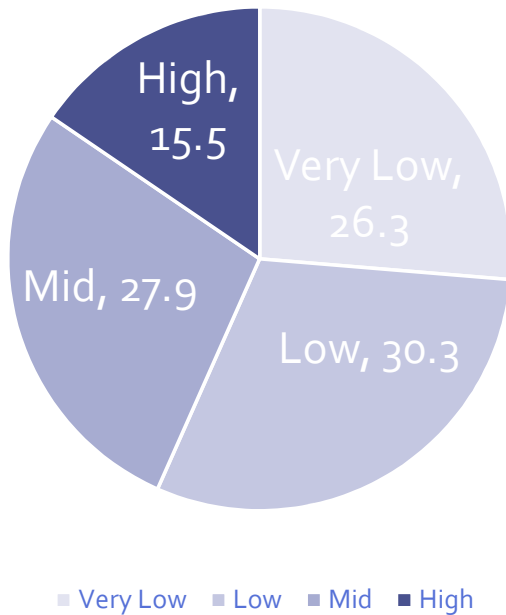
Respondent Profiling

- 14 Likert scales used to clarify the experience, behaviour and circumstances of those in the pathway, each scoring 0 -4
- Based on these scores 4 profiles have emerged in relation to complexity of need
 - **Very Low complexity** (cumulative score =<9 with no scores of '4')
 - **Low complexity** (either cumulative score =<9 with one or more score of '4', or score range of 10 – 19 with now scores of '4')
 - **Mid complexity** (either score of 10 – 19 with scores of 4, or scores ranging from 20 – 29)
 - **High complexity** (scores 30+)
- These profiles are relative to the cohort, it is apparent that someone with a low complexity rating may have significant presenting needs and challenges
- Question topics:
 - Levels of engagement
 - Intentional self-harm
 - Unintentional self-harm
 - Risk to others
 - Risk from others
 - Stress & Anxiety
 - Social effectiveness
 - Alcohol / Drug abuse (prescription and illicit)
 - Impulse control
 - Housing
 - Physical health
 - Adult social care needs
 - Mental health
 - Contract with Criminal Justice



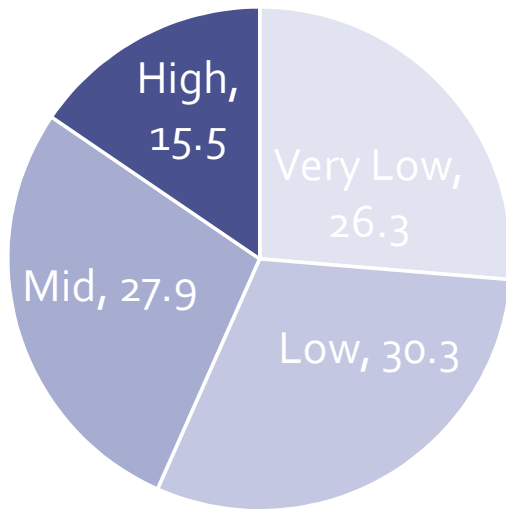
Respondent Profiling

Complexity of need

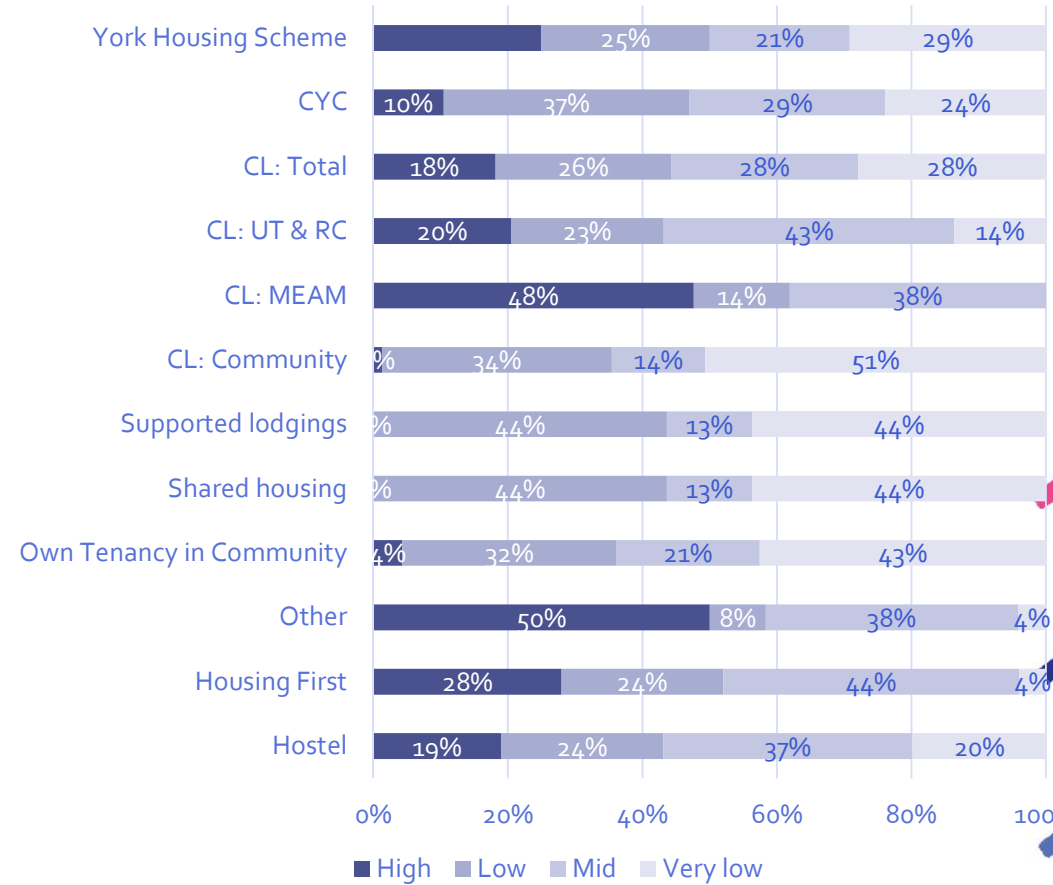


Respondent Profiling

Complexity of need

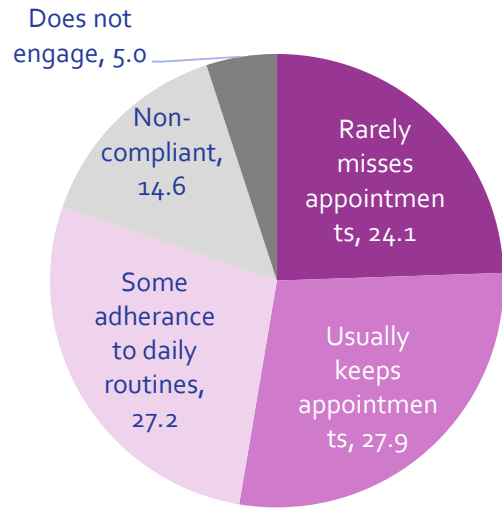


Very Low Low Mid High

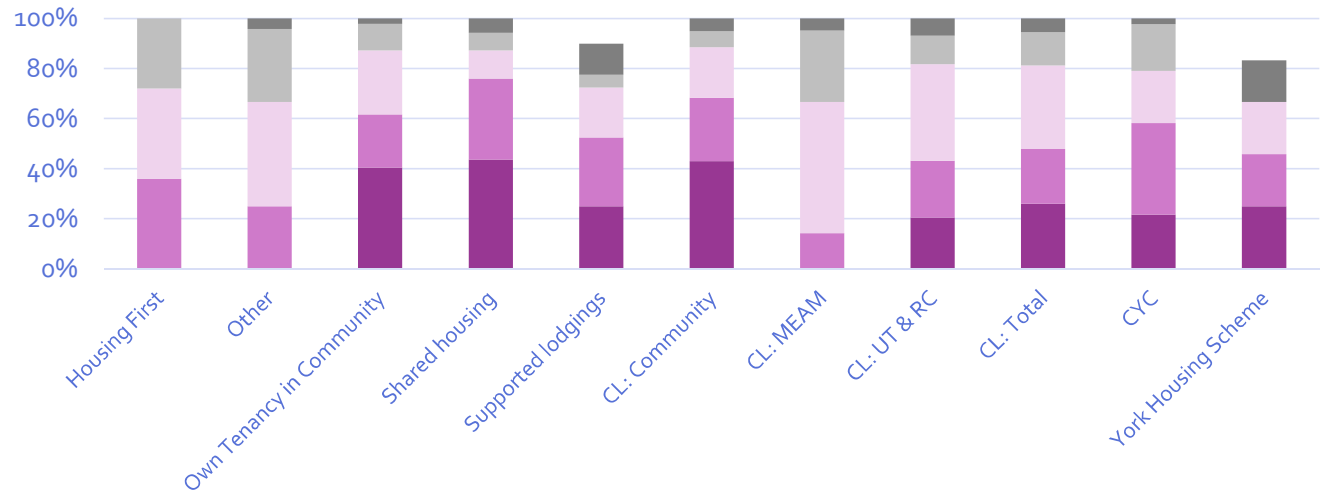
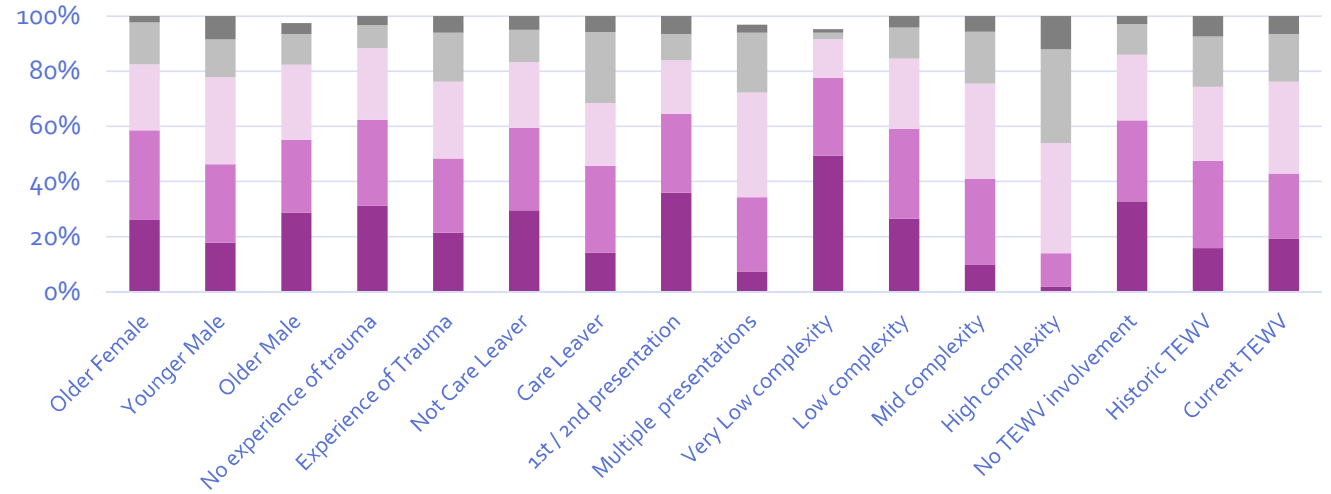


0% 20% 40% 60% 80% 100%
High Low Mid Very low

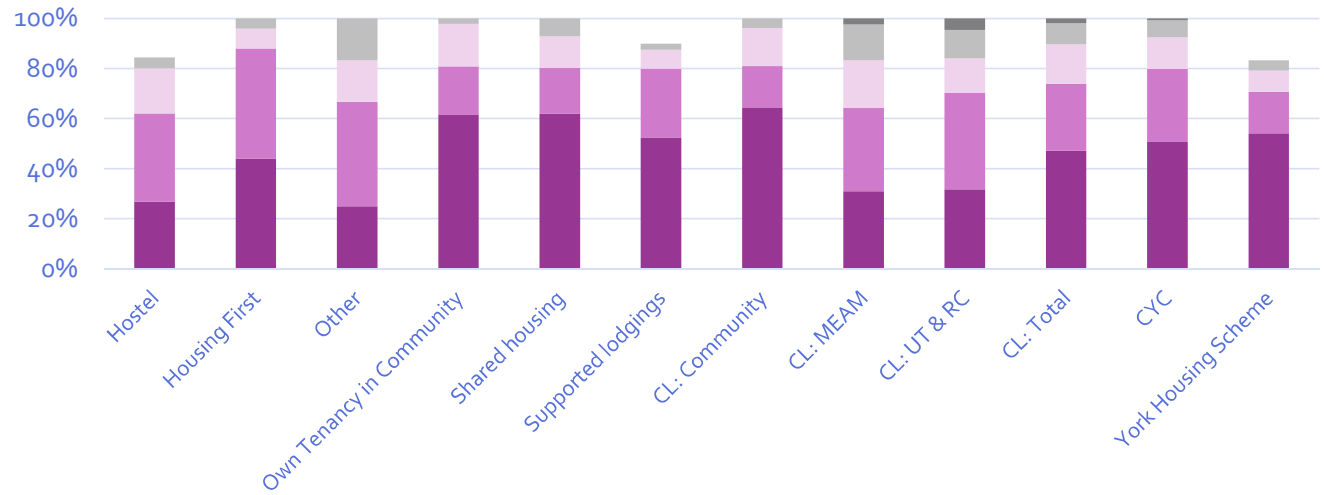
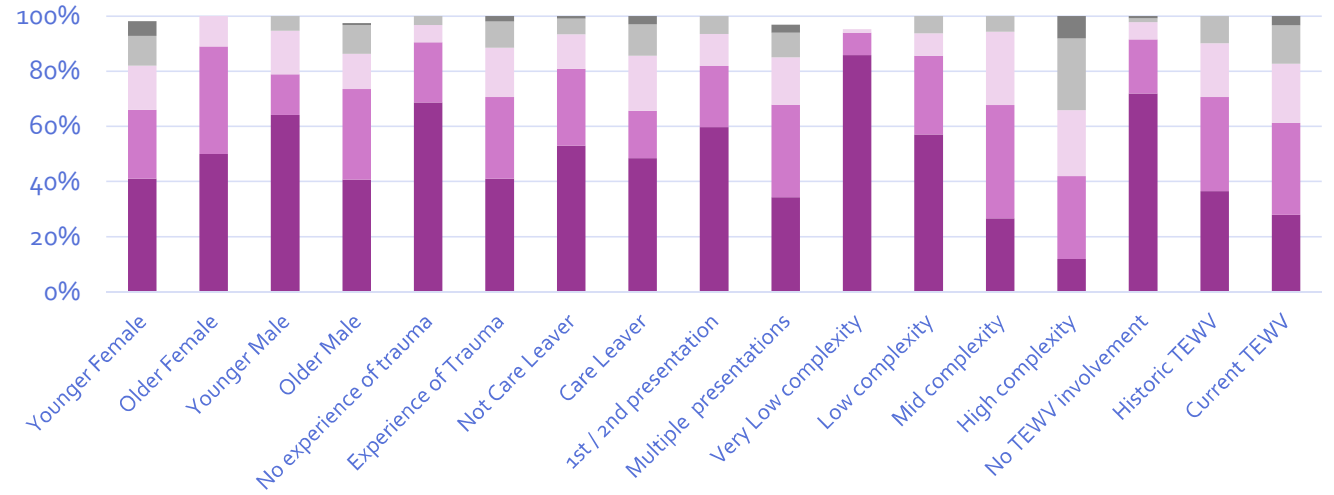
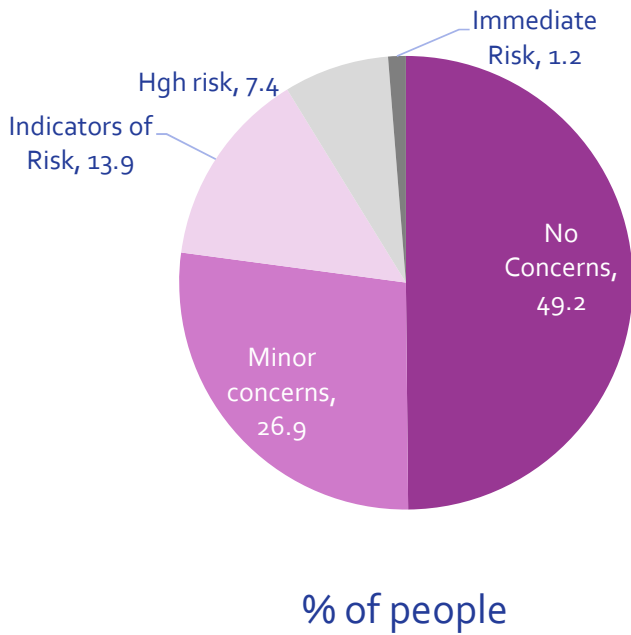
Levels of engagement:



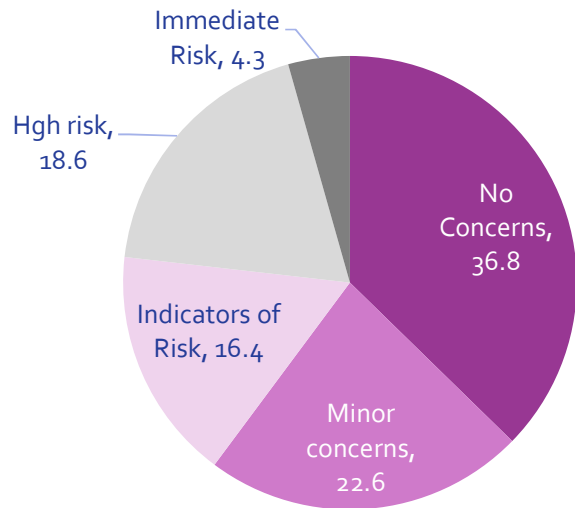
% of people



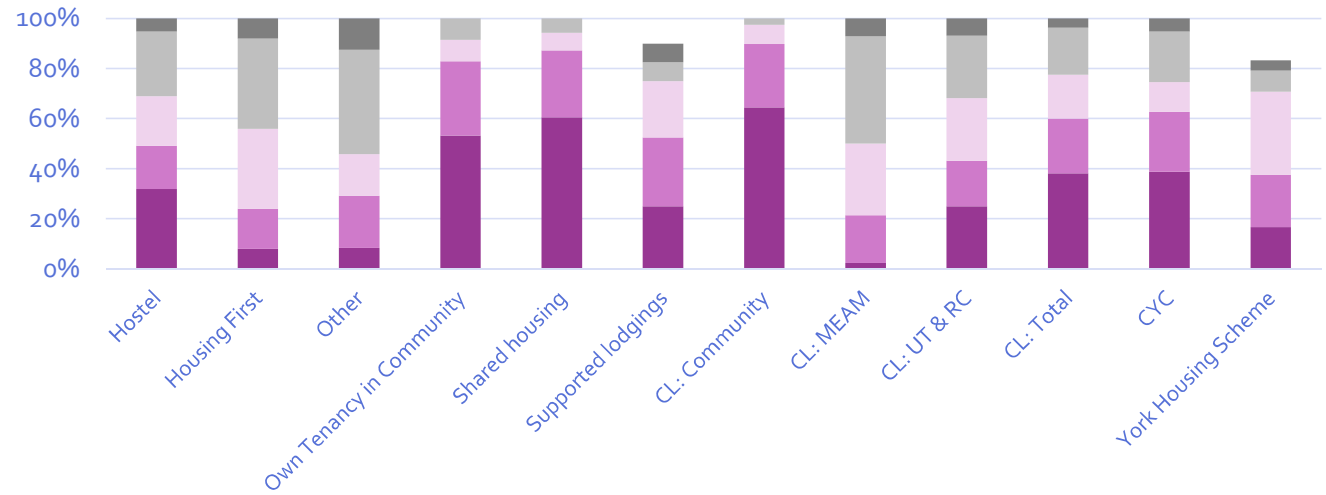
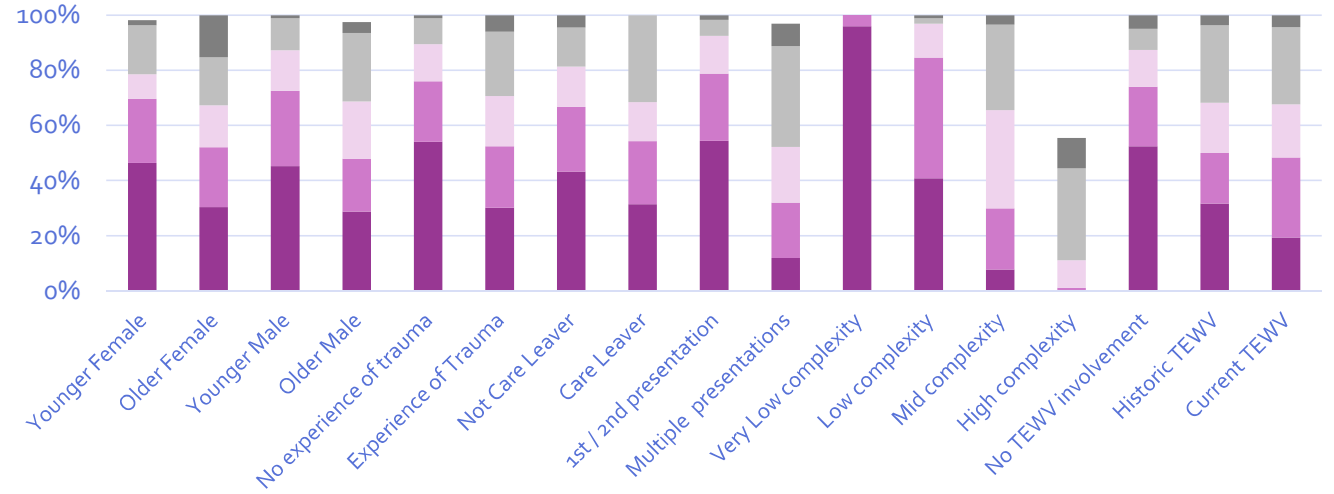
Intentional Self-Harm:



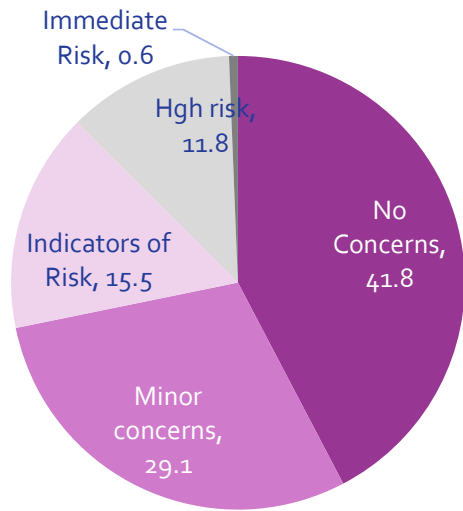
Unintentional Self-Harm:



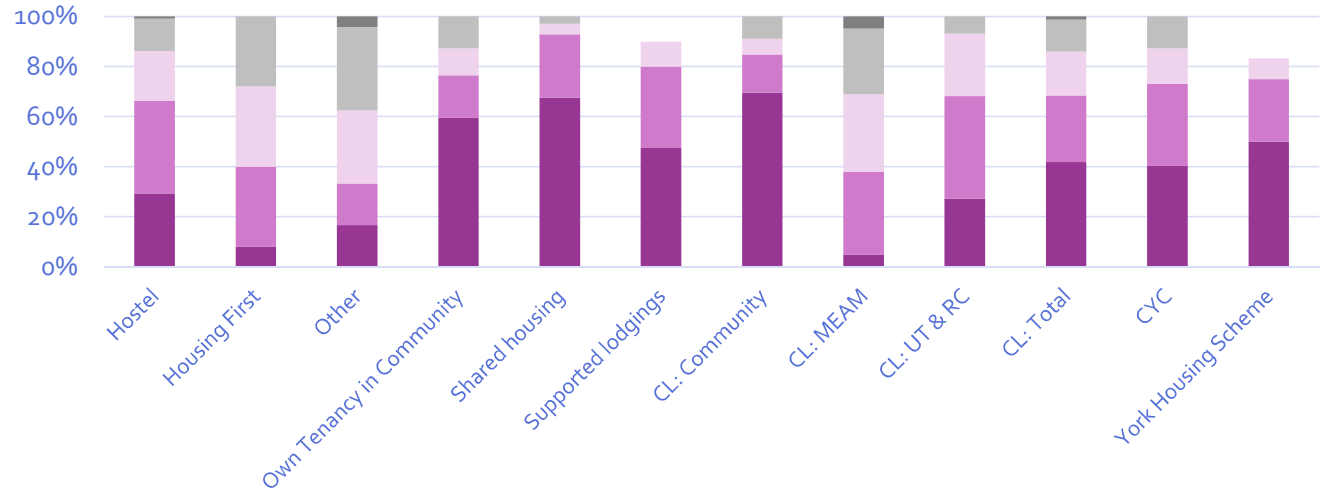
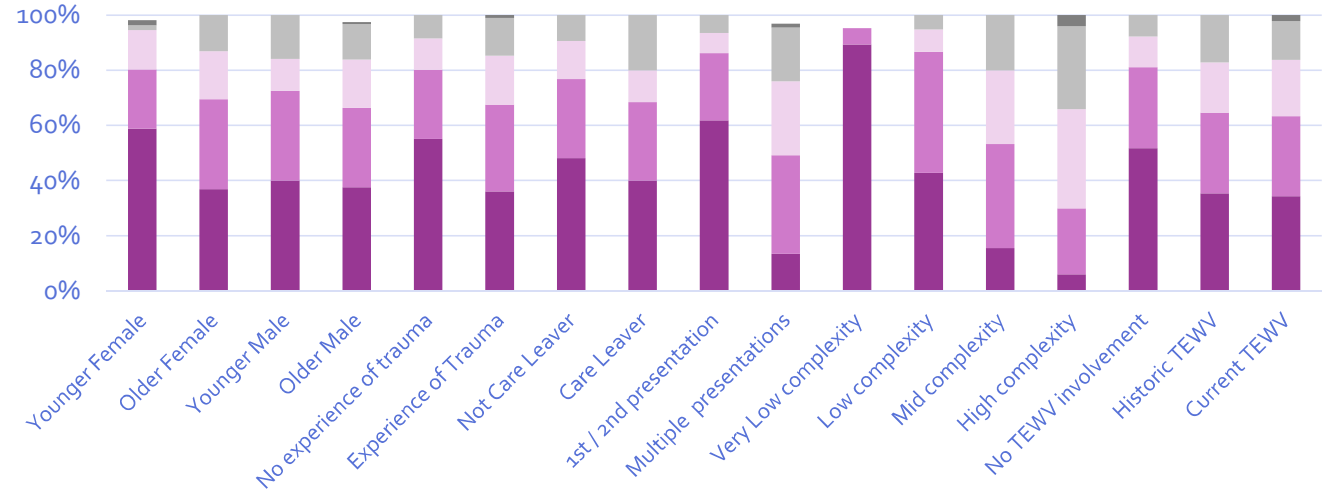
% of people



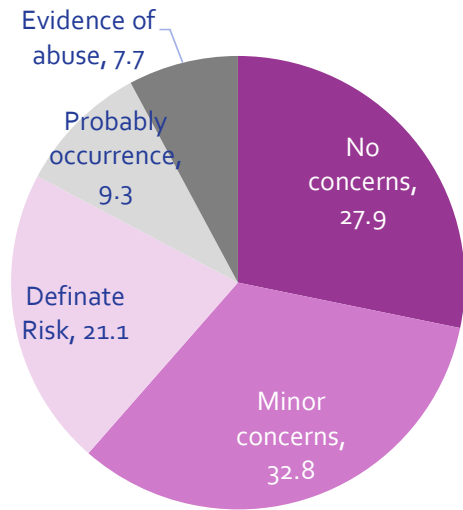
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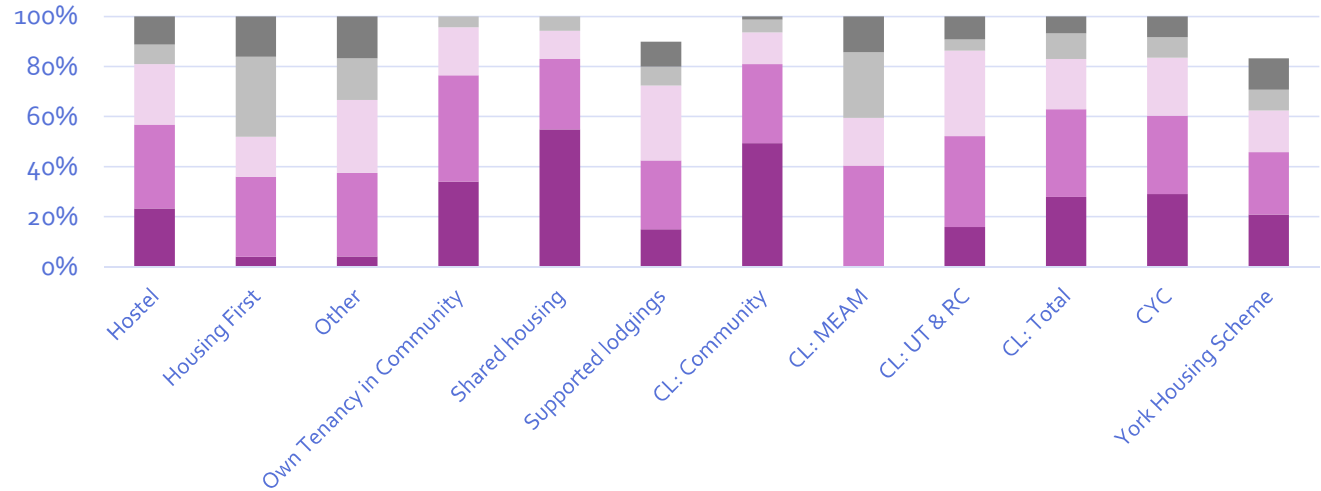
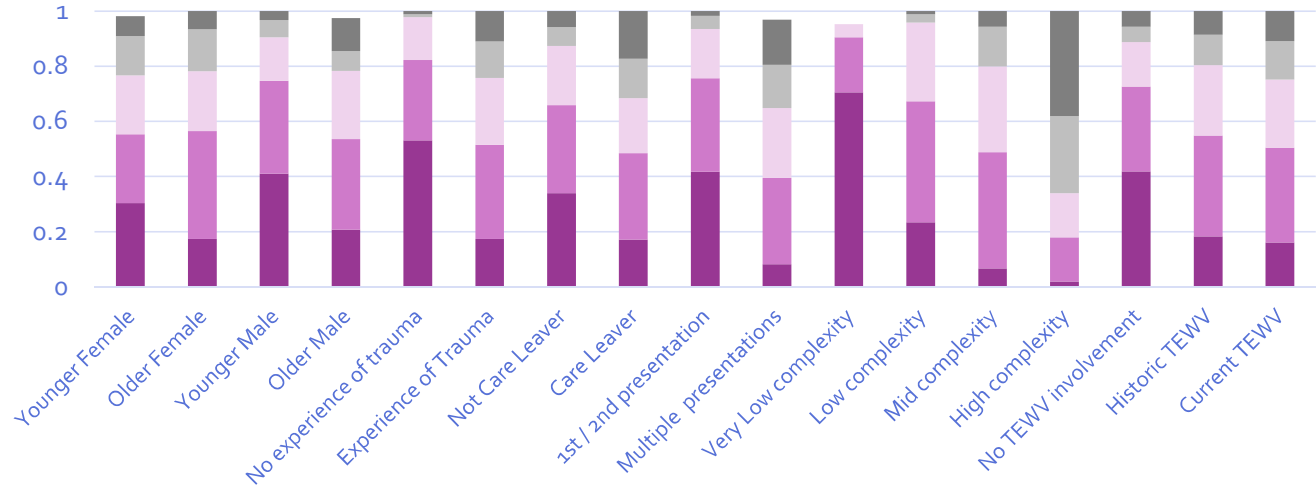
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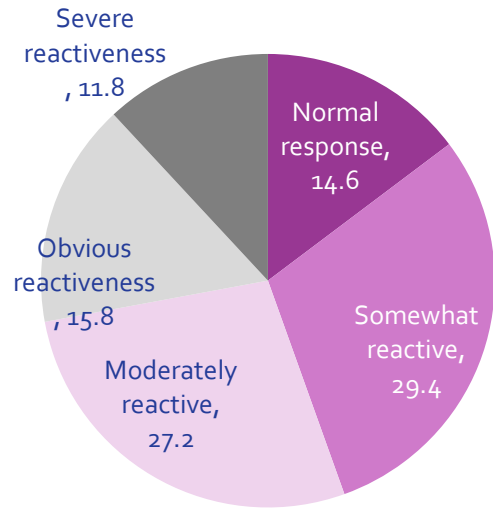
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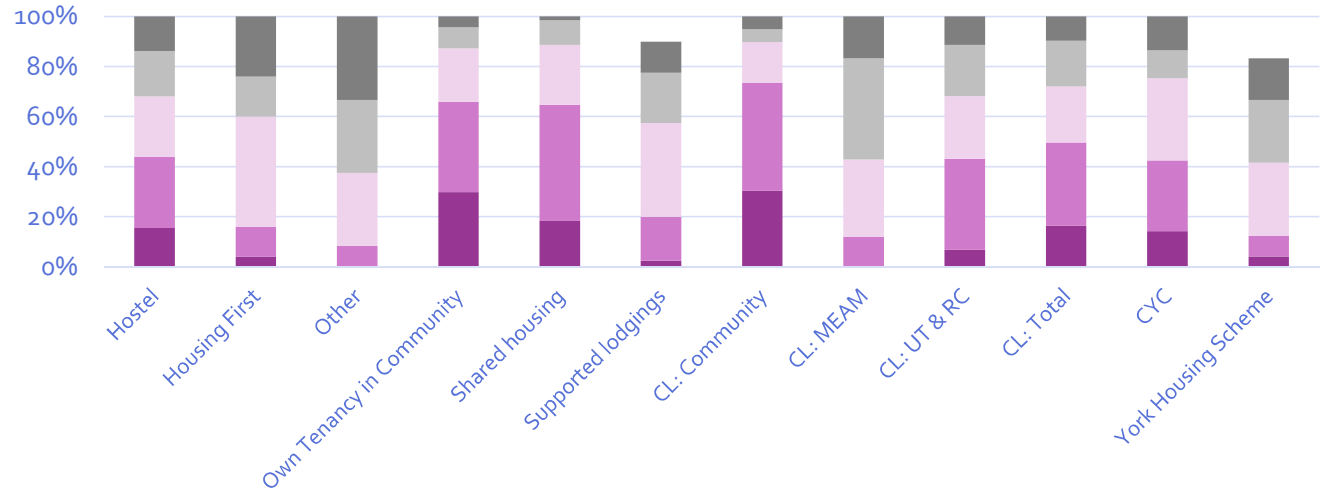
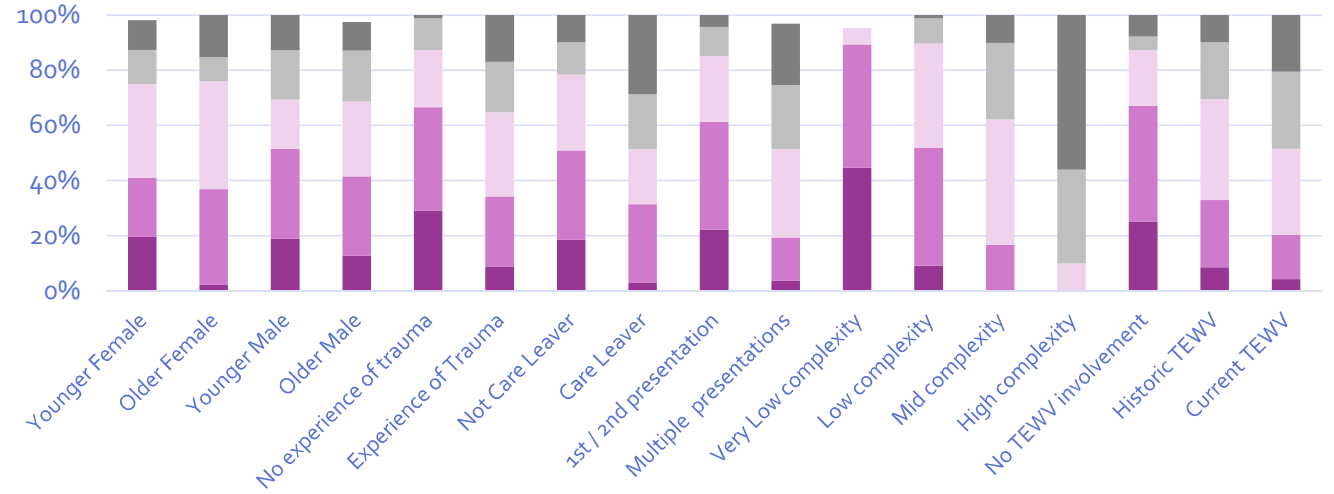
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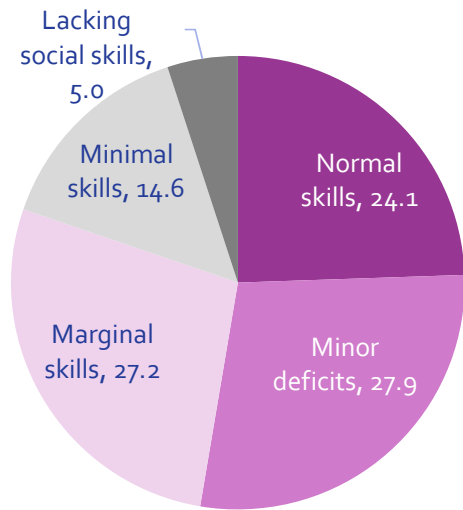
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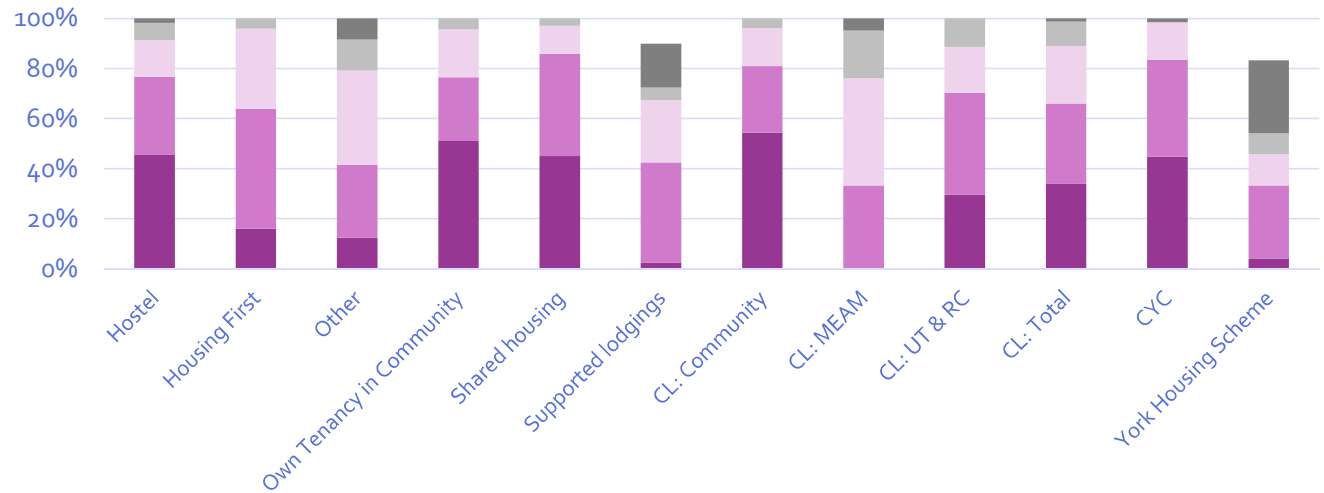
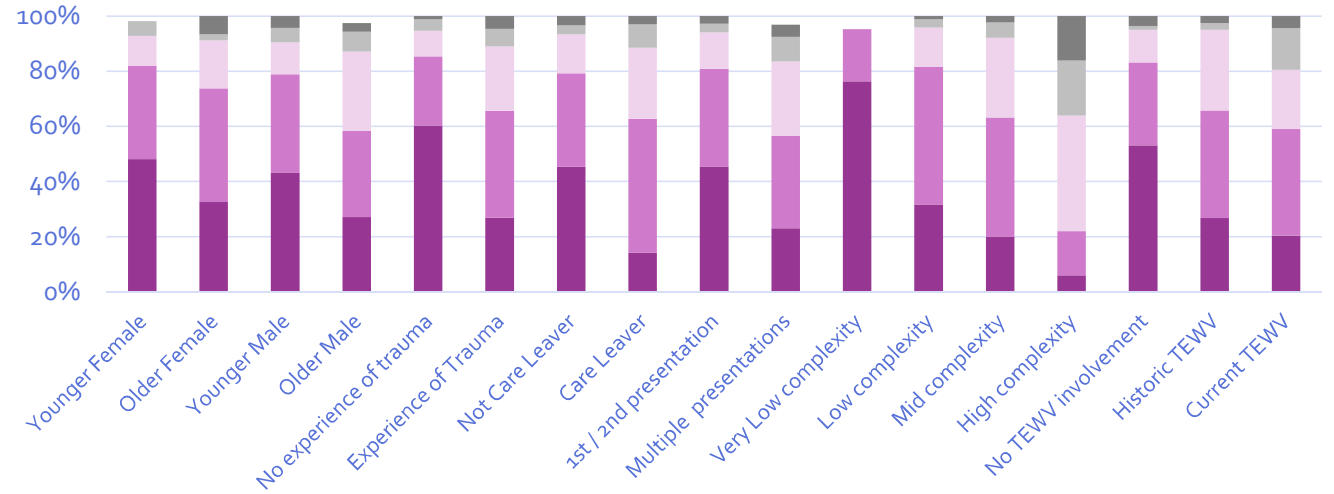
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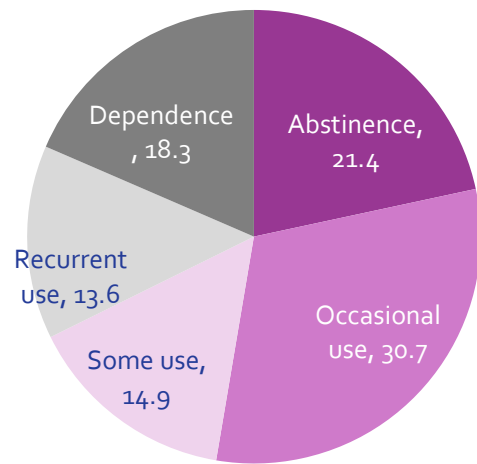
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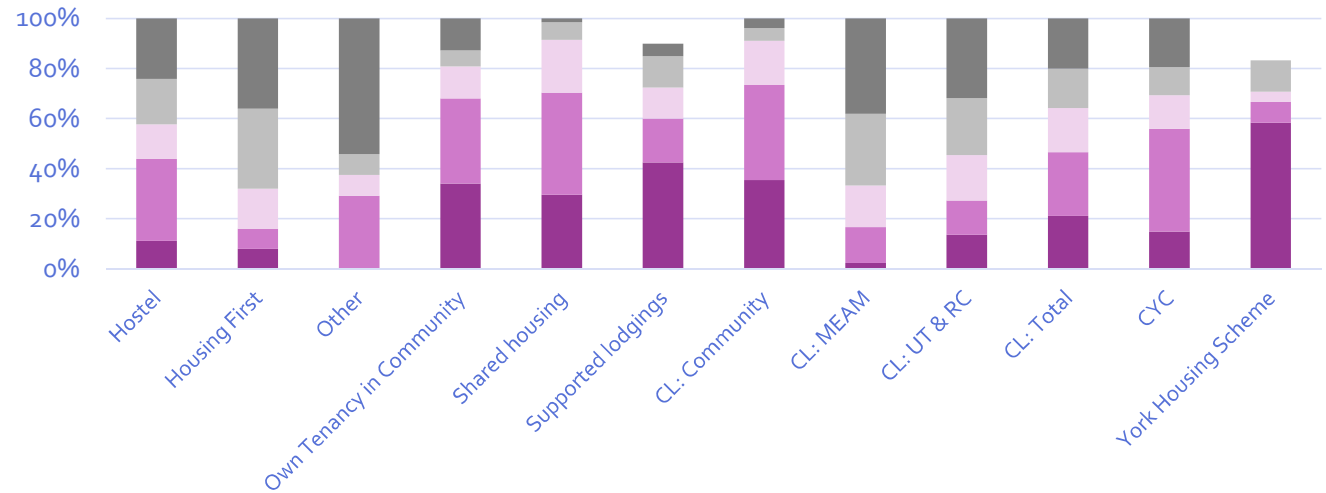
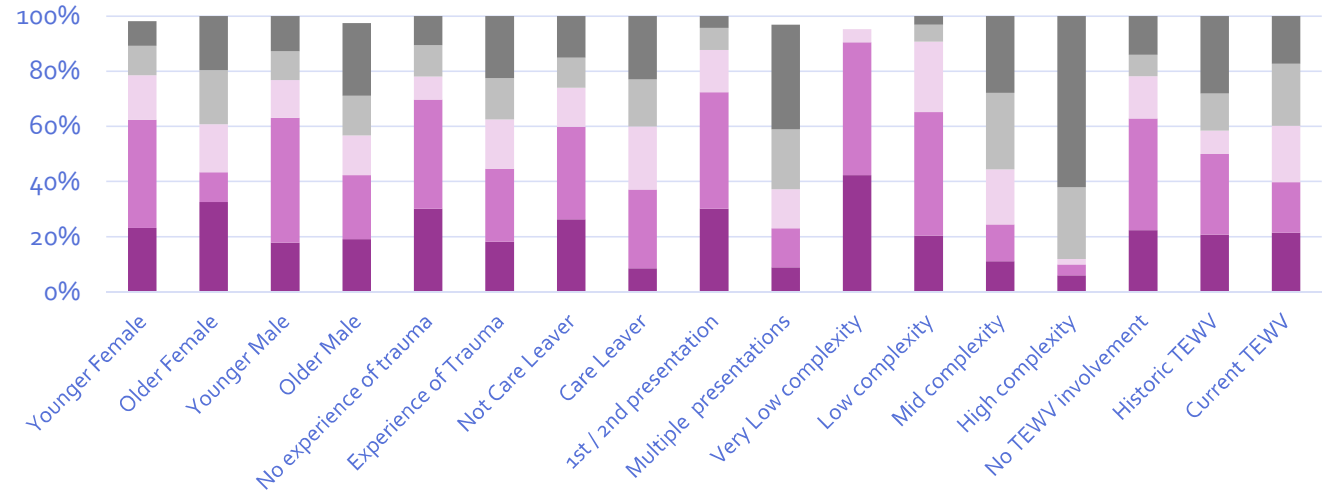
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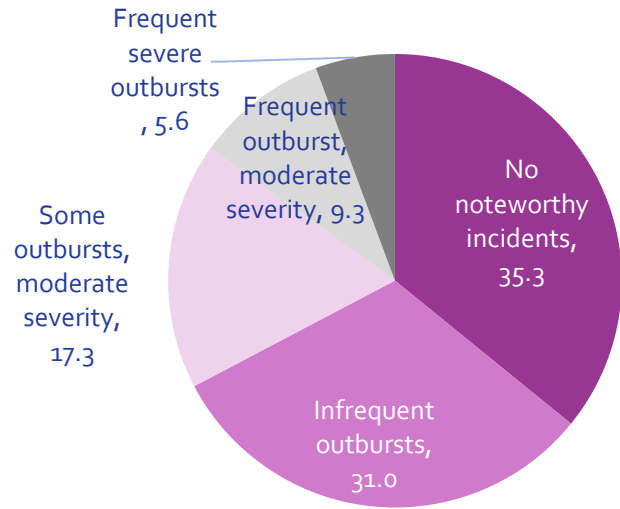
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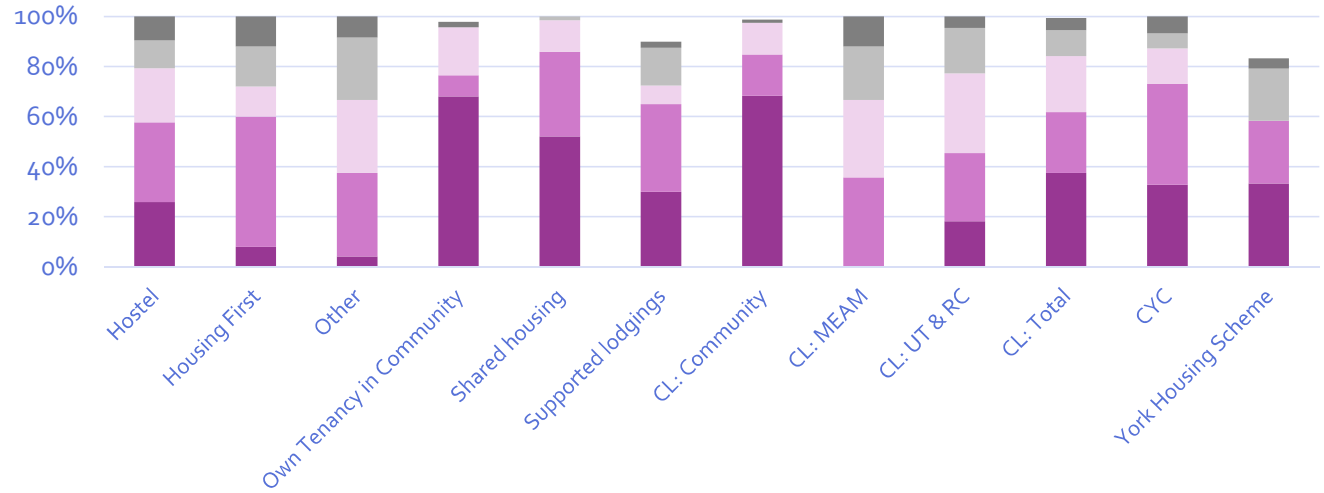
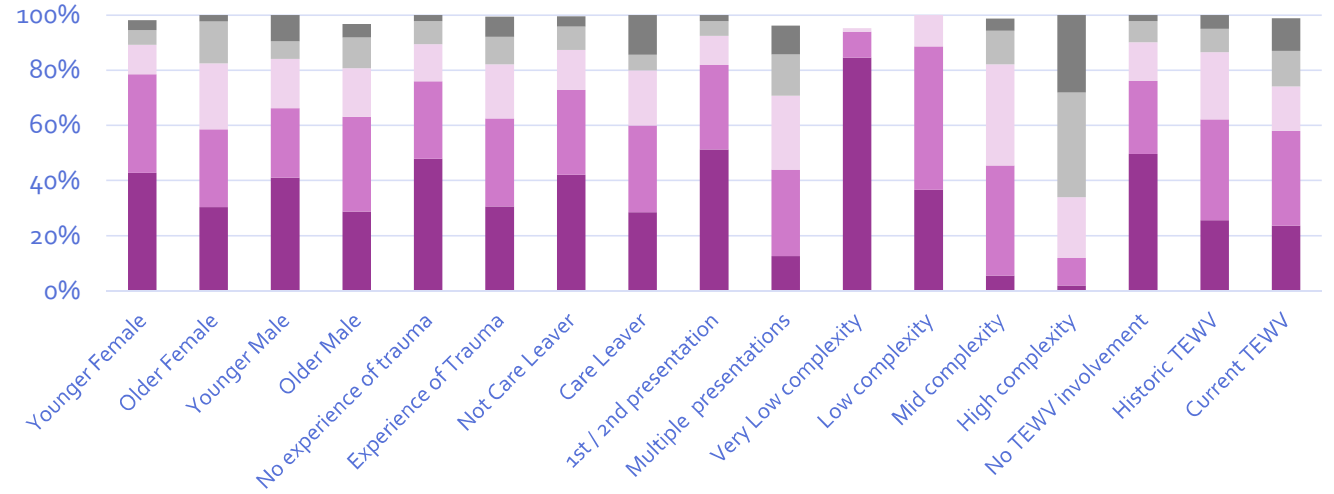
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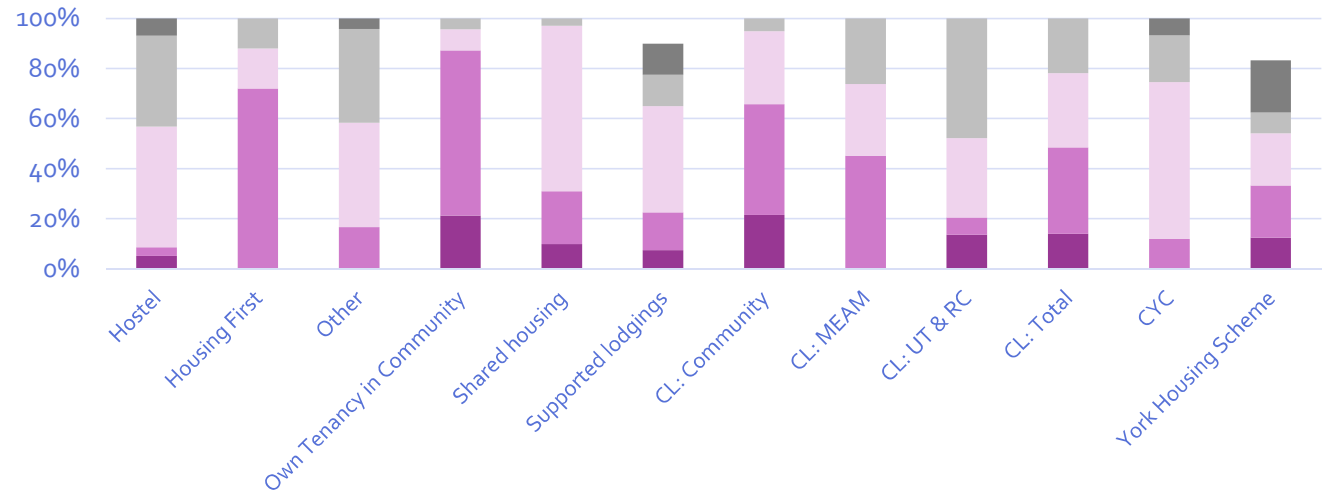
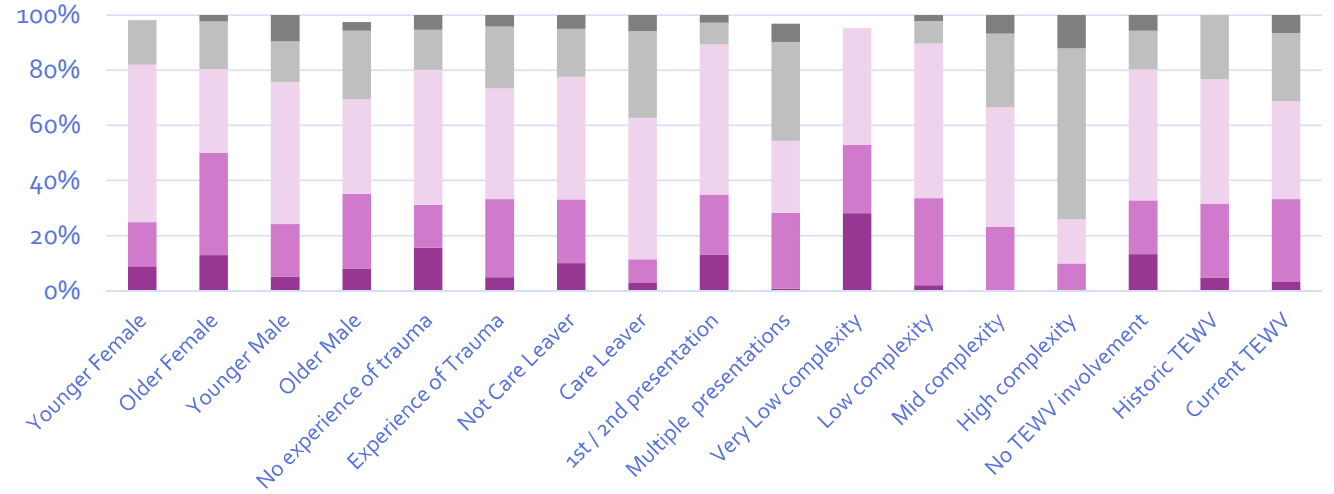
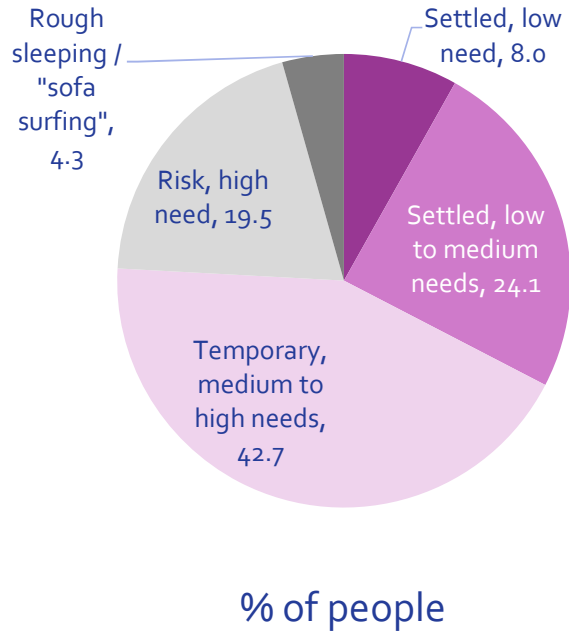
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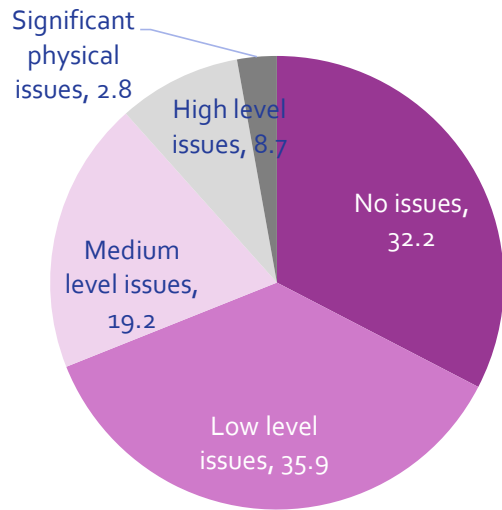
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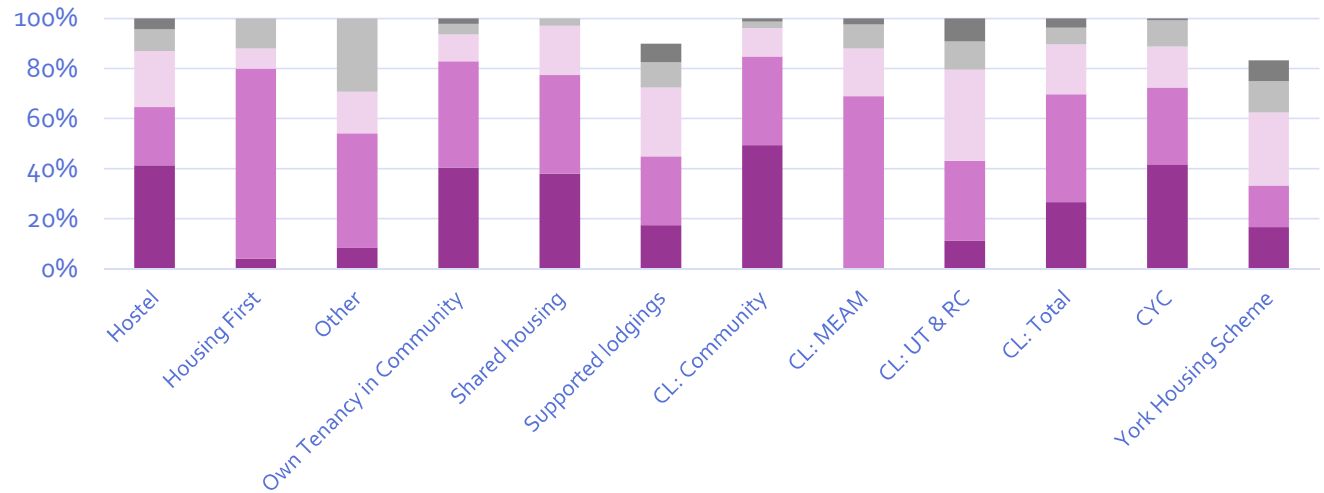
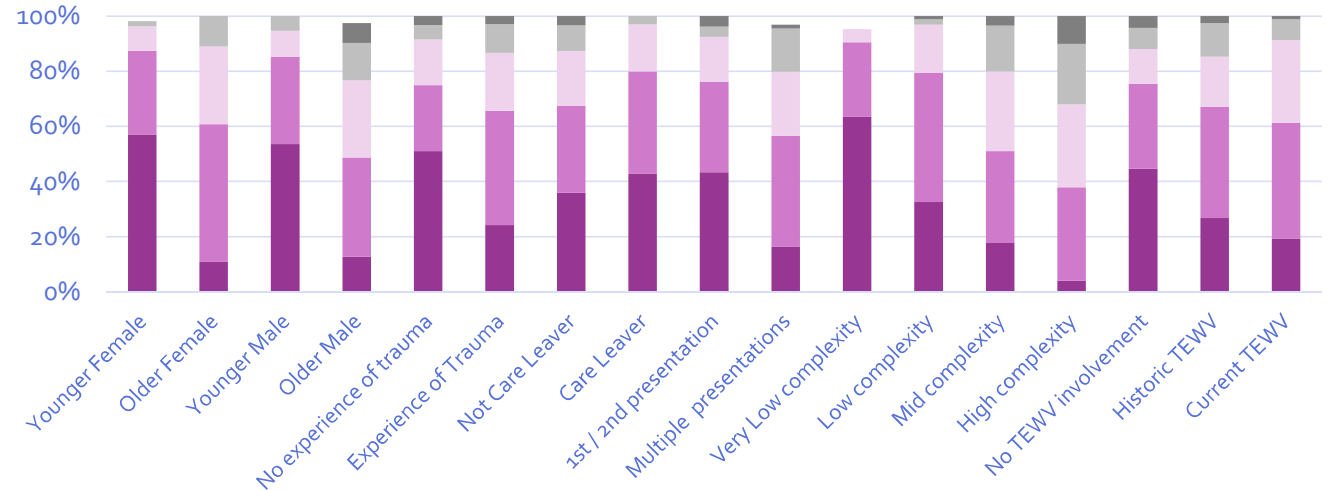
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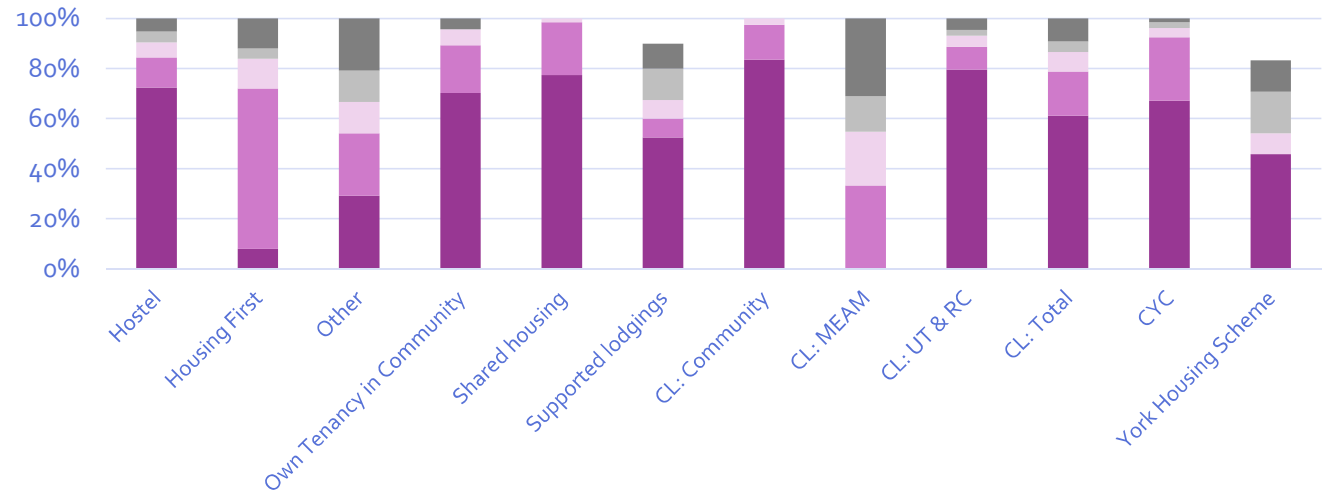
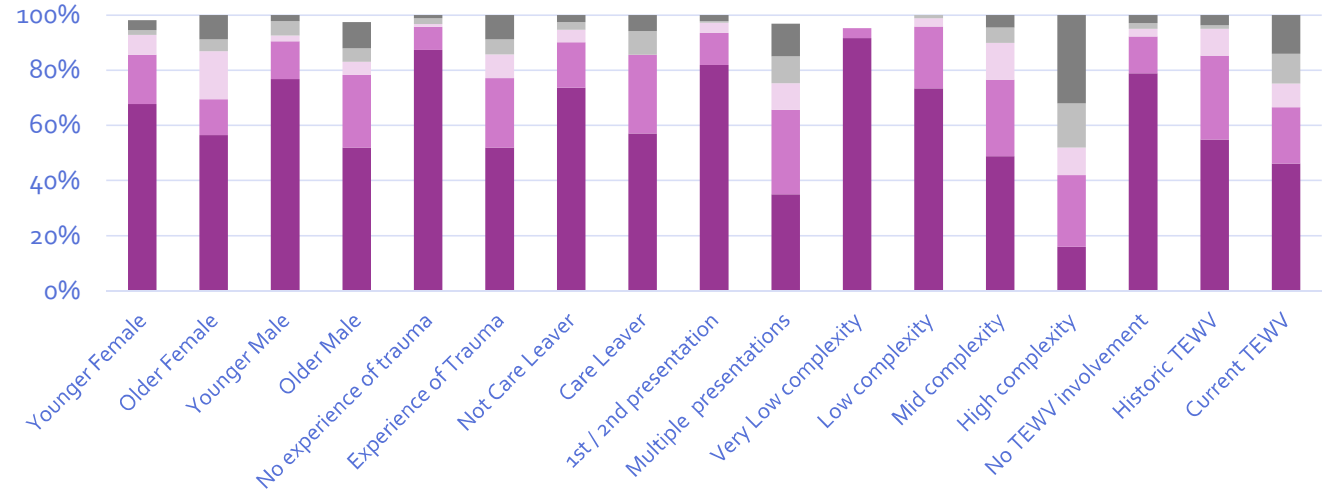
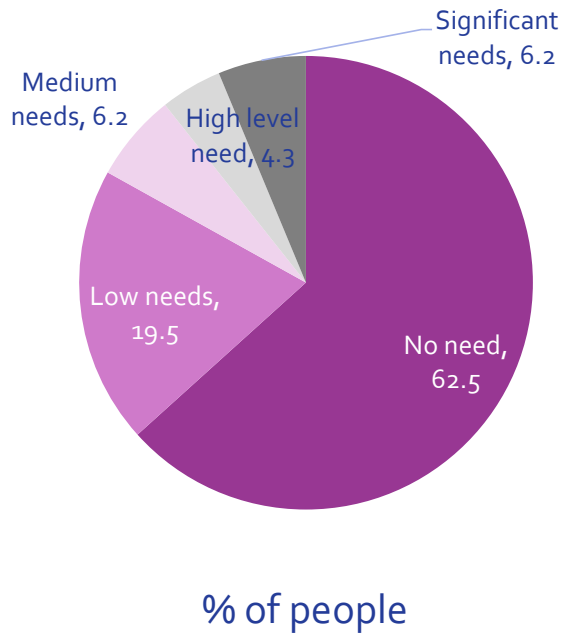
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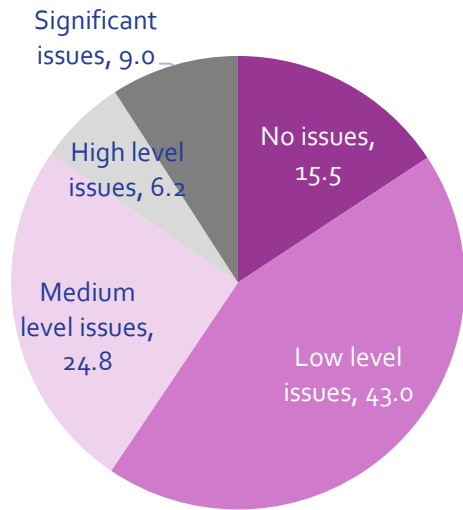
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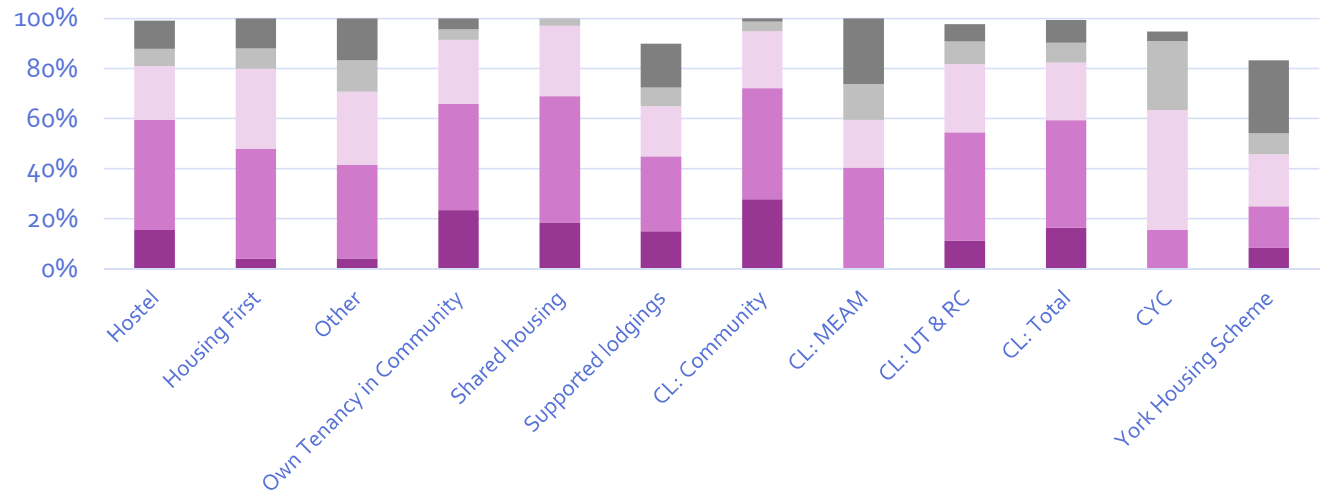
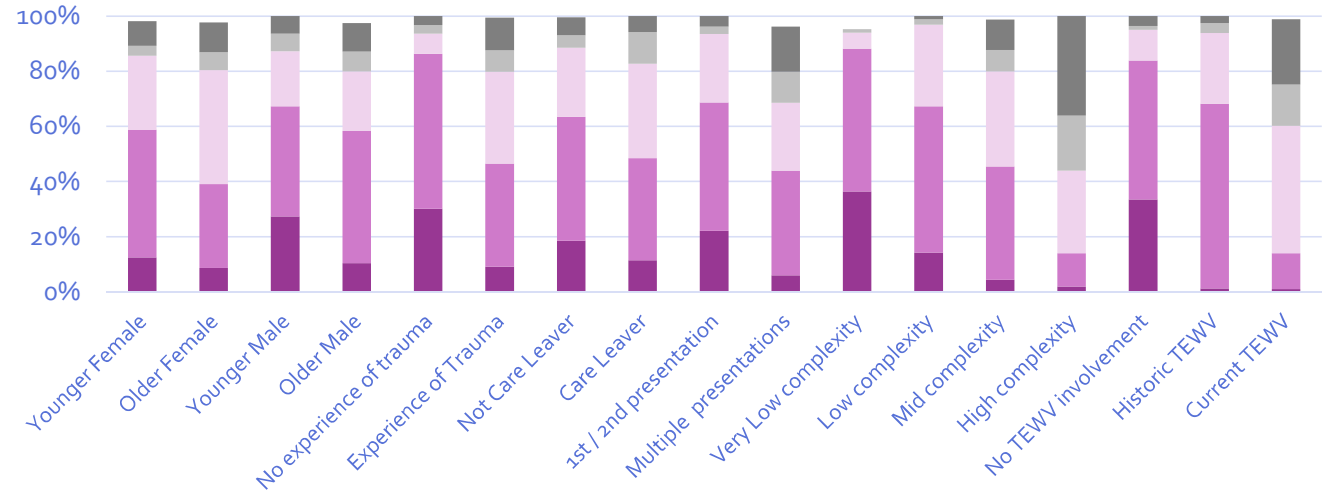
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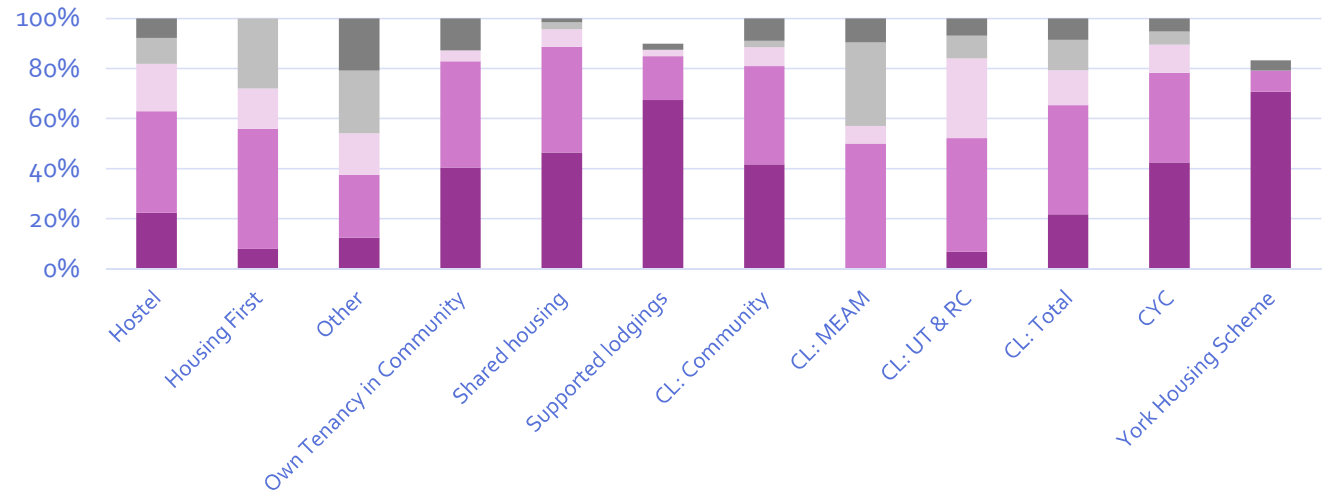
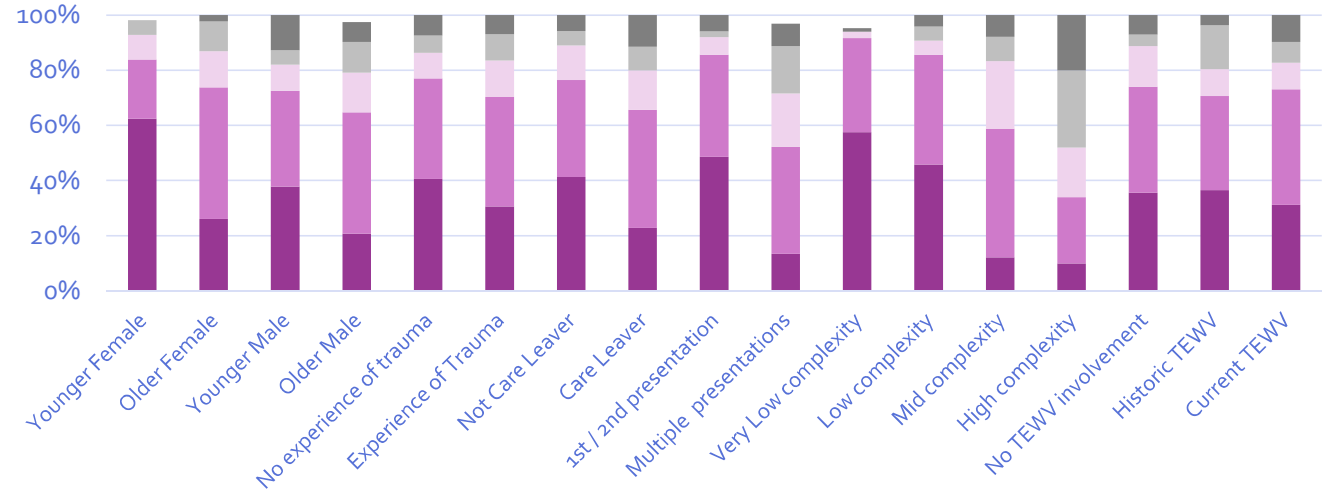
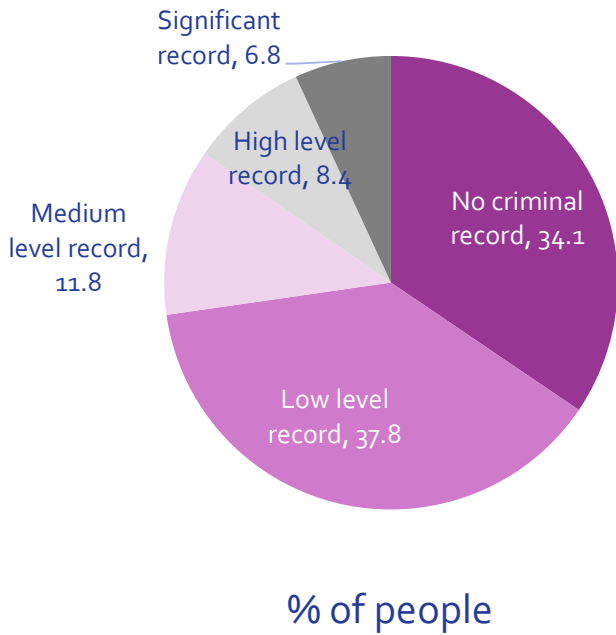
Mental Health:



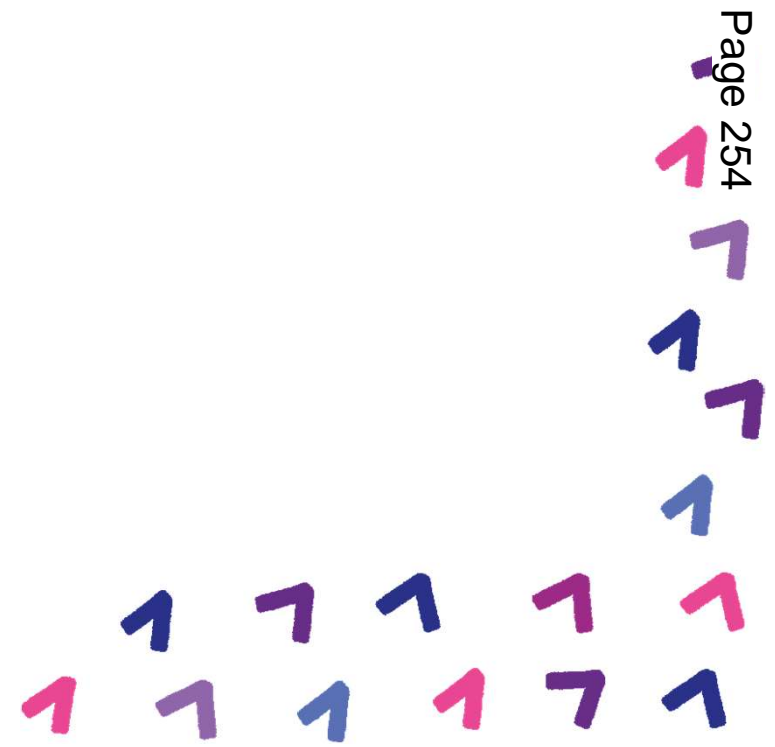
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Contact with criminal justice:



Key Learnings



How the current system is falling short for individuals with complex needs in terms of both individual outcomes and system-wide efficiencies

An overview of the key issues:

1. Most people experiencing mental ill-health have a suitable home to live in or return to but for those who do not the current approach is falling short in terms of individual outcomes and system-wide efficiencies in the following ways:

2. The 'revolving door' is institutionalisation for the post 'care in the Community' age. People moving between hospital, prison and unstable or hostel-based accommodation are likely to lose the skills associated with living in a stable and independent home, to become increasingly reliant on support, and to have greater reliance on high-cost interventions such as hospitalisation and prison.

3. The links between homelessness and mental health are complex and nonlinear.

However, without a stable home people are more likely to miss appointments, lose skills, self-medicate with alcohol or illicit substances, have poorer physical health outcomes, have poorer mental health outcomes, and use acute, rather than prevention based, health services.

4. Inappropriate placements in accommodation with lower levels of support or in homeless accommodation. There is a high rate of exclusion or eviction associated with this, as well as local case studies demonstrating specific harm to individuals through self-harm or harm to others.

5. Homeless hostels, and lower-level Mental Health supported accommodation, do not have staff with specialist mental health training. People with complex needs are more likely to have unstructured lifestyles which mean that they engage badly with appointment-based services. However, the reactive support they can access in hostels is unable to meet their need due to the lack of specialism in the accommodation and staffing.

6. Some people with mental ill-health may find it difficult living in the shared environment of a hostel, which may cause them to be particularly vulnerable, or

in some cases (especially if they have complex/multiple needs) may have a particular impact on others. A homeless hostel can be a very stimulating environment due to the variety of individuals and needs it must accommodate, and if the balance is disrupted by attempting to accommodate someone who is

not able to engage in the resettlement program this can impact on the recovery and progress of a number of individuals.

7. Some people with mental ill-health may be very vulnerable to abuse (financial, verbal etc) from others, and there may be some geographic areas

where this is a higher risk due to demographics etc. There is currently not a

co-ordinated approach to managing and reducing this across partner agencies,

(e.g. through telecare solutions, concierge type blocks etc).

8. There are currently a small number of people in CYC general needs housing with disproportionate needs, causing significant neighbour issues

and anti-social behaviour. Paranoid thoughts, disordered thoughts, and delusions have a particular impact on neighbour relations and ASB. Current services are appointment based, focussed on one aspect of the person (health/housing/crime). This leads to heavy staff input across partners, with current gaps in the joint working process between the ASB hub and mental health/social work teams. This leads to poor outcomes for the individuals as well as affected neighbours, to dissatisfaction and increased stigma in communities,

and, in the worst cases, to eviction.

9. The formal support provided to people who have moved into a general needs tenancy but who are struggling is likely to come from a range of providers (mental health community team, floating support, housing provider, community addiction services). It is likely to be largely or exclusively appointment based, focused on one area or some areas of the individual's life, and be provided via different teams. Communication between teams is not consistent.

10. Individuals who do not engage (or do not attend appointments) are likely to

be signed off services. There are no shared non-engagement protocols across

partners to ensure that those who have stopped engaging due to worsening health are able to re-engage with support easily/in other ways, or to prevent admissions and other negative outcomes.

11. Inappropriate placements in homeless accommodation lead to 'blocking' the resettlement route, as individuals are unable to progress through the resettlement program. This also prevents or slows vital access to the resettlement route for newly homeless people - it is well documented that every night of rough sleeping significantly increases the challenges in helping someone to get out of homelessness.

12. Delayed discharge from hospital while accommodation with the appropriate level of support is sought, with associated negative outcomes and high cost.

13. Higher use of out of area placements for specialist accommodation.
With associated high costs, and difficulty in maintaining support.

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Executive

27 August 2020

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

Mental health housing and support

Summary

1. This report is the culmination of over two and a half years of detailed needs analysis, partnership engagement and strategic design. It outlines a vision for the development of an improved mental health housing and support pathway in York and includes specific proposals that will address a long-standing gap in provision within the city - for the development of specialist mental health housing and support for people with multiple and complex needs.
2. These proposals have been developed in response to priorities identified in a number of key strategies including York's Joint Health and Wellbeing Strategy 2017-2022, the All Age Mental Health Strategy for York 2018-2023, and the York Homelessness Strategy 2018-2023. All three strategies identify the development of improved mental health housing and support options as a priority for the city.
3. The proposals are also in line with the city's stated commitment to a 'whole person, whole life, whole system' approach which will see us applying the lessons from Trieste (in Italy) in York by taking a more community based approach to mental health and wellbeing. Safe, secure and appropriate housing, with the right support, is an integral part of this approach, ensuring that people can access the support and stability that they need in the community, rather than in institutions.
4. Background papers tracing the journey to this report are available from the author - see list at the end of the report.

5. These proposals focus on the development of 53 specialist mental health housing and support places through:
 - Two new specialist mental health supported housing schemes - to be developed on two sites currently owned by the Council at Woolnough House, off Hull Road, and Crombie House on Danebury Drive in Acomb. Each scheme will have 24/7 on-site staffing and will contain 10 places, as well as providing support to another 6 satellite flats within a 1-2 mile radius of the scheme. There will be **32 specialist mental health supported housing places** in total.
 - The development of **21 Housing First places**. Housing First is an internationally recognised and evidence-based model of housing and support for those with chronic housing, health and social care needs. With Housing First the idea is that people are provided with permanent housing with no requirement to prove that they are 'housing ready' and then personalised, intensive 'wrap around' support is provided to help them develop and retain their independence, and maintain a tenancy.
6. There are challenges within the current system which can only be addressed by a 'whole system' response involving health, housing, social care, the voluntary and community sector, landlords, the people who receive services and support, carers, and communities.
7. The report is co-signed by commissioning colleagues from City of York Council, Tees, Esk and Wear Valleys NHS Foundation Trust, and the NHS Vale of York Clinical Commissioning Group. Our collective vision is to develop a range of housing and support options that will ensure people with mental ill health can access the right type of housing, with the right level of support, at the right time to meet their needs, regardless of diagnosis.
8. Voluntary and community sector partners were involved in all stages of the development of the proposals – at the original stakeholder workshop; in the working groups; in the mock referral/allocation exercise; and in the stakeholder feedback sessions.

Recommendations

9. The Executive is asked to:

- a) Approve City of York Council and NHS Vale of York CCG entering into an agreement and jointly commissioning new specialist mental health housing and support provision in the shape of:
- Two specialist mental health supported housing schemes that will support 32 places between them (10 places + 6 satellite flats supported from each site)
 - 21 Housing First places – people in their own properties supported by 3 Housing First workers (7 cases each)

and to delegate to the Director of Health, Housing & Adult Social Care and the Portfolio Holders for Health & Adult Social Care and Housing and Safer Neighbourhoods (in consultation with the Director of Governance or her delegated officers and the S151 Officer) the authority to take such steps as are necessary to enter into the resulting agreement.

- b) Note that a formal soft-market testing exercise will be undertaken to identify the level of interest from both Registered Social Landlords (to develop the sites) and external partners (to deliver the support) to define the most appropriate structure for the resulting procurement process(es) to select the partners we will work with.
- c) Approve the procurement of a Registered Social Landlord (RSL) to develop the sites and an external partner to provide the specialist mental health support services and to delegate to the Director of Health, Housing & Adult Social Care and the Portfolio Holders for Health & Adult Social Care and Housing and Safer Neighbourhoods (in consultation with the Director of Governance or her delegated officers and the S151 Officer) the authority to take such steps as are necessary to procure, award and enter into the resulting contracts.

- d) Approve the council owned sites at Woolnough House and Crombie House being sold to the successful Registered Social Landlord (RSL) bidder as part of the procurement process, to be developed out as specialist mental health supported housing schemes.
- e) Approve the relocation of the supported housing provision at the Council-managed 22 The Avenue in Clifton to the new provision and the marketing for sale and subsequent disposal of that site following the development of the two specialist mental health supported housing schemes.
- f) Approve that, once 22 The Avenue is vacated, it be sold and that authority to proceed and complete the sale be delegated to the Director of Economy and Place in consultation with the Portfolio Holder for Finance and Performance (in consultation with the Director of Governance or her delegated officers and the S151 Officer).

Reason: To enable the city to develop specialist mental health housing and support that will address a significant gap in existing provision for people with multiple and complex needs, and to realise capital receipts for three sites currently owned by City of York Council – at Woolnough House, Crombie House and 22 The Avenue.

Background

Challenges in the current mental health housing and support pathway

- 10. A report to the Health and Wellbeing Board (24 January 2018) set out in some detail the challenges currently facing the mental health housing and support pathway. At present in York we are not always able to provide the right housing, with the right support, at the right time, as we do not have the full range of housing and support options that we need. The biggest gap in our current provision is for people with multiple and complex needs.
- 11. At present we struggle to find suitable placements for people who are chronically homeless or vulnerably housed (e.g. at risk of eviction or placement breakdown, sofa surfing) and have mental,

psychological or emotional health needs, but who may also have some of the following:

- Drug and/or alcohol dependency
 - Contact with the criminal justice system
 - Physical health needs
 - Experience of domestic violence and abuse
 - No (recent) experience of settled independent accommodation
 - No (recent) experience of having structure in day to day life
 - Lack of positive relationships and a support structure.
12. As a result, people sometimes stay longer in hospital than they need to, or are housed in accommodation that doesn't properly meet their needs, or are placed in accommodation outside of York (at significant expense), away from family and friends and their support networks.
13. The proposed specialist mental health housing and support provision will work with people with the type of needs described in paragraph 11 above. The emphasis will be on looking for ways to manage risk and accept customers rather than to exclude them.

The work that has been undertaken to inform our final proposals

14. Between September 2017 and June 2018 significant work was undertaken to research and develop these proposals. This work is summarised in a table at Paragraph 17 below, and included two multi-agency working groups – one to research and develop a supported housing model, and one to research and develop a Housing First model.
15. In July 2018 the core project team held two stakeholder sessions at the Quaker Meeting House – to update a wider audience on the work that the core project team and working groups had delivered since January of that year, and for stakeholders to comment on draft proposals that have since been refined and are included in this report.
16. The two sessions were attended by a total of 47 people and their detailed feedback informed a comprehensive 30 page report. In summary the feedback:

- a) Endorsed the proposed mental health housing and support pathway
- b) Endorsed the accompanying underpinning principles
- c) Suggested a number of areas requiring further work and detail which will be incorporated into the implementation plan
- d) Asked that the detail behind these proposals be developed in partnership with people who use services, carers, staff, and all partner agencies, through a co-production approach.

Consultation

17. The table below summarises the stakeholder consultation and engagement:

Date	Consultation/Engagement
29 Sep 2017	Initial stakeholder workshop at Priory Street Centre attended by 70+ delegates. Executive summary of full workshop report available at Annex 2 to Health & Wellbeing Board report (24 Jan 2018)
28 Nov 2017	VCS Forum for Mental Health
Jan-Apr 2018	Supported Housing working group
	Housing First working group
29 Mar 2018	Tees, Esk & Wears Valley NHS Foundation Trust (TEWV) Service User Network
11 Apr 2018	York Mental Health Carers Group
Apr/May 2018	Mock allocation panels (x3) – specialist mental health housing and support
5 Jul 2018	TEWV Local Transformation Board
12/19 Jul 2018	Two stakeholder sessions held at Quaker Meeting House to share, and invite feedback on, draft proposals
7 Nov 2018	York Place Based Improvement Partnership. The YPBIP is made up of the Chief Executives from across the whole health and social care system (i.e. CCG, CYC, Hospital Trust, Police, TEWV, York CVS). System

Date	Consultation/Engagement
	leaders at the YPBIP confirmed their support for the project and their commitment to delivering it.
Jan-Nov 2019	Ongoing discussions between the three key partners (CYC, TEWV, VoY CCG) around how the revenue element of the proposals (the support) would be funded.
Sep 2019-Mar 2020	A sub-group of CYC (Adult Social Care, Housing, Property) and NHS Property colleagues undertook a comprehensive analysis of potential sites for the two supported housing schemes against the key location criteria identified by stakeholders in the working group phase of the project. A short-list of options was discussed at the CYC Housing Delivery Board on 7 Jan and, on 12 Mar, the same group approved the use of the Woolnough House and Crombie House sites for the proposed supported housing schemes, and agreed to release the site at 22 The Avenue for a capital receipt.

Options / Analysis

18. This section outlines the specific proposals for the development of 53 specialist mental health housing and support places for people with multiple and complex needs (32 specialist supported housing places and 21 Housing First places). See Annex 1 for a breakdown of the current and proposed places across the whole mental health housing and support pathway. Overall, once proposals across the whole pathway are fully implemented, the number of mental health housing placements in the city will have increased from 47 places to 98 places.

Specialist supported housing

19. It is proposed that two supported housing schemes (with 24/7 on-site staffing) be developed within the city, each containing 10 places, and each providing support to another 6 satellite flats within a 1-2 mile radius of the project. This represents a total of 32 specialist mental health supported housing places.
20. The project team undertook a comprehensive analysis of potential sites for the two supported housing schemes with NHS Property and CYC Housing/Property colleagues and, after discussion at the

Council's Housing Delivery Board, it was agreed that the two sites should be at Woolnough House and Crombie House.

21. Woolnough House is the site of an ex-council residential care home which has been demolished, off Hull Road. Crombie House, on Danebury Drive in Acomb, currently provides emergency temporary accommodation for homeless families which is being re-located to the new provision at James House. The recommendation is to sell the two sites to a Registered Social Landlord (RSL) to develop the sites and build the two specialist mental health supported housing schemes.
22. These locations ensure there will be specialist mental health supported housing provision in both the East and West of the city and, crucially, both sites are integrated within communities, close to local amenities and good transport links. These were the key site location criteria previously identified by stakeholders.
23. The proposal is that the assessment, short-break, and short-term supported housing places currently provided by City of York Council at 22 The Avenue in Clifton would be re-provided within the new supported housing provision at the two new sites.
24. The Project Board recommends that we seek an external partner to provide the proposed specialist mental health support, in preference to it being provided by City of York Council or the NHS. It believes the current Council-run service would struggle to adopt the level of flexibility required in order to be able to accommodate and support the needs of clients as described in paragraph 11 above.
25. Our research confirmed that there are organisations with far greater experience of delivering this type of housing and support to people with multiple and complex needs than the Council or NHS. When members of the project team visited one such provider in Leeds they were very impressed with what they saw and heard. Bringing in a new external partner will also help establish this as a new and different way of working.

26. We have carried out informal soft market-testing which has indicated that there are both housing providers and support providers in the marketplace who would welcome the opportunity to deliver this specialist mental health housing and support provision in York.
27. Our plan would be to carry out a formal soft market-testing exercise before deciding on a procurement or partnership route.

Housing First

28. Housing First is an internationally recognised and evidence-based model of housing and support for those with chronic housing, health and social care needs.
29. With Housing First people are provided with permanent housing with no requirement to prove that they are 'housing ready' and then personalised, intensive 'wrap around' support is provided to help them develop and retain their independence, and maintain a tenancy.
30. Our proposal is that the external partner would employ three Housing First support workers each of whom would eventually build up to a caseload of seven cases – resulting in a total of 21 Housing First places. The caseloads will be kept small to reflect the intensity and flexibility of the support needed by the individuals who will receive this service, and who typically will have lived a very chaotic lifestyle and not routinely have engaged with statutory services.
31. These Housing First support workers would call on, and help co-ordinate, specialist input and support from a range of other services.

Specialist input and support from other services

32. The working groups which developed the proposed models for supported housing and Housing First were very clear that being able to access specialist input and support from other services would be vital and integral to the success of any specialist mental health housing and support for people with multiple and complex

needs. Feedback from the two stakeholder sessions in July 2018 strongly supported this position.

33. There was widespread agreement that formal agreements need to be put in place between all core and key services and the specialist mental health housing and support provision, and the rest of the mental health housing and support pathway. This will help ensure that dedicated/protected resource is in place and that all partner agencies' input and support is timely and appropriate.
34. All partners need to have a shared understanding of each other's roles and responsibilities in supporting this provision and the individuals receiving housing and support within it.
35. The diagram below shows the core and key services that will need to be involved in providing additional and specialist support to both the individuals within, and the staff providing, the specialist mental health housing and support provision.



36. To recognise the importance of adopting a 'whole system' approach and the desire to achieve a cultural shift that will help ensure more effective joint working and collaboration between agencies, a series of principles have been agreed within the project and will underpin the development and implementation of the improved mental health housing and support pathway. These principles are referenced in the background papers.

37. It is important to recognise that good progress has already been made in terms of better joint working with Mental Health (Health and Adult Social Care) and Housing colleagues meeting monthly, since late 2018, to discuss their most challenging cases around mental health housing and support. These meetings have helped foster improved working relationships and a much better understanding of each other's processes and pressures.

High level implementation plan and timeline

38. An approximate timeline for implementation is set out below:

Timeline	Headline Tasks
Sep 2020– Apr 2021	<p><u>Finding and selecting partners</u></p> <ul style="list-style-type: none"> • Soft-market testing • Procurement exercise • Select housing and support partners <p><u>Gradual expansion of existing Housing First offer</u></p> <ul style="list-style-type: none"> • Very gradual implementation of extra Housing First places supported by additional funding to existing Making Every Adult Matter (MEAM) programme
May 2021– Spring 2022	<p><u>2 x supported housing schemes</u></p> <ul style="list-style-type: none"> • Finalise designs • Planning applications • Construction begins on both sites
Spring 2022– Apr 2023	<ul style="list-style-type: none"> • Site development ongoing
May 2023	<ul style="list-style-type: none"> • New support provider starts its contract • Supported housing schemes open at Woolnough House and Crombie House • Service at 22 The Avenue closes

The rest of the mental health housing and support pathway

39. As outlined in the opening section of this report, the overall vision for this project is the development of an improved mental health housing and support pathway that can meet the needs of people with low level mental health support needs right through to the needs of people with multiple and complex needs.
40. This report has focused on how we can close the biggest gap that exists within the city which is the provision of specialist mental health housing and support for people with multiple and complex needs. We recognise, however, that work is also needed to strengthen and improve other elements of the mental health housing and support pathway. The Project Board will also seek to progress this work in partnership with colleagues from across a whole range of partner agencies via, for example, the work of the York Mental Health Partnership, the Multiple Complex Needs Network, the Northern Quarter Project: Mental Health and Wellbeing, and existing contracts/arrangements.
41. This work will include consideration of:
- Short-term supported housing (visiting support)
 - Floating support
 - Intensive Housing Management support
 - Direct Payments/Personal Health Budgets
 - Developing a 'Shared Lives' model for mental health where people can receive short-term breaks and/or short-term support in a family setting
 - Exploring the possibility of self-contained tenancies for U/60s in independent living schemes
 - Improved building design within social housing schemes
 - Support for people once they have moved on into general needs housing
 - Mental health support to homeless hostels
 - Private sector provision

Council Plan

42. Of the eight core outcomes outlined in the **Council Plan 2019-2023**, three are particularly relevant in relation to the development of an improved mental health housing and support pathway. Relevant extracts from the Council Plan are shown below:

a) Good health and wellbeing

We know that 80% of a person's health is determined by wider factors rather than by health or care services (e.g. housing). However, there are communities within our city whose health and wellbeing outcomes fall short of those enjoyed by the majority and we work hard to reduce those inequalities.

b) Safe communities and culture for all

It is vital that we continue to work with others to nurture inclusive communities, particularly for those that can feel isolated and vulnerable, in order to better connect them to others and the activities York has to offer. This will also have a positive effect in reducing crime and provide a safety net to protect those at risk of harm.

c) Creating homes and world-class infrastructure

Prioritise support for rough sleepers and work in partnership with the police and other agencies to develop new initiatives such as the 'Housing Navigators' and improved services for people with complex needs, such as substance abuse and mental health issues, including extended use of the Housing First approach.

CYC Recovery and Renewal Strategy – Covid-19 Response

43. It is widely acknowledged that the Covid-19 pandemic, and the economic challenges it has triggered, is likely to have a long-term negative impact on the mental health and wellbeing of many across the city. People with multiple and complex needs who were struggling before Covid-19 will be facing even greater challenges now and in the coming years. The early but gradual introduction of extra Housing First places will help ensure there is greater support available for some of the most vulnerable people in the near future,

albeit in very small numbers, and the full development of the specialist provision by May 2023 will mean the city will have significantly greater capacity to support people with multiple and complex needs, the numbers of which can be expected to grow in the coming years.

Health and Wellbeing Board

44. At its meeting on 4th March 2020 the Health and Wellbeing Board re-focused its priorities at the half-way point in the life of its 2017-2022 strategy. Relevant extracts from the report are shown below and help illustrate the clear link between the proposals contained within this report and the city's vision for providing improved mental health housing and support options that are embedded in communities that will welcome and support them, including provision for people with multiple and complex needs.

Mental Health

“The board will promote awareness and understanding of the protective factors that support good mental wellbeing and ensure that compassionate, strength-based approaches in communities are developed.”

***The Mental Health Partnership** is well established now and is in a good place to take on this re-focused health priority. They have identified four key priorities:*

- *A community approach to mental health and wellbeing*
- *Mental health housing and support*
- *Multiple and complex needs*
- *Self-harm*

Implications

Financial

45. The table below shows the ongoing financial position once the specialist mental health housing and support provision is fully implemented. There will be a gradual introduction of Housing First placements starting in 2020/21 but the full costings shown below

will not apply until Spring 2023 when the two new supported housing schemes are due to open.

Fully implemented model costs and funding	£000
Estimated total cost of service	1,321
Total funding	1,321
Council base budget (22 The Avenue's budget)	423
Reduction in residential and community spend	186
Increased Intensive Housing Mgmt income	212
NHS Vale of York CCG commitment	500

46. The CCG contract with TEWV is due to expire in 2024. Neither the CCG nor TEWV can pre-empt the legal procurement process for the contract to be awarded for the subsequent period but it is the settled intention of the CCG that this model of care will - having demonstrated its efficiency and effectiveness by that date - be intrinsic to our care pathways. It therefore will continue to be a feature of the services and outcomes specified in the new contract to be let from 2024.

47. Overall the projected costs of the programme and delivering the services will be met from:

- £423K - is the current revenue funding available from the existing service at 22 The Avenue and is the budget released by re-providing the existing 22 The Avenue service.
- £186K – this will be from savings realised within Adult Social Care Mental Health budgets due to CYC social workers reducing the numbers of individuals placed in long term care settings (residential) and the numbers accessing intensive community support options.
- £212K – increased income that will go to the support provider to offset the overall costs. This income will come through accessing increased housing benefit entitlements through the use of Intensive Housing Management (IHM). Intensive Housing Management is a term used to describe the services provided by a supported housing

landlord, differentiating it from a general needs landlord. The services are provided to ensure the ongoing viability of the tenancy with respect to the needs of the tenant.

- £500K – this is the contribution from the Vale of York CCG via TEWV that will be achieved by health partners through a reduction in the number of out-of-area placements made. The funding will be ring-fenced for the programme and delivery of the new model and pathway and secured formally with health partners.
48. The revenue modelling has been based on an assumption of staff being transferred to one of the schemes under current terms and conditions and uses the current market rate for mental health supported housing to forecast the cost of the second scheme.
 49. The capital implications have also been considered. The recommendation is to sell the council land to a Registered Social Landlord (RSL) to develop the sites and build two specialist mental health supported housing schemes. Soft market testing has shown there would be keen interest in developing such sites whilst generating the expected capital receipts for Woolnough House and Crombie House.
 50. When selling the sites to a RSL (as part of a procurement process), the council's contract with the RSL will stipulate that the sites can only be used for the purpose of providing specialist mental health supported housing (for as long as CYC requires it). The support element of the specialist mental health housing and support provision will be re-tendered at timely intervals (e.g. every 5+2 years) to help ensure continued quality provision.
 51. The recommendation would also mean that a capital receipt could be realised from the sale of 22 The Avenue. Provision has been made in the revenue model for upkeep of 22 The Avenue until the new schemes are operational and holding costs (e.g. security) of the building until its sale.

Human Resources (HR)

52. Any council staff that may be impacted by this proposal and their Trade Union representatives have been informed about the content of this report and will continue to be kept informed and consulted as appropriate as the proposals are developed.
53. Any change to provision of services will be managed in accordance with the Council's Supporting Transformation (Managing Change) policies and appropriate employment legislation.

One Planet Council / Equalities

54. Ensuring that people experiencing mental ill-health are able to access appropriate housing and support is a significant equalities issue. The project team recognise that further work is required to ensure that people experiencing mental ill-health have the right support and pathways in place to enable them to access, and meet, this basic human need. A full analysis of the project's impact upon the One Planet Principles and Equalities & Human Rights has been undertaken using the Better Decision Making Tool - see Annex 2.
55. Completing the Better Decision Making Tool has served to highlight/reinforce a few key areas where we will need to do focussed work within the project implementation phase, including the need to:
 - a) Ensure that the voice of people with lived experience is influential within the specification of the specialist housing and support that is required, and within the process for selecting the housing and support providers who will deliver the provision.
 - b) Invest time and energy, alongside the housing and support providers and other partner agencies, in supporting the development of positive links between the two supported housing schemes and the communities within which they will be located. Our aim will be to encourage mutual understanding and support that will help foster positive community relations.

- c) Work closely with Housing and Procurement colleagues during project implementation to ensure that the two new supported housing schemes are designed and built in a way that is as positive as possible in terms of environmental and sustainability considerations.
- d) Link up with other key related projects/developments - e.g. the Multiple Complex Needs Network, and the Northern Quarter Project: Mental Health and Wellbeing - to ensure that we maximise all opportunities to connect individuals, organisations and communities as part of a strengths-based approach that builds on 'what's strong rather than what's wrong.'
- e) Link in with the Pathway team to ensure that, if it is appropriate and possible, young people aged 16-18 who have mental health and other needs which cannot always be met in existing young people's supported accommodation, can be considered for this specialist housing and support provision, with appropriate packages of support.

Legal

- 56. Section 117 of the Mental Health Act describes the duty to provide aftercare services in some circumstances following hospital admission. Section 75(5) of the Care Act 2014 defines "after care services" as services which (i) meet a need arising from or related to the person's mental disorder; and (ii) reduce the risk of a deterioration of the person's mental condition (and, accordingly, reducing the risk of the person requiring admission to a hospital again for treatment for the disorder). Establishing a supported housing pathway would help to meet the Section 117 duty, prevent re-admission and support long term recovery. The Children Act 1989 and associated legislation places 'pathway' duties on local authorities to support young care leavers into independence, which includes support with accommodation needs.
- 57. The Housing Act 1996 provides instances where the local authority has a duty to provide accommodation to homeless persons, including some instances where an individual is considered to be

in “priority need”. Priority need includes several categories of individual, including persons who are vulnerable as a result of mental illness. Without appropriate accommodation for people with complex needs there is a risk that this duty may not be met.

58. There are a number of ways in which the Council and the CCG could work together to procure the required services, from a formal partnership through to an agreement in accordance with section 75 of the National Health Services Act 2006. Each route has different risks and advantages and work will need to be undertaken with the support of Legal Services to ascertain the most appropriate route.
59. The proposals to obtain a Registered Social Landlord (to develop the sites) and an external partner (to deliver the support) are both governed by the Contract Procedure Rules and the Public Contracts Regulations 2015 and will require compliant procurement processes to be carried out. The proposal to carry out formal market testing in order to ascertain the view of the market in relation to the proposals will assist in further defining the structure of the resulting procurement processes.
60. As one of the three sites is part of the Housing Revenue Account (HRA) portfolio, consent from the Secretary of State for Housing, Communities and Local Government for their disposal may need to be obtained under Section 32 of the Housing Act 1985. Pursuant to the General Housing Consents Order 2013, the Secretary of State has given consent to disposals by local authorities of housing/HRA land in the circumstances specified in the Order, which includes disposal of land for its market value. However, if the disposal price/capital receipt being obtained is less than best consideration reasonably obtainable for the site in question, this would fall outside the Order and specific express written consent from the Secretary of State would need to be applied for and obtained before any contract for sale or sale/transfer deed is entered into.

Crime and Disorder

61. The provision of appropriate housing and support, able to meet the needs of people with multiple and complex needs, would help provide the stability required for them to develop their recovery and independent living skills. This is likely to reduce the impact on the

crime and disorder of a small number of individuals whose anti-social behaviour can sometimes have a significant impact on neighbours and communities.

Information Technology (IT)

62. There are no identified implications at this stage.

Property

63. Mental health housing and support is currently provided in a range of settings including 22 The Avenue, which is a Council managed service.

64. The two buildings at 22 The Avenue are old and no longer fit for purpose. The house at 22 The Avenue was closed in late 2019 and the housing provided there is now provided at a recently refurbished 5 bed property in Clifton (a 15 minute walk away), with outreach support being provided to residents by staff from 22 the Avenue.

65. Our vision is that, when the new specialist mental health supported housing schemes open, the 5 bed property in Clifton will still remain in the mental health housing and support pathway, most likely as short-term supported housing with visiting support provided by a VCS or Housing Association partner.

66. Whilst the house at 22 The Avenue has been closed, the Annex building at 22 The Avenue remains operational. CYC Property Services has undertaken a full condition survey of the building and developed a three year programme of works to keep the building fit for operational use until such time as the two new supported housing schemes are ready. This building maintenance work is being funded from the £131k budget agreed by Full Council in July 2019 to help pump-prime this project.

67. The eventual closure of the service at 22 The Avenue will mean that the site can be released for a capital receipt.

68. Two existing council sites have been identified as the proposed locations for the two specialist mental health supported housing

schemes. Woolnough House is the site of an ex-council residential care home which has been demolished, off Hull Road. Crombie House, on Danebury Drive in Acomb, currently provides temporary accommodation for homeless families which is being re-located to new provision at James House.

69. The Executive approved the scope of the Council's Housing Delivery Programme on 12 July 2018. Seven sites were named and one of these was Woolnough House. Approving this proposal, to develop a specialist mental health supported housing scheme at Woolnough House, will mean removing it from the scope of the Housing Delivery Programme. This proposal has been discussed at the Housing Delivery Board and is supported by that Board. It is not felt that its removal will negatively impact on the ability of the Housing Delivery Programme to meet its objectives.

70. As noted above in the Financial Implications section, the recommendation is to sell the above two council sites to a Registered Social Landlord (RSL) to develop the sites and build two specialist mental health supported housing schemes. Soft market testing has shown there would be keen interest in developing such sites whilst generating the expected capital receipts for Woolnough House and Crombie House.

71. The council's contract with the RSL will stipulate that the sites can only be used for the purpose of providing specialist mental health supported housing.

Other – TEWV's strategic approach

72. TEWV NHS Trust is moving from a traditional reliance on bed based services to enhance recovery focussed community provision that reflects the 'whole person, whole life, whole system' principles. This paradigm shift has led to:

- Dedicated capacity to proactively manage complex mental health placements which may be managed out of the York locality
- Enhancement of community teams to enable more proactive care in the area

- Piloting of new ways of working to maximise the delivery of evidence based rehabilitation care models
- Working closely with service users and carers to better understand their experiences and to inform the delivery of recovery focussed care.

Risk Management

73. There are a range of risks attached to doing nothing to address the challenges highlighted in this report. We are currently struggling to provide people with mental ill health, and especially those with multiple and complex needs, the right type of housing, with the right level of support, at the right time. This is due to a number of factors including:
- The lack of a range of options to meet the range of needs
 - System pressures
 - Increasing demand
 - Fragmented services
 - Ageing buildings
74. A high-level risk register has been developed and this will be developed in greater detail to ensure that the key risks to the project are identified and managed so as to eliminate or minimise their potential impact.
75. There is a financial risk that would arise if the way customers are currently supported were not changed to reflect these services being in place. The revenue model is dependent on savings being realised in existing budgets to fund this programme.
76. There is also a financial risk that our partners' financial position might change and the funding earmarked to support this project is diverted elsewhere.
77. To mitigate the risk of the chosen Registered Social Landlord (RSL) deciding at a later date that it no longer wishes to provide the two supported housing schemes, the council's contract with the RSL will stipulate that the sites can only be used for the purpose of

providing specialist mental health supported housing. The procurement process will factor in the ability to re-tender the support element of the contracts at timely intervals (e.g. every 5+2 years) to help ensure continued quality provision.

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Wards Affected:

All ✓

For further information please contact the authors of the report.

Background Papers:

- York's Joint Health and Wellbeing Strategy 2017-2022
- All Age Mental Health Strategy for York 2018-2023
- York Homelessness Strategy 2018-2023
- Workshop Report: Mental Health Housing and Support Workshop held at Priory Street Centre on 29 Sept 2017
- Mental health housing and support report to Health and Wellbeing Board – 24 January 2018
- Guidance for services on 'Delivering high fidelity Housing First' – Homeless Link, 2019
- Principles underpinning the development and implementation of an improved mental health housing and support pathway in York
- Stakeholder Sessions Report: Report on feedback from two stakeholder sessions held on 12th and 19th July 2018 at the Quaker Meeting House
- 'More Than Shelter' – Centre for Mental Health report, June 2016

Annexes

- Annex 1 – Overview of current places vs. proposed places in the mental health housing and support pathway
- Annex 2 – Better Decision Making Tool

List of Abbreviations Used in this Report

CYC	City of York Council
HRA	Housing Revenue Account
IHM	Intensive Housing Management
MEAM	Making Every Adult Matter
NHS	National Health Service
RSL	Registered Social Landlord
TEWV	Tees, Esk and Wear Valleys NHS Foundation Trust
VCS	Voluntary and Community Sector
VoY CCG	Vale of York Clinical Commissioning Group
York CVS	York Centre for Voluntary Service
YPBIP	York Place Based Improvement Partnership



Meeting:	Executive
Meeting date:	16 th November 2023
Report of:	Neil Ferris
Portfolio of:	Cllr Michael Pavlovic, Executive Member for Housing, Planning and Safer Communities

Decision Report: Delivering More Affordable Housing in York – update on the Housing Delivery Programme

Subject of Report

1. York has experienced some of the most significant house price inflation in the country over recent years. Alongside this, the demand for and cost of good quality private rented sector housing continues to increase. This is resulting in significant affordability challenges for many of York's residents, creating a growing demand for affordable homes provided by both the City of York Council and our housing association partners. In response, the new Council Plan (2023-27) seeks to accelerate the delivery of high-quality affordable homes in the city. This report presents opportunities for meeting that ambition through the Housing Delivery Programme, in both developing and facilitating affordable housing provision in the city.
2. This report seeks decisions in respect of:
 - a) Directly developing 100% affordable housing projects at Ordnance Lane and Willow House;
 - b) Disposing of land at the former 68 Centre and Woolnough House sites to Registered Provider Partners to deliver 100% affordable housing; and
 - c) Further developing pipeline opportunities through the York and North Yorkshire Housing Partnership and at York Central.

Benefits and Challenges

3. This report seeks to significantly increase the provision of affordable housing across council owned sites, both through direct delivery by the Housing Delivery Programme and through disposals to Registered Providers. Increased affordable housing presents significant benefits to our residents in a city where the average house price is around 11 times the average salary. Increasing the Council's housing stock results in a long-term rental income to support the work of the Housing Revenue Account ("**HRA**") and the 30-year business plan, supporting investment in existing homes.
4. Delivering housing directly through the Housing Delivery Programme requires significant capital funding. Whilst the delivery of affordable housing can be subsidised using Right to Buy sale receipts and Section 106 Funding, which the Council must allocate for re-provision, the Council is still required to match fund this activity. This report seeks to balance these financial challenges by disposing of several sites to Registered Providers to obtain a capital receipt for the land whilst seeking to achieve the delivery of much needed affordable housing both directly and through partnerships.

Policy Basis for Decision

5. One of the seven priorities outlined in the Council Plan (2023-27) is to increase the supply of good quality affordable housing. The plan seeks to explore options for achieving 100% affordable Passivhaus standard housing through the Housing Delivery Programme.
6. The Housing Delivery Programme has a broad agenda around meeting affordable housing need but also tackling issues around mental and physical health and wellbeing, sustainable transport, equality, and climate change. The principles of the programme and recommendations contained within this report are supportive of achieving the objectives set out in the Climate Change, Health and Wellbeing, and Economic Strategies.

Financial Strategy Implications

7. A decision to increase the affordable housing provision across Ordnance Lane and Willow House to 100% will require additional borrowing, above and beyond previous assumptions and modelling

for the programme. The financial viability of these proposals has been modelled extensively, using current cost plans. Whilst the initial investment will be significantly increased, the developments provide a strong financial return over a 35-year payback period, supporting the HRA in the long term. This paper does not seek a construction budget for either project; a full business case will be presented to Executive once the projects have been tendered and greater cost certainty is available.

8. This paper does seek additional borrowing to match fund a successful grant application under the Local Authority Housing Fund. This will enable the purchase of 10 additional homes from the open market for the both the resettlement of refugee households and to provide additional temporary accommodation.

Recommendation and Reasons

Increasing the development of healthy, sustainable and affordable homes through the Housing Delivery Programme

- a) Seek planning permission at the Ordnance Lane site, with the aim of delivering a 100% affordable housing scheme (with associated communal and commercial spaces).
- b) In consultation with the Head of Commercial Procurement (and their delegated officers), to tender a building contract to develop 100% affordable housing, communal and commercial spaces at the Ordnance Lane site, in line with the Council's Contract Procedure Rules ("**CPRs**"), the Public Contract Regulations 2015 (the "**Procurement Regs**"), the revised planning permission, and return to Executive with a budget ask following the completion of this process.
- c) Seek planning permission at the Willow House site with the aim of delivering a 100% affordable housing scheme.
- d) Accept the Local Authority Housing Fund ("**LAHF**") grant funding offer of £1.2m to purchase 10 homes for resettlement and temporary accommodation.
- e) Recommend to full council a contribution of £1.47m of HRA borrowing to enable the purchase of up to 10 homes for the LAHF programme.

- f) Delegate authority to the Director of Housing, Economy & Regeneration (and their delegated officers), in consultation with the Director of Governance (and their delegated officers), to negotiate the provisions, and conclude the entry into any funding terms and conditions prior to acceptance of the LAHF grant, subject to compliance with the requirements of the Subsidy Control Act 2022.

Disposal of Land for 100% affordable housing

- g) Seek to dispose of land at the former Woolnough House care home site to a registered provider for the purposes of developing general needs 100% affordable housing.
- h) Seek to dispose of land at the former 68 Centre site to a registered provider for the purposes of developing general needs 100% affordable housing.
- i) Delegate to the Executive Member for Housing, Planning and Safer Communities and Executive Member for Finance, Performance, Major Projects, Human Rights, Equality and Inclusion, the finalisation of the disposal route and evaluation criteria to select a purchaser.

Developing and Strengthening Strategic Partnership Opportunities

- j) Note that the Council has formally become a member of the 'York and North Yorkshire Housing Partnership', ensuring that the Council's voice is heard in order to influence the type and number of affordable homes developed in the city alongside supporting opportunities for joint working on specific projects and increasing the attractiveness of the sub-region as a place for investment and partnership working to unlock sites for affordable housing.
- k) Work strategically alongside the co-owners of York Central and the master developer to create a business case around the delivery of affordable housing through the Housing Delivery Programme.

Background

- 9. Affordable housing demand in York and its subregion is high. In York, the Local Housing Needs Assessment outlines a need for 592

new affordable homes per annum, taking account of current and future projected need. Evidence suggests this should be delivered at both social and affordable rent levels. There is an additional need for affordable home ownership tenures (such as shared ownership). For context, the accumulated number of affordable housing completions in York over the last 5-years is 648. The need to accelerate affordable housing delivery in the city is clear.

10. The most significant opportunity in respect of affordable housing delivery sits with the adoption of a Local Plan. The policies and site allocations within this are anticipated to deliver over 4,000 affordable homes over the next 15-years. It is important that the type, tenure and quality of housing delivered through the local plan meets the needs of our residents.
11. Additional opportunities exist to increase affordable housing delivery alongside the Local Plan. Opportunities exist around increasing the amount of affordable housing developed through the Housing Delivery Programme, disposing of land to Registered Provider partners, and strengthening and building strategic partnerships around land, funding, and shared objectives.
12. Alongside a focus on delivering housing within York, it is important to think beyond administrative boundaries, reflecting that York can benefit from affordable housing provision in the wider subregion. That is why a strong partnership with North Yorkshire Council and Registered Providers is vital alongside exploring opportunities to be realised through an elected mayor in 2024. Taken together this can build a more comprehensive approach to meeting the housing need of York's residents.

Consultation Analysis

13. The overarching objectives of the Housing Delivery Programme, as outlined within the approved Design Manual 'Building Better Places', were developed in consultation with partners across the city. This supported the development of a range of objectives which seek to support better mental and physical health, increased sustainable transport opportunity, and tackling the climate emergency and resident fuel poverty. The design of each project is developed alongside the community through significant and meaningful public engagement as outlined in the Public Engagement Strategy. The projects contained within the report, namely Willow House and

Ordnance Lane, will benefit from this rigorous and impactful engagement approach.

14. Sites which are subject to potential disposal for the delivery of 100% affordable housing by Registered Provider partners have been soft market tested to ensure they are considered a viable development opportunity.

Options Analysis and Evidential Basis

Increasing the development of healthy, sustainable and affordable homes through the Housing Delivery Programme

15. In the last 4-years, the Council's Housing Delivery Programme has created 124 additional affordable homes, of which 56 are new builds and 71 are through acquisitions. Existing projects under construction will deliver a further 67 new affordable homes. Alongside this a further 40 homes will be acquired for affordable housing. It is proposed in this report that the number of new affordable homes be accelerated through the development of 100% affordable housing projects on future sites. As well adding to affordable housing numbers, this approach will support the Council in maintaining or growing its affordable housing stock, providing income to support the 30-year HRA business plan and the associated investment plans. Due to the national policy regarding tenants' Right to Buy, housing stock depletes over time as properties are purchased. Increasing the amount of affordable housing on Council sites ensures that Council stock is replenished, utilising the receipts from these sales. Without developing additional affordable homes, there would be a reduction in Council housing stock rental income, which results in a reduced capacity to invest and resource housing services.
16. The Housing Delivery Programme does not aim to meet the entirety of housing need in the city, there is not the financial capacity to do so. However, the numbers it provides are a vital piece of a comprehensive plan to increase affordable housing numbers in the city. The Programme also has the potential to provide a type of housing which is much needed and not often provided by others. This is in respect of tenure, type, quality and environmental impact. The Programme can deliver homes to high accessibility standards, with intergenerational communities supporting residents to live with independence for longer. The developments are healthy, in respect of thermal comfort, air quality, space standards, and access to good

quality outdoor spaces. The energy efficiency of the homes is high; they are built to certified Passivhaus standards and incorporate renewable energy by using air source heat pumps and photovoltaic panels, eradicating the risk of fuel poverty for future residents and contributing to the city's aspiration to be carbon neutral by 2030. The developments will further reduce carbon emissions by creating highly walkable cycle friendly neighbourhoods. The Programme sets high standards for what good residential placemaking can be, positively influencing other developments over the coming years.

Willow House and Ordnance Lane

17. This report outlines an ambition to increase the amount of affordable housing delivered through the Housing Delivery Programme to 100% for the next two projects. To deliver this, a modest redesign of the Ordnance Lane project, which already benefits from planning permission, is required. This will support the delivery of approximately 100 affordable homes. The project could be on site during 2024. All new homes on Ordnance Lane will respond to the climate emergency by being built to certified Passivhaus standard and utilising renewable technologies. Residents will see a reduction in energy bills of approximately 70%. The development will have low and controlled car parking provision and to compliment this, an abundance of cycle parking is being provided, together with e-cargo bike rental for residents, hire vehicles and ultra-rapid charging points.
18. The second project is at the former Willow House site off Walmgate, where around 40 new affordable homes could be developed. This project already benefits from some early design work and significant resident engagement and is seen as a positive opportunity for Walmgate Estate and its residents. The development will seek to build on the principle of low carbon communities exhibited in previous projects by designing to Passivhaus standards, maximising renewable energy sources, and promoting active travel strategies. Development could commence on this site during 2025.
19. This paper recommends progressing both projects through planning with the tendering of a construction contract at the Ordnance Lane site. A budget allocation will be sought from Executive once the tender process is complete enabling greater cost certainty. Grant funded site clearance works are due to commence on this site in winter 2023/24, thereby reducing the timescale of developing new

houses once a revised planning permission for the Ordnance Lane site is achieved.

20. The projects aim to deliver 100% affordable housing. The viability of both projects is dependent on a mixed tenure approach, combining low-cost home ownership and rented tenures. Mixed tenure developments bring many benefits by addressing a broad housing need including residents from the housing register, keyworkers and those aspiring to home ownership.

Strategic Acquisitions

21. Another key route to increasing affordable housing supply is through strategic acquisitions. Purchasing property from the open market and converting it to an affordable home can provide much needed housing very quickly to meet a known housing need. In August 2023, the Council submitted an Expression of Interest to the LAHF, with approximately £1.2m awarded by the Department for Levelling Up, Housing and Communities (“**DLUHC**”) to purchase 10 rented homes into the HRA. This would provide 7 homes for Afghan resettlement households and a further 3 homes to contribute towards meeting wider temporary accommodation needs in the city.
22. The funding available for these acquisitions is at an increased rate, with grant funding available for 40% of the purchase price plus an additional £20k per property for works and transaction costs. If the Council were to accept the LAHF grant, there would be a requirement to match fund the grant with approximately £1.47m of HRA funding. Funding will be sought from a combination of borrowing and strategic disposals of high-value properties which have low energy efficiency and are unable to be reach the minimum target of EPC C without significant invasive works (for example, pre-WW1, uninsulated solid wall construction). Any suitable property identified for disposal will be subject to approval by the Executive Member for Housing, Planning, Safer Communities. The acquired properties will be let at Local Housing Authority rates rather social rent levels to ensure the investment is viable. The cost to the HRA is expected to be £130k per home.

Opportunities for the disposal of land for 100% affordable housing

26. There is the opportunity to further develop a comprehensive approach to increasing affordable housing supply in the city through the disposal of land to Registered Providers (“RPs”). In recent years, agreement has been entered into with Joseph Rowntree Housing Trust (“JRHT”) for the purchase of a small plot of council-owned land at Sturdee Grove, to enable a 100% affordable housing project of 8 homes. In addition, the process of disposing of a proportion of the former Clifton Without Junior School site is reaching its final stages with an RP expected to purchase the site and then deliver 100% affordable housing.
27. This approach to delivering affordable homes in the city can be accelerated through the disposal of two further sites to RP’s for 100% affordable housing developments, these sites are the former Woolnough House care home and former 68 Centre sites’. These sites have no current active use and are within residential locations. It is considered that each site would provide around 10 affordable homes.
28. The homes delivered through this disposal will be required to be affordable, with homes for rent aligned with Local Housing Allowance and energy efficiency measures to ensure the homes are affordable in the long-term by reducing residents’ energy bills. RPs will be asked to target the ambitions of the emerging Future Homes Standard which aim at significantly reducing carbon emissions. It is expected that there will be interest in acquiring these two sites and construction of the affordable homes could commence within 2-years with an additional 20 affordable homes provided.
29. Opportunities for the disposal of additional council land for the provision of affordable housing will continue to be explored, with future decisions brought forward at the appropriate time to continue to increase affordable housing supply in the city.

Developing and Strengthening Strategic Partnership Opportunities

30. Developing strong links with North Yorkshire Council, our Housing Association Partners, Homes England and a new elected mayor may bring additional opportunities for increasing affordable housing.
31. Local government reorganisation presents an opportunity for North Yorkshire to create a joined up affordable housing plan. The newly

formed North Yorkshire Council are currently in the process of developing a Housing Growth Plan, which it is considered would complement our own ambitions. The Growth Plan sets out an ambition to deliver housing at pace, including utilising council and other publicly owned land for new housing developments. The ambition is to create a high standard for new council housing developments alongside working with health and social care colleagues to meet the needs of vulnerable residents. Some of these developments could exist close to York's boundaries and help support those residents who work or have family in the city. In addition, strong partnership working around such things as development pipelines, could bring benefits in respect of partnership opportunities with Homes England and funding opportunities through the elected mayor.

32. At the same time, a newly formed 'York and North Yorkshire Housing Partnership' has been created. Recently, the City of York Council and North Yorkshire Council have formally joined the partnership. The partnership now represents 25 providers of affordable housing in the subregion. A joint prospectus has been published setting out a strategic approach to working together around three key themes: building the right homes in the right places, the drive to net zero, and boosting jobs and the local economy. This partnership provides an enhanced opportunity for collaborative working around strategic local plan sites as well as opportunities for further infill affordable housing projects. Working with a larger collective voice could be key to unlocking investment opportunities as well as ensuring we are able to influence the type of affordable housing delivered in the city.

33. Homes England have recently published their new Strategic Plan for 2023-28, which among other things puts a strong emphasis on levelling up, regeneration and on building a housing and regeneration sector that works for everyone, driving diversification, partnership working, and innovation. As well as continuing to develop existing positive working relationships with Homes England from within the Council, it is considered that working as a partnership with North Yorkshire Council and the York and North Yorkshire Partnership can increase the subregions collective attractiveness to Homes England around grant funding, land availability, and site based joint ventures and partnerships. This could help to unlock additional development opportunities for affordable housing providers, including the council.

34. On a more specific level, conversations have taken place over recent months around opportunities to deliver affordable housing on York Central, leveraging the council's existing land ownership. It is anticipated that a master developer for the project will be announced in the coming weeks. It is proposed that partnership conversations continue in order to enhance affordable housing opportunities on York Central.

Organisational Impact and Implications

- **Financial, Patrick Looker, Finance Manager**

This report has a number of significant financial implications.

General

The HRA budgeted surplus reduced to £324k as part of the 2023/24 following the impact of significant price increases across repairs, utilities and depreciation charge. Given the large level of debt £146m that is being serviced by the HRA this shows that there is limited scope within the HRA for significant investment. The account is also susceptible to higher level of interest rates if further borrowing is agreed.

Ordnance Lane / Willow House

The change in policy to provide affordable housing increases significantly the long-term investment that is required from the HRA. The scheme at Ordnance Lane is estimated to cost over £30m and whilst the council is able to use 40% Right to Buy receipts to fund above policy provision there will still be a significant level of borrowing required by the HRA. The current modelling indicates a scheme is viable but will be subject to the level of affordable rents charges, levels of interest rates and rent levels / construction inflation. A full business case will be brought to Executive detailing the level of borrowing required and impact on the HRA business plan.

Purchase of 10 Resettlement Homes

This purchase would require additional borrowing of £1.47m to fund the purchase.

The gross rental income from such properties at Local Housing Allowance rates would be c £80k, whilst interest costs would cost c £80k. Taking into account other costs of c.£20k (repairs, management, depreciation) would lead to a deficit in the HRA of

£20k per annum which would reduce each year and by year 8 net income is greater than costs. The borrowing would be subject to approval by Full Council.

Disposal of Land for 100% affordable housing

Members will be aware that any sale of land which is restricted for 100% affordable housing will bring in a lower financial receipt than if there is no such restriction. Members will be aware that capital receipts are a corporate resource and used to fund new capital expenditure, pay off debt or fund transformation projects.

- **Human Resources (HR), Helen Whiting, Head of HR.**

Should there be additional resources required to support the Housing Delivery Programme, these will follow HR policies and procedures and further HR advice can be sought when further approvals are sought.

- **Legal, Dan Moynihan, Senior Lawyer (Contracts and Commercial) and Gerard Allen, Senior Solicitor (Property)**

Planning Law Implications

Any necessary planning permission will need to be obtained for each site referred to within this report. Each Section 106 affordable housing contribution received by the Council will have to be spent in accordance with the terms and conditions of the Section 106 agreement, which has secured the contribution.

Commercial/Procurement Law Implications

Any building contracts, or any design work or other professional consultancy services, required to deliver affordable housing at any of the sites referred to in this report, must be procured in accordance with a robust procurement strategy that complies with the Council's obligations under its own CPRs and its statutory obligations under the Procurement Regs (where applicable), with the advice and input of the Council's Commercial Procurement and Legal Services teams. Subject to the approval from Executive of any budget post-tender, all building works contracts must be drafted, negotiated and concluded with the advice and input of the Legal Services team.

Any grant funding sought to deliver any of the proposals set out in this report shall require advice and input from Legal Services on any

required grant funding terms and conditions and whether the Council's acceptance and use of any such grant funding will comply with the requirements set out within the Subsidy Control Act 2022. It is worth noting that any capital grant funding used to fund and pay for any works or service contracts to deliver all or any part of the proposals set out within this report will fall outside of the requirements within the Subsidy Control Act 2022 provided that these contracts have been commissioned following a competitive tender exercise on the open market in line with the Council's CPRs and the Procurement Regs (as applicable). Legal Services however will need to carry out a full assessment of any subsidy control implications later prior to the award of any such grants.

The terms and conditions of any partnership or governance arrangements proposed in this report will require the advice and input of Legal Services before being concluded. The principal powers on which the Council can rely upon to enter such arrangements include the Local Government (Goods and Services) Act 1970, Sections 101 and 102 of the Local Government Act 1972, Section 95 of the Local Government Act 2003, and Sections 1 and 4 of the Localism Act 2011 (as applicable).

Property Law Implications:

It is not known whether the respective plots of land which the Council propose to dispose of are currently within the Housing Revenue Account/HRA or the General Fund.

- The Council has statutory powers:
 - Pursuant to Section 123 of the Local Government Act 1972, to dispose of any General Fund/non-HRA land held by the Council (including granting a lease of it). Although Section 123 requires that the consent of the Secretary of State for Housing, Communities and Local Government be obtained for a disposal at a consideration (price) less than best reasonably obtained, such consent is automatically given for the disposal of General Fund/non-HRA land by a General Consent Order where both of the following conditions are satisfied:
 - the Council considers that the disposal will contribute to the promotion or improvement of the economic, environmental, or social well-being of its area; and

- the difference/shortfall between the consideration/monetary receipt obtained and best consideration amount does not exceed c. £2M.
- Pursuant to Section 32 of the Housing Act 1985, to dispose of any HRA land held by the Council (including granting a lease). Although Section 32 requires that the consent of the Secretary of State is obtained for a disposal of HRA land (whether at or below market value), General Consent Orders automatically give SoS consent to disposal/leasing of such land where:
 - the disposal is at market value; or
 - by way of “short tenancy” comprising a lease for a term not exceeding 7-years (but on the expiry of such tenancy a further short tenancy of the land cannot be granted pursuant to such General Consent until at least 1-year after the original short tenancy has expired).
- Regarding HRA land, Section 25 of the Local Government Act 1988 prohibits a local authority from providing/giving “financial assistance or gratuitous benefit” when disposing of HRA land (including disposing for a price below market value) without the consent of the Secretary of State. However, a General Consent Order (“**GCO**”) does give SoS consent to the provision of financial assistance/gratuitous benefit in the limited circumstances specified in such GCO, including to the provision to any person of financial assistance or gratuitous benefit consisting of the disposal of an asset comprising a dwelling house or hostel where:
 - the aggregate amount or value of the financial assistance or gratuitous benefit provided by the local housing authority to all persons under this consent in any financial year shall not exceed the sum ascertained by multiplying the population of the area of the authority by the figure of £3.00;
 - the disposal must be:
 - by way of a lease for a term not exceeding 21-years; and
 - to either:
 - a registered provider of social housing; or

- a person who intends to use the accommodation for occupation by persons with a special need; and
- the aggregate number of dwelling-houses comprised in the disposal and any previous disposal by the local authority under this consent in the same financial year must not exceed a number (the “**ceiling**”) equal to the greater of 50, or one quarter of one per cent of the number of dwelling-houses owned by the authority at the commencement of the financial year in which the disposal takes place.

In any event, it is considered that General Consents give CYC power to dispose (by way of leases for a term up to 7-years) of the necessary properties to the appointed service provider without needing to apply for and obtain express consent from the Secretary of State.

In relation to potential purchase of properties by the Council for use additional affordable housing, S.120 of the Local Government Act 1972 gives the Council power to acquire land for the purposes of any of the Council’s functions or for the purpose of the benefit, improvement or development of the Council’s area.

- If the Council intends to dispose of land (either by freehold transfer or by grant of long lease) to a registered provider with the objecting of the purchasing R.P. developing (100%) affordable housing on the land then it should be noted that:
 - (i) if the Council wants the RP to be under a positive contractual obligation to build such housing with a specified period then:
 - (a) this may be classed as a public works contract that needs to be tendered and awarded after a procurement exercise;
 - (b) such obligation would need to be clearly specified in the procurement documentation and legal agreement(s);
 - (c) the imposition of such an obligation would likely substantially reduce the capital receipt obtained for the land as opposed to what would be obtained for a disposal without any obligation or restriction regarding use solely for affordable housing
 - (ii) if the Council is content for the RP not to be under a positive obligation to construct affordable housing on the land, the

Council could instead impose a restrictive covenant prohibiting use of the land for any purpose(s) other than solely affordable housing. However, whilst this probably wouldn't reduce the capital receipt obtained by as much as the imposition of a positive development obligation please note:

- (a) this wouldn't entitle the Council to require that the purchasing RP actually builds any affordable housing on the land (instead the RP might potentially sit on/landbank the land until they wish to develop it);
- (b) there are legal complexities with successfully enforcing covenants restricting use of land and there is a risk that the purchasing RP might be able to subsequently successfully apply to the First Tier Tribunal under S.84 of the Law of Property Act 1925 for modification or release of such restrictive covenant(s)

- **Procurement, Chloe Wilcox, Head of Procurement.**

Any proposed works or services will need to be commissioned via a compliant procurement route under the Council's Contract Procedure Rules and where applicable, the Public Contract Regulations 2015. All tenders will need to be conducted in an open, fair, and transparent way to capture the key principles of procurement. Further advice regarding the procurement routes, strategies and markets must be sought from the Commercial Procurement team.

- **Health and Wellbeing – Peter Roderick, Director of Public Health**

A good quality, affordable home is one of the underlying health-creating assets which the York Health and Wellbeing Strategy 2022-2032 identifies as improving health and narrowing inequalities in Healthy Life Expectancy in the city. The proposals in this report will contribute to achieving this strategy, both through measures to increase the affordability of housing and by incorporating the healthy place-making principles set out in the Housing Delivery Programme Design Manual, which the public health team were involved in creating.

Public Health would however recommend early engagement with health specialists (PH & ICB) to understand the increased demand on the local health provision that this development may create. This would be in the form of a health impact analysis within the project scope/development. A HIA offers an assessment of the impact of

the proposed development on the health system in this area and should include appropriate mitigations. Health capacity mitigations relevant to the population group should then be included within the project design, there is a potential for greater demand on the local health infrastructure by concentrating social housing in one geographical area. This mitigation should go beyond the usual inclusion of health and wellbeing initiatives, access to green space or increased access to sport fields etc. These wellbeing and green spaces already exist within walking distance of the development and are being upgraded as part of planned work at Rowntree's Park. A section 106 contribution which mitigates the impact of the development on the health infrastructure capacity in this area is highly recommended.

- **Environment and Climate action, James Gilchrist, Director of Transport, Environment and Planning**

Housing plays a significant part in the place making and environment of the city, the decisions within this report will support that send of place whilst also delivering the Council Plan around housing and environment.

- **Shaun Gibbons, Head of Carbon Reduction**

Housing is responsible for over 30% of carbon emissions in the city and reducing emissions from new build is an objective within the York Climate Change Strategy.

New developments should aim to achieve up to a 75% reduction in carbon emissions over and above the requirements of Building Regulations Part L (2013) unless it is demonstrated that such reductions would not be feasible or viable, as required in condition CC2 of the Local Plan. Ideally, developments completed as part of the HDP should achieve net zero emissions. Energy efficient homes not only reduce carbon emissions but are more comfortable, healthier and affordable.

The focus on net zero for the newly formed 'York and North Yorkshire Housing Partnership', supports the ambition in the Climate Change Strategy.

- **Affordability, Pauline Stuchfield, Director of Customer and Communities.**

Provision of a greater number of low cost housing in York will help to address the current lack of affordable housing for those in the city on low incomes, along with potentially reducing travel costs and improving health and wellbeing of residents. It is well known the those with health and/or mental health challenges have suffered greatest in the Cost of Living crisis and this report will help to address some of these challenges.

- **Equalities and Human Rights, Laura Williams, Assistant Director of Customer, Communities, and Inclusion**

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

A full Equalities Impact Assessment is attached at Annex A and the process of consulting on the recommendations in this report will identify any further equalities implications on a case-by-case basis, and these will be addressed in future reports.

- **Data Protection and Privacy**

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

This is evidenced by completion of DPIA screening questions CGT20808

- **Communications, contact: Eddie Coates-Madden, Head of Communications.**

Resources are already in place to purchase communications and marketing activity from the communications service, in the shape of a half-time Grade 7 post. Work, outputs and outcomes are overseen and managed in a relationship between the two services, subject to a service level agreement.

While it is envisaged that current resources will be sufficient to meet any additional demand generated by the activity outlined in this report, monitoring of the requirements will continue in the relationship, and consideration given to increasing the communications resources as required.

- **Economy, Simon Brereton, Head of Economy**

The York Economic Strategy 2022-32 recognises the challenges of affordable housing in York and its impact on economic growth. The proposals in this paper are well aligned with that strategy. Commitments in the Council Plan to deliver a Constructions Skills Village, providing opportunities for York residents to benefit from well-paid employment in green construction, could also be aligned with the developments outlined in this paper.

In October 2023, Executive agreed to refocus UK Shared Prosperity Funds under the People and Skills theme on a York Construction Initiative, covering both new build and retrofit, and developing training and business engagement to ensure that the necessary skills to undertake green construction and retrofit are available.

The proposals set out in this paper are thus well aligned to the City's Economic Strategy and would benefit tenants, employees and businesses in York.

Risks and Mitigations

Ordnance Lane and Willow House

35. Whilst delivering homes directly through the Housing Delivery programme gives the greatest level of control over the type, tenure and quality of homes delivered, it requires significant financial investment, particularly to deliver projects as 100% affordable housing. Delivering both Ordnance Lane and Willow House as 100% affordable will reduce the capacity for future new build housing projects. Whilst there are significant Right to Buy receipts which need to be utilised and can subsidise the project costs, these receipts must be match funded through borrowing and interest rates which are currently high and make the viability of the projects more challenging. This will be managed through detailed financial modelling and thorough consultation with CYC's Finance team. The Full Business Case will need to utilise a range of tenures including intermediate tenures such as Shared Ownership and Affordable

Rent in order to ensure projects present a long term financial return and continue a sustainable development pipeline.

36. Whilst it is predicted that build cost inflation has peaked, it remains high and therefore tender returns may vary from Pre-Tender Estimates. To overcome this, a full business case will not be presented to Executive until tenders have been returned and costs have been thoroughly ratified.

37. Willow House is in a sensitive location and there is a risk the project will be delayed in planning as a result. To mitigate this risk a high-quality design team will be engaged to ensure the proposals respond to their context. Throughout the design stages the project will be regularly reappraised to ensure it is still a viable proposition and clear governance procedures will be followed before progressing to subsequent stages.

Strategic Acquisitions

38. The funding secured through LAHF requires all 10 homes to be purchased by March 2024. Based on current market conditions it is believed that this is achievable within time and budget restrictions. The risks have been discussed with the grant funders and they understand the challenges that could be presented by a sudden change in market conditions.

Land disposals for 100% affordable housing

39. Whilst land disposals to RPs have undergone soft market testing, the level of land receipt for 100% affordable homes is hard to quantify and will be impacted by additional requirements on RPs and site abnormalities.

Wards Impacted

All

Contact details

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

Authors

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Date:	03/11/2023

Background papers

Executive Report 9th February 2023 - Housing Delivery Programme update - Delivering Affordable Housing on Council Land

Annexes

- Annex A: Equalities Impact Assessment (EIA)
- Annex B: Site Plan Ordnance Lane
- Annex C: Willow House Site plan
- Annex D: 68 Centre and land at Barfield Road
- Annex E: Woolnough House Site Plan

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City of York Council
Equalities Impact Assessment

Who is submitting the proposal?

Directorate:	Economy & Place		
Service Area:	Housing Delivery		
Name of the proposal :	Housing Delivery Programme, November Executive Report, Delivering More Affordable Housing in York		
Lead officer:	Sophie Round		
Date assessment completed:	31 st October 2023		
Names of those who contributed to the assessment :			
Name	Job title	Organisation	Area of expertise
Sophie Round	Housing Delivery Programme Manager	CYC	Housing development
Andrew Bebbington	Housing Policy Officer	CYC	Housing strategy & policy

Step 1 – Aims and intended outcomes

1.1	<p>What is the purpose of the proposal? Please explain your proposal in Plain English avoiding acronyms and jargon.</p>
	<p>The paper seeks to increase the provision of affordable housing delivered both through the Council's Housing Delivery Programme and through Registered Providers operating in the City. The report seeks to increase affordable housing to 100% on Ordnance Lane and Willow House and dispose of two plots of land for affordable housing to Registered providers. The report also seeks to increase the amount of resettlement housing available in the City by purchasing 10 properties for homes for Afghan refugees and temporary housing.</p>
1.2	<p>Are there any external considerations? (Legislation/government directive/codes of practice etc.)</p>
	<p>The grant from the Local Authority Housing Fund sets eligibility criteria for the resettlement homes purchased utilising the grant funding.</p>
1.3	<p>Who are the stakeholders and what are their interests?</p>
	<ul style="list-style-type: none"> • City of York Council – key stakeholders within the Council include Housing Services, Building Services, Communities team, Climate reduction team • Ward Councillors • Residents and local businesses within existing neighbourhoods surrounding Ordnance Lane, Willow House, 68 Centre and Woolnough House sites

1.4	What results/outcomes do we want to achieve and for whom? This section should explain what outcomes you want to achieve for service users, staff and/or the wider community. Demonstrate how the proposal links to the Council Plan (2023-2027) and other corporate strategies and plans.
	<p>The recommendations set out in the paper reflect the 4 Core Commitments of the Council Plan 2023-2027</p> <p>1) Equalities and Human Rights The paper proposes the delivery of increased levels of affordable housing which benefits those from lower socioeconomic backgrounds ensuring good quality housing provision. The new build homes will be built to a minimum standard of Part M4(2) 'Accessible and Adaptable dwelling' ensuring that the homes provide a good level of accessibility for residents throughout their lives. Approximately 10% of new build homes will be delivered as Part M4(3) 'Wheelchair accessible dwelling' ensuring a supply of adapted housing for residents with additional needs. Ordnance Lane also presents intergenerational housing to support aging communities to live independently. The grant obtained from LAHF to support the purchase of 10 homes for Afghan refugees and those in need of temporary accommodation.</p> <p>2) Affordability The affordability of housing is a key issue for residents of York evidenced by the fact that the average house price is in excess of 10 times the average salary in the city. Increasing the supply of affordable housing for a broad range of residents including those on the housing waiting list and key workers.</p> <p>3) Climate All homes delivered directly by the Housing Delivery Programme aims to achieve certified Passivhaus and utilise renewables such as Heat pumps and Photovoltaic panels.</p> <p>4) Health and Wellbeing Good quality affordable housing has a positive benefit to the health and wellbeing of the residents. This paper aims to improve access to good quality housing for the city's residents.</p>

Step 2 – Gathering the information and feedback

2.1	<p>What sources of data, evidence and consultation feedback do we have to help us understand the impact of the proposal on equality rights and human rights? Please consider a range of sources, including: consultation exercises, surveys, feedback from staff, stakeholders, participants, research reports, the views of equality groups, as well your own experience of working in this area etc.</p>
Source of data/supporting evidence	Reason for using
Resident engagement at Ordnance Lane and Willow House	This information has been gathered throughout the design process by hosting events for local people to promote co-design and ensure residents have influence over the places created as part of the Housing Delivery Programme. Feedback for Ordnance Lane was largely positive however, during consultation local people felt that the level of affordable housing should be increased. This paper responds to that feedback.
Lettings and Housing Management staff within CYC	Understanding the housing demand within the city is critical to designing homes needed by our residents. The Local Housing Needs Assessment demonstrates the greatest need for affordable housing is for smaller properties and therefore a modest redesign of the development to change larger 5 bed homes originally for market sale to apartments reflects this demand. The site maintains a good balance of larger properties to ensure a wide housing need is addressed by these developments
Resettlement housing – engagement with the Refugee Resettlement team	The bid submission to LAHF reflects engagement with the Refugee Resettlement team around the housing needs of the refugee households. This has been used as a basis for the bid and match funding requirements.
Soft market testing with Registered Providers	The disposal of Woolnough House and the 68 Centre depends on interest from Registered Providers to build and manage the properties. Whilst there is interest from RPs the sites are small and therefore there are likely to be some viability challenges in providing 100% affordable housing.

Step 3 – Gaps in data and knowledge

3.1	What are the main gaps in information and understanding of the impact of your proposal? Please indicate how any gaps will be dealt with.	
Gaps in data or knowledge		Action to deal with this
<p>The report does not bring forward business cases for Ordnance Lane or Willow House. These will need to be presented to Executive once the building contract has been tendered. Moving to 100% affordable housing will require a mixed tenure approach including low cost home ownership and rented homes. The business case will need to manage the financial challenges whilst ensuring the homes are affordable to the residents and meet the objectives of the Council Plan will be critical.</p>		<p>Detailed financial modelling to be undertaken once tenders are received. The Housing Delivery team will need to work closely with wider internal and external stakeholders to ensure the proposed housing meets key affordability criteria, reflecting the needs of residents across the city.</p>
<p>Further consultation is needed as detailed designs are developed to ensure the accessibility standards are met. Whilst we use the standards set within Building Regulations to design the homes, further detailed engagement from the community will have positive benefits to the projects.</p>		<p>Engage with the Council's Access Officer and present future Designs to the York Access Forum.</p>
<p>Ongoing consultation needed to focus on the integration and community cohesion of refugee communities as part of the LAHF.</p>		<p>Present to the Refugee and Asylum Coordination Group to ensure they are aware of the proposals and that support is in place for refugee communities.</p>

Step 4 – Analysing the impacts or effects.

4.1	Please consider what the evidence tells you about the likely impact (positive or negative) on people sharing a protected characteristic, i.e. how significant could the impacts be if we did not make any adjustments? Remember the duty is also positive – so please identify where the proposal offers opportunities to promote equality and/or foster good relations.		
Equality Groups and Human Rights.	Key Findings/Impacts	Positive (+) Negative (-) Neutral (0)	High (H) Medium (M) Low (L)
Age	Ordnance Lane proposes intergenerational housing alongside homes designed to high accessibility standards. Willow House will be designed to the high accessibility standards and to ensure homes are designed for residents at all stages of life.	Positive	Medium
Disability	A minimum of 10% of new build homes will be designed to meet M4(3) Wheelchair accessible dwellings with all homes designed to meet M4(2) Accessible and Adaptable homes. The proportion of fully accessible homes will be reviewed during engagement with stakeholders and increased where there is a known housing need.	Positive	Medium
Gender	The proposals do not relate directly to gender. There are no known implications related to gender.	Neutral	Low
Gender Reassignment	The proposals do not relate directly to those undergoing gender reassignment. There are no known implications related to gender reassignment.	Neutral	Low

Marriage and civil partnership	The proposals do not relate directly to marriage and civil partnership. There are no known implications related to marriage and civil partnership.	Neutral	Low
Pregnancy and maternity	The proposals do not relate directly to pregnancy and maternity. There are no known implications related to pregnancy and marriage.	Neutral	Low
Race	The proposals would support the housing position of Protected Characteristics Groups and provide accommodation for households with a very high level of need. The risk of community perceptions around this aspect of the Local Authority Housing Fund proposals will be managed with the support of the council's Minority Communities Officer, and the Communications team, and in particular emphasising that the plans are to increase overall affordable housing capacity which will benefit local residents as a whole within the City.	Positive	Low
Religion and belief	The proposals would support the housing position of Protected Characteristics Groups. Similar considerations would be given to the category of Race as noted above, as there is expected to be a large degree of overall of these Characteristics within the resettlement cohort.	Positive	Low
Sexual orientation	The proposals do not relate directly to sexual orientation. There are no known implications related to pregnancy and marriage.	Neutral	Low
Other Socio-economic groups including :	Could other socio-economic groups be affected e.g. carers, ex-offenders, low incomes?		

Carer	The proposals do not relate directly to carers.	Neutral	Low
Low income groups	The proposals benefit low income groups. Affordable housing is more accessible to low income groups.	Positive	High
Veterans, Armed Forces Community	There is a high prevalence of homelessness among this socio-economic group and therefore the increased provision of affordable housing will impact this group.	Positive	Low
Other	The proposal has positive impacts for the Afghan refugee community and others requiring temporary accommodation within the city.	Positive	Medium
Impact on human rights:			
List any human rights impacted.	The Universal Declaration of Human Rights (Article 14), which states that everyone has the right to seek and enjoy asylum from persecution in other countries. The provision of additional resettlement housing via the LAHF is in keeping with these protections.	Positive	Medium

Use the following guidance to inform your responses:

Indicate:

- Where you think that the proposal could have a POSITIVE impact on any of the equality groups like promoting equality and equal opportunities or improving relations within equality groups
- Where you think that the proposal could have a NEGATIVE impact on any of the equality groups, i.e. it could disadvantage them
- Where you think that this proposal has a NEUTRAL effect on any of the equality groups listed below i.e. it has no effect currently on equality groups.

It is important to remember that a proposal may be highly relevant to one aspect of equality and not relevant to another.

<p>High impact (The proposal or process is very equality relevant)</p>	<p>There is significant potential for or evidence of adverse impact The proposal is institution wide or public facing The proposal has consequences for or affects significant numbers of people The proposal has the potential to make a significant contribution to promoting equality and the exercise of human rights.</p>
<p>Medium impact (The proposal or process is somewhat equality relevant)</p>	<p>There is some evidence to suggest potential for or evidence of adverse impact The proposal is institution wide or across services, but mainly internal The proposal has consequences for or affects some people The proposal has the potential to make a contribution to promoting equality and the exercise of human rights</p>
<p>Low impact (The proposal or process might be equality relevant)</p>	<p>There is little evidence to suggest that the proposal could result in adverse impact The proposal operates in a limited way The proposal has consequences for or affects few people The proposal may have the potential to contribute to promoting equality and the exercise of human rights</p>

Step 5 - Mitigating adverse impacts and maximising positive impacts

<p>5.1</p>	<p>Based on your findings, explain ways you plan to mitigate any unlawful prohibited conduct or unwanted adverse impact. Where positive impacts have been identified, what is been done to optimise opportunities to advance equality or foster good relations?</p>
<p>No adverse impacts have been noted above through the analysis however the projects will need to be managed thoroughly to ensure the benefits are realised. Affordability is critical to the delivery of the Council Plan’s objectives and therefore this will need to be monitored closely to ensure that these objectives are delivered. The proposal related to the LAHF will report to the Refugee and Asylum co-ordination group.</p>	

Step 6 – Recommendations and conclusions of the assessment

<p>6.1</p>	<p>Having considered the potential or actual impacts you should be in a position to make an informed judgement on what should be done. In all cases, document your reasoning that justifies your decision. There are four main options you can take:</p>
<p>- No major change to the proposal – the EIA demonstrates the proposal is robust. There is no potential for unlawful discrimination or adverse impact and you have taken all opportunities to advance equality and foster good relations, subject to continuing monitor and review.</p>	

- **Adjust the proposal** – the EIA identifies potential problems or missed opportunities. This involves taking steps to remove any barriers, to better advance quality or to foster good relations.
- **Continue with the proposal** (despite the potential for adverse impact) – you should clearly set out the justifications for doing this and how you believe the decision is compatible with our obligations under the duty
- **Stop and remove the proposal** – if there are adverse effects that are not justified and cannot be mitigated, you should consider stopping the proposal altogether. If a proposal leads to unlawful discrimination it should be removed or changed.

Important: If there are any adverse impacts you cannot mitigate, please provide a compelling reason in the justification column.

Option selected	Conclusions/justification
No major change to the proposals	The analysis demonstrates that the proposals are robust with no direct impact to individuals or communities with protected characteristics. However, the Housing Delivery Programme is committed to creating inclusive and welcoming communities and will work collaboratively with stakeholders throughout the design and development process to deliver against objectives and monitor and adjust to any failure to meet these outcomes.

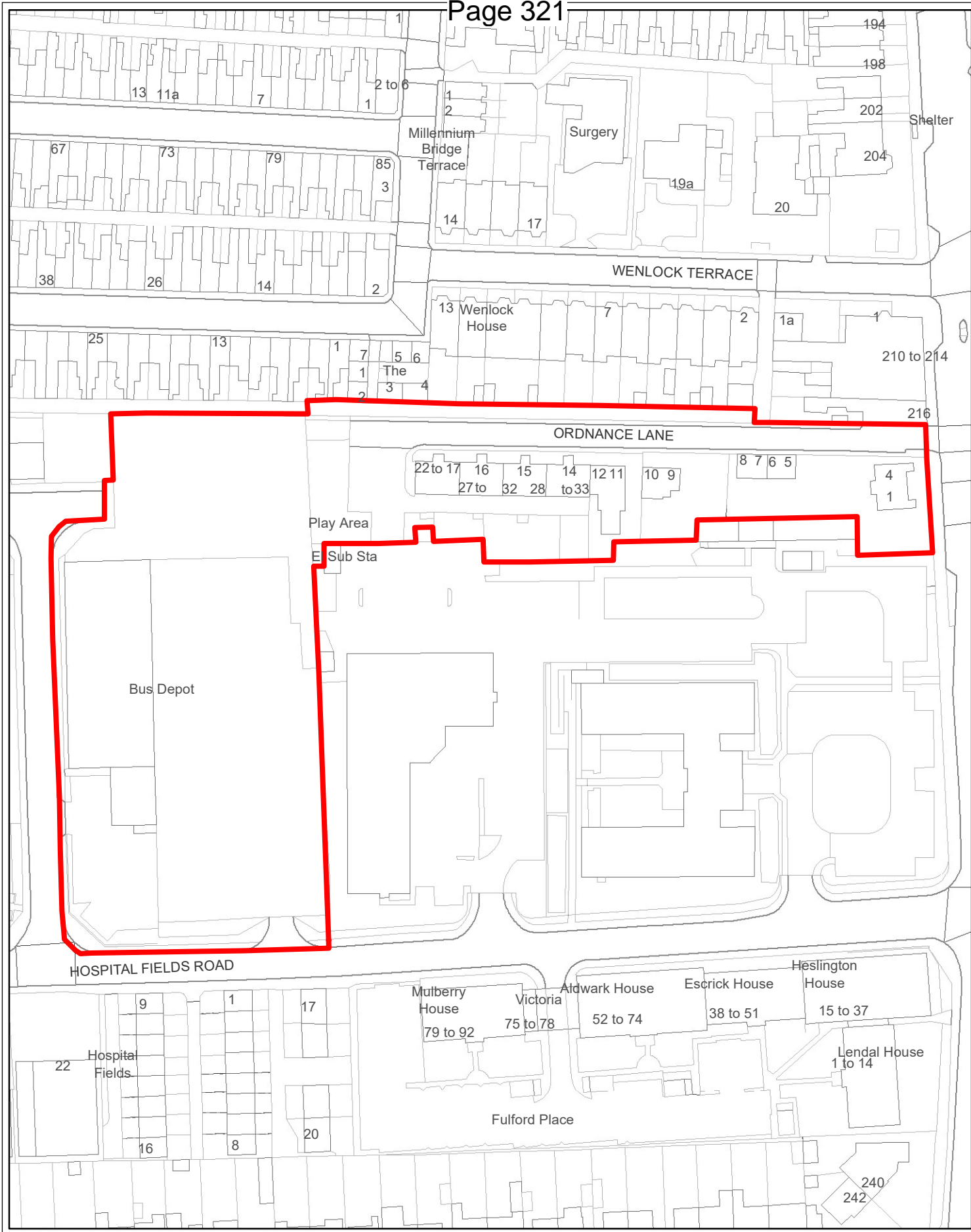
Step 7 – Summary of agreed actions resulting from the assessment

7.1 What action, by whom, will be undertaken as a result of the impact assessment.			
Impact/issue	Action to be taken	Person responsible	Timescale
Engagement events Willow House	Host regular events and engagement to engage stakeholders in the delivery process	Sophie Round	Spring 2024
Engagement with Refugee resettlement team	Meet regularly to ensure the homes purchased meet expectation of team and community	Sophie Round	Dec 2023 onwards
Engagement with Refugee and Asylum Coordination Group	Attend Group meetings at key points in the process to update and consult on acquisition strategy	Sophie Round	Dec 2023 onwards

Step 8 - Monitor, review and improve

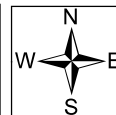
8. 1	How will the impact of your proposal be monitored and improved upon going forward? Consider how will you identify the impact of activities on protected characteristics and other marginalised groups going forward? How will any learning and enhancements be capitalised on and embedded?
	<p>Continuous discussion and communication with residents and other stakeholders to identify and issues or improvement. Post occupation surveys to be carried out of new build projects to understand the outcomes for protected characteristic and marginalised groups.</p> <p>Fortnightly cross-department meetings to review progress. The project will also be reviewed by Housing Delivery and Asset Management Board on a monthly basis. The LAHF will be presented to Refugee and Asylum Coordination Group at key stages to consult and update on the acquisitions strategy.</p>

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Asset & Property Management

Land at Hospital Fields Road



SCALE 1:1,250

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DATE: 26/01/2023

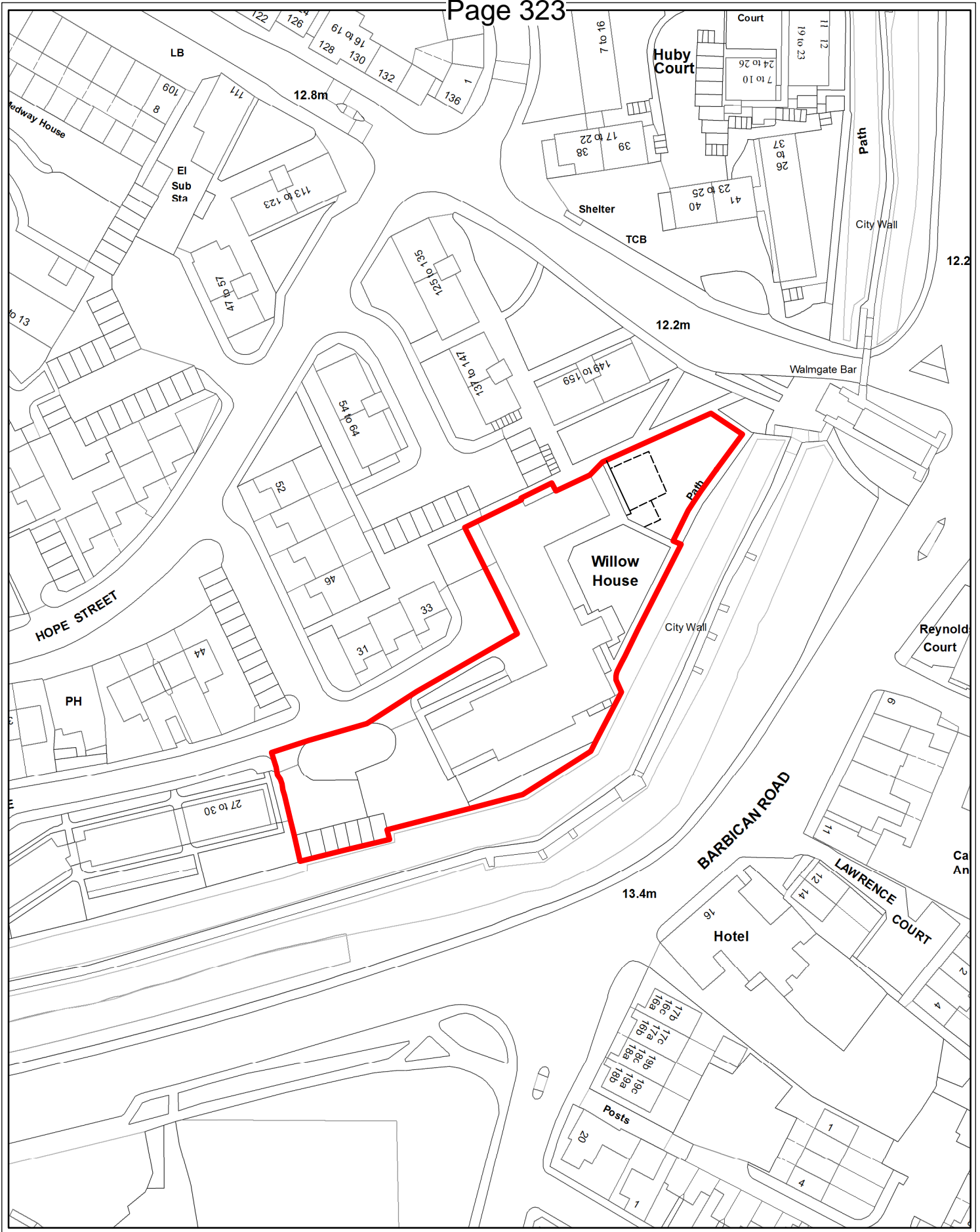
Originating Group:

Asset & Property Management

Drawing No.

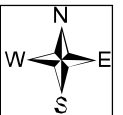
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**Asset & Property
Management**

Willow House Elderly Peoples Home



SCALE 1:1,000

DRAWN BY: CC

DATE: 20/11/2017

Originating Group:

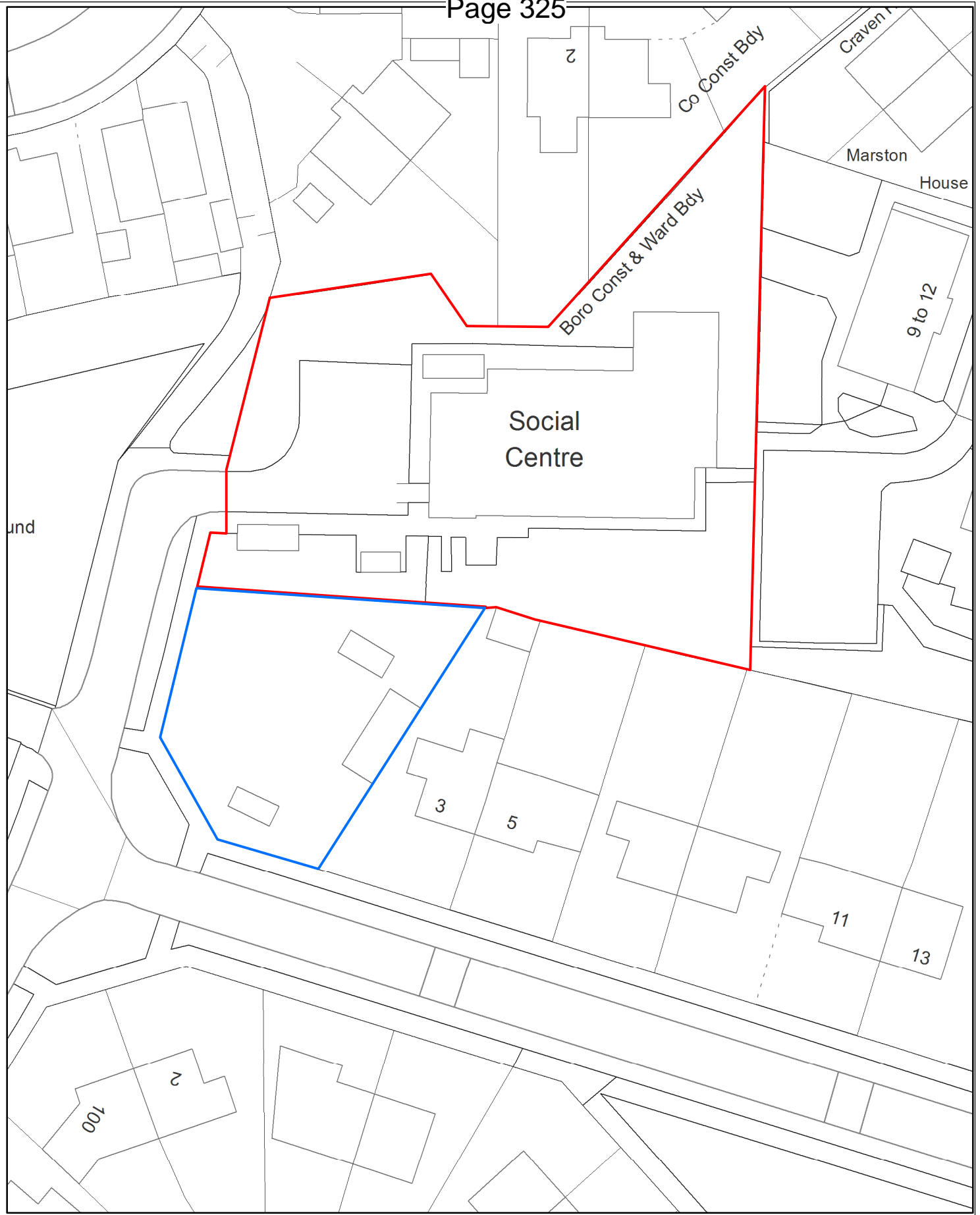
Asset & Property Management

Drawing No.

E00643

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Asset & Property Management

68 Centre And Land At Barfield Road.



SCALE 1:500

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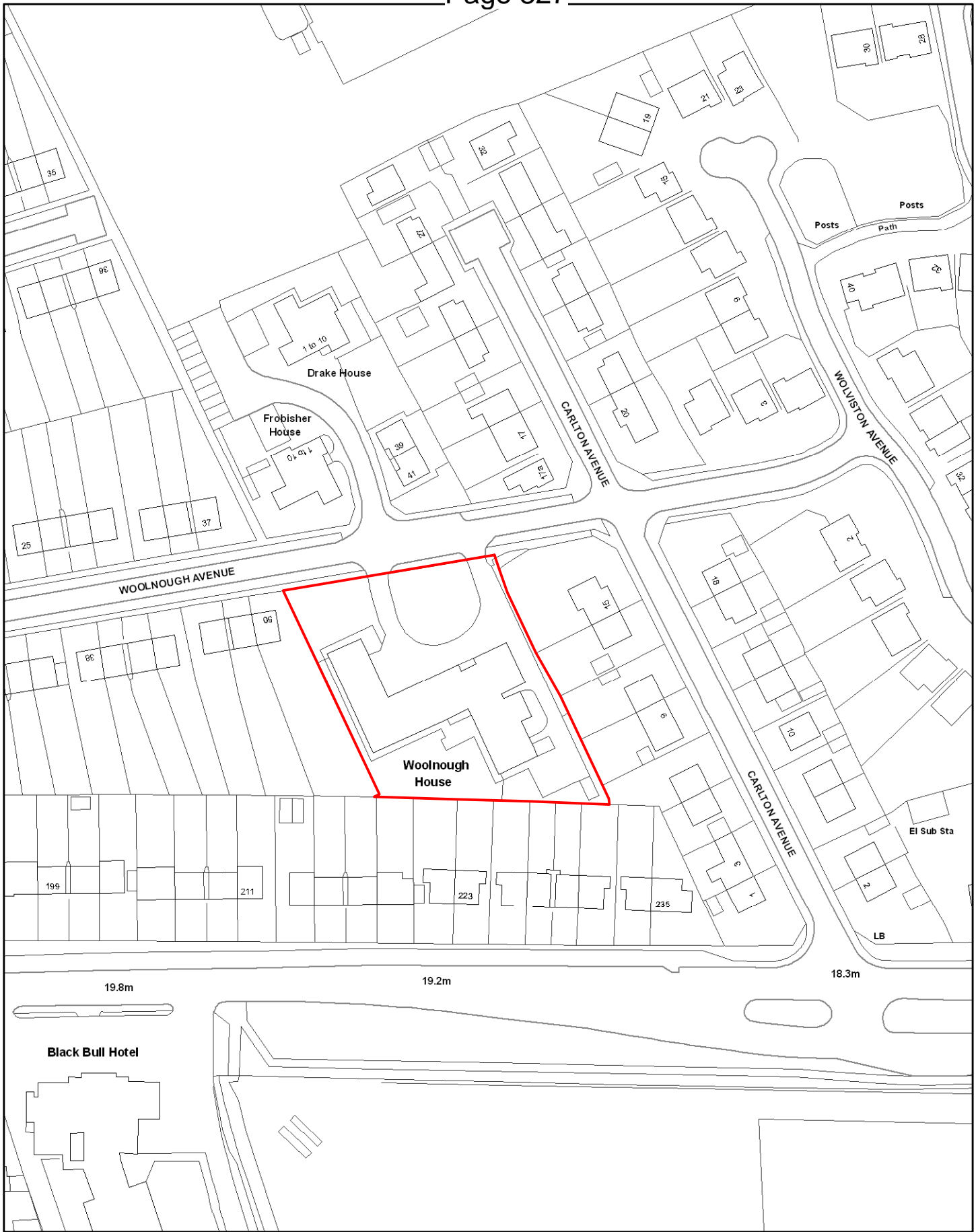
DATE: 12/10/2023

Originating Group:

Asset & Property Management

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Resources
Property Services

Woolnough House Elderly Peoples Home



SCALE 1:1,218

DRAWN BY: GR

DATE: 02/11/2010

Originating Group:

Property Services

Drawing No.

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Meeting:	Executive
Meeting date:	16 th November 2023
Report of:	Abid Mumtaz/Caroline Billington
Portfolio of:	Cllr Jo Coles

Decision Report: Extension of the Young People's Community Wellbeing and Support Service

Subject of Report

1. This paper seeks permission to extend the Council of the City of York's ("**the Council**") Community Wellbeing and Support Contract for Young People (the "**Contract**") delivered by Safe and Sound Homes ("**SASH**") by a further six-months. A review of the Youth Homelessness Pathway is currently being undertaken by Children's Services. A six-month extension would allow us to incorporate its recommendations into the modelling and recommissioning of the new Service.
2. The Contract commenced on 1st February 2017 and will expire on 31st January 2024 (the Term having previously been extended beyond the original expiry date of 31st January 2022 by a further 2-years). The current annual cost is £89,825, and a 6-month extension would be at a cost of £44,913. This paper seeks permission to extend the contract until the 31st July 2023.
3. The Young People's Community Wellbeing and Support Service is an important part of the offer to Young People at risk of homelessness. It offers a unique model of delivery using host 'families. The first part of the Service provides up to 12-months of support to young people estranged from their family, including care leavers, through a community model of Supported Lodgings (structured support in a Host's home to develop the skills and independence to move into independent accommodation). The second element is a Nightstop service (emergency supported accommodation through a Host) for up to 14-nights to assess needs

in a safe environment and re-engage with the family or find suitable alternative provision.

Benefits and Challenges

4. The benefit of extending the current Contract is that it allows us to make best use of Council resources to deliver any strategic aims generated by the review of the wider Youth Homelessness Pathway. In current financial climate, we must meet greater needs within a more restrictive financial envelope. Part of this requires us to use existing contracts to evolve in response to new commitments. We know the model SASH offers is an important part of our city's offer, but it is important that it is seamlessly joined up with the wider pathway currently under review. A 6-month extension of the Contract would enable us to learn from the review and make any necessary changes to the model before entering a new contractual relationship.
5. The risk of not extending the Contract would be that any replacement service would be designed and commissioned before the new approach has been agreed. This would limit the contract as a mechanism for new deliverables.
6. Risks associated with contract extensions are often related to poor delivery. However, SASH are delivering well against the current Contract and are probably amendable to a contract extension.
7. The challenges to extending the Contract can be mitigated by following legal and procurement guidance in relation to the requirements.

Policy Basis for Decision

8. Provision of good quality housing to meet the range of needs across the City's residents is recognised as central to the Council's 2023-27 Plan as part of Core Commitments, Affordability and Health and Wellbeing, and to the vision of "One City, for all".
9. The Economic Strategy highlights the importance of "providing a range of affordable housing opportunities fit for a growing local workforce" and the contribution meeting diverse housing needs makes to skills and inclusion in the local labour market.

10. It is recognised in the Health and Wellbeing Strategy that housing access and affordability is fundamental in meeting the aims of the Strategy and tackling wider determinants of health.
11. The Council's approved 2018-23 Homelessness Strategy is currently under review. It is expected that the key themes relevant to this proposal will be maintained in the new strategy. This proposal delivers outcomes integral to 3 of the key strategic aims set out in the document:
 - Prevention of homelessness
 - Ensure appropriate accommodation for people who are homeless or at risk of homelessness
 - Ensure appropriate support for people that are homeless or at risk of homelessness
12. The services offered through Young People's Community Wellbeing and Support contracts are specifically referenced as providing strategic value as part of the homelessness support and resettlement pathways in the City.
13. It also enables us to deliver against one of the Strategies other commitments "not to place any young person age 16 or 17 ...in bed and breakfast except in an emergency"

Financial Strategy Implications

14. The Contract was initially commissioned in 2017 at £109,790 (exc. VAT) per annum, but due to savings targets over the course of the Contract this was reduced by £19,965 per annum or 18% to £89,825 (exc. VAT) per annum from c. 2019. The incumbent provider, SASH, contributes significantly through its fundraising activities to the delivery of 'added value' activities such as private counselling, travel costs to apprenticeships and laptops to support further education which directly contribute to their outcome delivery.
15. The authorisation of an extension would enable the Council to use existing the Contract to both meet current deliverables and enable the Council to stretch its resources to work towards strategic aims due to be identified at potentially no additional cost.

Recommendation and Reasons

16. Recommendations:

- a) To approve the extension of the current Community Wellbeing and Support Contract for Young People with SASH by 6-months until 31st July 2024.
- b) To delegate authority to the Director of the Corporate Director of Adults and Integration (and their delegated officers) in consultation with both the Director Governance and the Chief Finance Officer (and their respective delegated officers) to draft, negotiate and conclude any necessary documentation with SASH to extend the Contract, in compliance with the terms and conditions of the Contract, the Council's Contract Procedure Rules set out within Appendix 11 of the Council's Constitution ("**the Council's CPRs**") and the Council's statutory obligations under the Public Contract Regulations 2015 ("**the Procurement Regs**").

Reasons:

- a) To enable the Council to use existing the Contract to both meet current deliverables and enable the Council to stretch its resources, potentially no additional cost, while the Council works to deliver any strategic aims generated by the review of the wider Youth Homelessness Pathway.
- b) To ensure the Contract is extended in compliance with its terms and conditions and in line with the Council's CPRs and statutory obligations.

Background

17. The current Contract aims to reduce youth homelessness and increase the independent living skills of 16–25-year-olds.
18. This financial year, SASH provided Supported Lodgings to 16-young people, from which 8-young people have moved on (50%) to a positive outcome of either family reconciliation or into settled accommodation. SASH have also enabled all 16-of these young people (100%) to participate in work, education, or training. In

2022/23, the Nightstop Service arranged 88-emergency bed nights for 6-young people who as a result were able to access more long-term alternatives to homelessness. Since the start of the Contract, SASH has helped 30-young people maintain their Council tenancies with no evictions or loss of tenancies. They have delivered this through their offer of floating support to overcome any issues in the first year of tenancy.

19. The current Contract provides a high outcome and high added-value service. SASH's relationship with grant funders enables them to deliver their SASH Active programme which delivers a range of activities and voluntary opportunities to tackle the more complex causes of homelessness within the Young People's lives. It also enables additional individual support to their Young People such as private counselling, travel costs to apprenticeships and laptops to support further education.

Consultation Analysis

20. Consultation regarding this approach has been undertaken with Children's Services, Adult's Services, Housing and Commissioning.

Options Analysis and Evidential Basis

21. **Extend the Contract**

As discussed above, an extension of the Contract will enable us to utilise this service to deliver an offer which benefits from the overarching review of the Youth Homelessness Pathway. It will orientate the service in the same direction as other services post-review. It will also allow us to outline within the requirements how this service fits into and delivers within the wider pathway.

22. **Reprocure the Contract as planned**

As discussed above, this would mean we would lose the opportunity to better the service by taking advantage of the learning from the review of the wider Youth Homelessness Pathway. To procure the service to current timelines, the final tender documents would need to be complete next month (i.e., November 2023). We would then mobilise a potentially out-of-date model in Spring 2024 to what could be a different landscape thus requiring a variation in Contract and an inability to easily align the new service with the direction of travel.

Organisational Impact and Implications

23.

- **Financial**, contact: *Chief Finance Officer*.

The total annual cost of the contract to 31st January 2024 is £89,825. An extension for a further 6 months will be £44,912; this can be funded from within the existing contracts budget.

- **Human Resources (HR)**, contact: *Head of HR*.

- **Legal**

- The Contract originally expired on 31st January 2022.
- The Contract permitted the Council to extend the Term beyond this date by up to a maximum of 2-years up to and including 31st January 2024. This was done by way of written notice in accordance with the terms of the Contract. All available extensions under the Contract have been exhausted.
- In addition, the current total value of the Contract up to and including 31st January 2024 has been estimated at £664,852. Based on this the estimated value of the extension is £44,912.50, meaning that the total aggregate value of the Contract up to and including 31st July 2024 will be £709,764.50.
- Rule 20.1.6 of the Council's CPRs require that before taking an extension, the relevant Authorised Officer must check the original spending authorisation decision (obtained in accordance with Rule 8 of the Council's CPRs) to confirm that authorisation to extend the Contract is in place. As it is highly unlikely that any previous decisions will have permitted the Contract to be extended beyond its original maximum extension period (i.e., beyond 31st January 2024), further authorisation may be sought under Rule 8 of the Council's CPRs. The value of the decision used to determine the authorisation requirement shall be the original Contract value plus the value of the proposed extension.

- The total value of the Contract when aggregated together with the estimated value of the proposed extension, places it above the Key Decision threshold of £500,000, and could not be classified as a “routine procurement.” As such, per Rules 8.11 and 8.19 of the Council’s CPRs, any decision relating to the extension of the Contract is reserved to the Executive (unless specifically delegated to an Executive Member or an Officer, which does not apply in this instance).
- [Further, any extension of this Contract, instead of going out to market with a full tender exercise in accordance with the Procurement Regs, may be considered a direct award without advertisement to SASH, and therefore may necessitate a waiver of the Council’s CPRs.]
- The Contract was already an above threshold public services contract under the Light Touch Regime set out within the Procurement Regs (i.e., the LTR threshold is currently £663,450 inc. VAT (£552,950 exc. an indicative 20% VAT)). The proposed extension will take the Contract further beyond the LTR threshold, and therefore Reg. 72 of the Procurement Regs regarding the modification of public contracts will apply in this instance. Further detailed advice will be required from Legal Services on how to justify the proposed extension under one of the safe harbour provisions set out within Reg 72 **before** any extension is entered into.

At this stage however, it is the view of Legal Services that:

- Reg. 72(1)(a) does not apply as there are no available provisions under the terms and conditions of the Contract to extend.
- Reg. 72(1)(c) does not apply as the circumstances of this proposed extension have not been brought about by extreme urgency due to anything outside of the Council’s control.
- Reg. 72(2)(d) does not apply as the Council does not intend to replace SASH as the contractor.
- Reg. 72(1)(f) and 72(5) do not apply, as the Council has already exceeded the required threshold for this

kind of permitted modification (i.e., 10% of the original advertised contract value of £485,000).

Reg. 72(1)(b) could apply in this instance as the proposed extension falls below the required financial threshold of 50% of the original contract value, and a change of contractor at this stage could arguably cause significant inconvenience or substantial duplication of costs for the Council but would also require publication of a Modification Notice under Reg. 51 by Commercial Procurement before the extension is entered into.

Regs. 72(1)(e) and 72(8) could apply, provided that Adults and integration can demonstrate to the satisfaction of the Head of Commercial Procurement (and their delegated officers) the following:

- The extension will not fundamentally alter the Services being supplied under the Contract (which should be the case here, as the only change to the Contract is the expiry date).
- The amended expiry date, had it been part of the original contract, would not have altered the outcome of the original tender.
- The amended expiry date does not change the economic balance between the parties in favour of SASH (again this is arguably not the case here as whilst the term will be extended, the Council will still be paying the current contracted rates to SASH in exchange for any services they provide over the 6-month extension period, and no other changes to any charges or service levels under the Contract are being proposed).
- The contract has not been extended “considerably” (this is a question of degree or materiality, but a short 6-month extension without any further amendments to the Contract arguably meets this requirement).
- A new contractor is being appointed (again this is not the case here).

Provided that the Head of Commercial Procurement (and their delegated officers) are satisfied that all the above criteria can be met, then the extension can proceed under Regs. 72(1)(e) and 72(8). No Modification Notice is required for any changes made to a contract under Regs. 72(1)(e) and 72(8).

.;Legal Services and Commercial Procurement reserve its rights to review this position prior to the extension being finalised once more information is available, and it also regarding any further extensions beyond 31st July 2024 (although further extensions beyond this date should be avoided if possible)..

- Any extension of the Term will require a Deed of Variation to the original Contract in order to comply with Rules 19.3 and 20 of the Council's CPRs. Such a written agreement between the Council and SASH will meet the variation requirements currently set out within the Contract but will need to be drafted with input from officers in Legal Services further to Rules 20.1.3 and 20.2 of the Council's CPRs.
- Such a Deed of Variation must be completed before the current expiry date of 31st January 2023, or else the Contract will lapse and expire, and SASH will be required to cease all activity in relation to this service. This will also mean the Council having to procure a replacement service in the interim while it prepares to go out to tender, and could also mean having to deal with any consequences of the expiry of the Contract with SASH (e.g., relocating existing service users and the associated disruption to these individuals' wellbeing and any reputational harm the Council suffers as a result; transfer of SASH employees under TUPE to the Council and any associated costs, etc.).

- **Procurement**, contact: Head of Procurement.
- **Health and Wellbeing**, contact: Director of Public Health.
- **Environment and Climate action**, contact: Director of Transport, Environment and Planning, and Head of Carbon Reduction.
- **Affordability**, contact: Director of Customer and Communities.

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

At the time of writing there are no equalities implications identified in respect of the matters discussed in this report. However, an Equalities Impact Assessment will be carried out in due course and the process of consulting on the recommendations in this report will identify any equalities implications on a case-by-case basis, and these will be addressed in future reports.

- ***Data Protection and Privacy, contact:***
information.governance@york.gov.uk - *every report must consider whether to have a Data Protection Impact Assessment (DPIA) and this section will include the compliance requirements from the DPIA or explain why no DPIA is required.*
 - ***Communications, contact: Head of Communications.***
 - ***Economy, contact: Head of City Development.***
 - ***Specialist Implications Officers, as appropriate.***
- Reports without this information will not be considered.***

Risks and Mitigations

24. Given there is a current Provider with the appetite and skill to continue to deliver the Contract there is minimal negative risk to delivery.
25. There is a positive risk in allowing more time to enable delivery outcomes of a pertinent strategic review.

Wards Impacted

26. All wards will be impacted.

Contact details

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

Author

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Service Area:	All Age Commissioning
Telephone:	07539326148
Report approved:	Yes
Date:	01/08/2023

Co-author

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Job Title:	Head of Commissioning
Service Area:	All Age Commissioning
Telephone:	01904554099
Report approved:	Yes
Date:	01/08/2023

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Meeting:	Executive
Meeting date:	16/11/2023
Report of:	Assistant Director, Education and Skills
Portfolio of:	Cllr R Webb, Executive Member, Children's Services and Education

Decision Report: Delivery of KS2 Universal Free School Meals Pilot Project

Subject of Report

1. This report provides details on the work that is taking place to implement a pilot project to extend Universal Free School Meals (“**UFSM**”) to Key Stage 2 children. The project is designed to deliver on the Executive’s election manifesto commitment to create a cross city alliance to address disadvantage and the cost-of-living crisis. Findings from the pilot project will then be used to inform any full city roll out of UFSM.
2. A decision is needed on the scope and timing of the pilot project. Two potential pilot schools have been identified. Running the pilot with two schools of contrasting size and status would be beneficial to inform decisions about any future scale up of the project. As part of the pilot, it would be helpful to consider running a breakfast and a lunchtime offer to evaluate the impact on take up and on other indicators (e.g., school attendance). Executive are asked to approve the pilot project, subject to available funding, which would run between January and December 2024.

Benefits and Challenges

3. Researchers from the Institute for Social and Economic Research (“**ISER**”) at the University of Essex have previously evaluated the impact of UFSM for infants (Reception to Year 2).

They found small but positive impacts on absence, obesity, and household expenditure.

4. The delivery of this pilot project in York has an additional level of complexity to consider, as unlike some other local authority areas York does not have an in-house school catering service. All school catering in York is delivered through contracts which are directly managed by schools and multi-academy trusts and are delivered by commercial providers. In order to progress the pilot, the next step will be to consult with the catering providers for the chosen pilot schools to secure their support for the pilot project.
5. The plan to deliver the pilot and any scale-up of the project through the development of a Community Fund has implications for the future governance of the project. In developing the project, the Council is exercising its convening role; however, any future extension of the project will be dependent on a city alliance of funders who would contribute through the Community Fund, and delivery would be through a number of third party agencies.
6. Managing expectations of schools and families is a key consideration, as is the closure of pilot project following evaluation, which may leave families in worse position after pilot. Clear communication with families in the pilot area will be vital from the outset of the project. During the pilot it is recommended that a consultation with all the city's headteachers is conducted to inform the evaluation of the pilot.

Policy Basis for Decision

7. The pilot project will deliver the Council's corporate priorities listed below:
 - a. **Health** – the delivery of the pilot project will ensure that primary age children receive a healthy breakfast or school meal, contributing to public health priorities to reduce childhood obesity and improve dental health;
 - b. **Environment** – the delivery of the pilot project will reduce food waste and the assessment of school kitchens is being used to improve energy efficiency;

- c. **Affordability** – the provision of universal free school meals will ensure that children have access to a good quality meal regardless of their ability to pay; and
- d. **Human Rights and Equalities** – the pilot project will support the human right to education and reduce health inequalities through the provision of access to universal free school meals.

Financial Strategy Implications

- 8. Insufficient seed funding from the Community Fund to deliver all costs including meal, staff and equipment costs would impact on the ability to successfully deliver the pilot project at sufficient scale.
- 9. A key risk for the pilot project is securing ongoing funding this will be crucial in working with the catering contractors, who may incur additional costs as part of the pilot e.g. need for additional staffing.

Recommendation and Reasons

10. Recommendation(s):

- a. that implementation of the pilot project that focuses on delivery of a lunchtime offer at Westfield Primary School, subject to the pilot remaining within available funding, between January 2024 and December 2024 is approved;
- b. that subject to additional funding from the Community Fund being found, a breakfast offer for all pupils attending Burton Green Primary Academy is piloted for the period January 2024 to December 2024 is approved; and
- c. to delegate authority to the Corporate Director for Children's and Education,(and their delegated officers) in consultation with the Director of Governance and the Chief Finance Officer (and their respective delegated officers) to assist the pilot schools (and their respective Trusts) to negotiate, draft and conclude any necessary contractual arrangements with existing catering contractors at the schools to implement the pilot project, including (but not limited to) any necessary

amendments, changes, extensions, modifications, updates and/or variations to any existing contractual arrangements, in line with the Council's obligations under the Public Contract Regulations 2015 (the "**Procurement Regs**") and the Contract Procedure Rules set out in Appendix 11 of the Council's Constitution (the "**Council's CPRs**"), as well as any contract procedure rules and/or standing orders of the chosen schools and (where applicable) their Trusts; and

- d. to delegate authority to the Corporate Director for Children's and Education, (and their delegated officers) in consultation with the Director of Governance and the Chief Finance Officer (and their respective delegated officers) to commission and negotiate, draft and conclude any necessary contractual arrangements (including (but not limited to) any necessary amendments, changes, extensions, modifications, updates and/or variations thereto) with the University of York to provide assistance with the collection and analysis of qualitative and quantitative data sets from the pilot project, in line with the Council's obligations under the Procurement Regs and the Council's CPRs, as well as any contract procedure rules and/or standing orders of the chosen schools and (where applicable) their Trusts.

Reason(s):

The reason for this is that it will provide more detailed information to inform the planning of any future scale up of the project due to the contrast in circumstances of the proposed pilot schools. The pilot will also be used to explore the financial sustainability of the delivery of the school meals offer, both at Westfield Primary School and to fully understand the implications and benefits of any future full city implementation.

Background

11. The Emergency Council budget meeting in July 2023 confirmed that c. £100,000 of Council funding would be ring-fenced to support the delivery of the UFSM pilot. This, however, should be used as seed funding in order to deliver a meaningful pilot, and additional funding will be needed through the development of the Community Fund.

12. Currently there are 46 Primary schools with a catering contracted out service, and 6 with an in-house provision. Most Trusts have allocated 1 single source supplier for their school meals service, which may also include the secondary provision.
13. A meeting with the Council's Legal Services team identified a number of contractual issues that would need to be explored and possibly negotiated with both Trusts and catering contractors. Some contracts for example may have exclusivity clauses for the use of the kitchen and provision of meals within a Trust/school.
14. More detailed scoping of the financial implications of the extension of universal infant free school meals ("**UIFSM**") will also need to be developed through the pilot. As school budgets are stretched to capacity, there is little room for subsidising their school meals service. The Institute for Fiscal Studies recent findings stated that if the funding for UIFSMs had kept pace with the annual living wage increases and inflationary increases on food prices, the value of government funding should be in the region of £2.87 per meal.
15. On 5th July 2023, the Department for Education announced that the UIFSM subsidy would increase from £2.43 per meal to £2.53 per meal. This equates to a 10% funding rate increase since the UIFSM scheme launched in 2013 however, this is not meeting the full costs of the delivery of the meals. As a result, there are growing tensions related to the delivery of school meals, with a number of local authority and commercial catering firms being forced to increase the costs of paid for school meals from September 2023.
16. Schools in York are currently having to consider the choices between increasing the KS2 meal cost to parents or accepting invoiced additional charges from the contractors for the deficit balance on income due to spiralling costs. In practice, this has meant that an average price of £3.00 per meal is now being charged for school meals, with prices in York schools and academies ranging between £2.50 per meal and £3.40 per meal. This situation is unsustainable longer term, particularly as the delivery of free school meals in KS2 is part of the schools funding formula, and a separate subsidy is not paid. Some headteachers have advised they are "reluctant" to promote the

meal services when it creates further budget pressures for them for every child that takes a meal, whether KS1 or KS2.

17. A Trust Primary school in a York outlying village is currently facing a c.£8,000 deficit in their 23/24 school meals budget and considering having to increase their current £3.00 per KS2 meal charge, which may impact uptake, whilst Westfield Primary (one of the potential pilot schools) is facing a 23/24 deficit in the region of c. £25,000 just to operate their current service even before the pilot is launched. In addition, the catering contractor at Westfield Primary has stipulated that the KS1 and KS2 meal protein portion should remain the same to further manage food costs given they are funded for the same amount (current £2.50 per meal charge to KS2 parents)
18. In order to provide a more realistic costing for the pilot project, the catering contractor, North Yorkshire Catering Services, has established that the cost of extending the meals at Westfield Primary would be a price per meal of £2.94. The cost quoted includes the costs of extra staffing, equipment and other sundry costs to deliver the pilot.
19. The pilot project could also be used to consider the benefits of providing a breakfast rather than a midday meal. As a result the extension of the pilot to provide a universal breakfast offer has been scoped with Burton Green Primary Academy. Should additional funding become available this would allow the pilot to be extended to support the delivery of a breakfast offer at Burton Green.
20. Eating a healthy breakfast provides fuel for the brain in the form of glucose which comes from carbohydrates. This is essential to replace glycogen stores and increase blood sugar levels which are depleted during overnight fasting, ensuring that children and young people have adequate energy throughout the school morning and leading to improved cognitive function and educational achievement. Research shows that providing a healthy school breakfast is a cost-effective way to increasing attainment, bringing 2-months of additional progress in an academic year for KS1 pupils (Crawford et al. 2016) and two grades higher at GCSE (Adolphus et al. 2019). Providing healthy school breakfast provision also may also contribute towards improved pupil behaviour and concentration. Schools

with provision also reported fewer absences (Crawford et al. 2016).

Consultation Analysis

21. In order to implement the pilot project, consultation is to taking place with the pilot schools and their catering contractors.

Options Analysis and Evidential Basis

22. The pilot scheme could be:-

- **Option 1: Universal Primary Lunch Time Meal Offer** – this would provide a lunch main and dessert offer to all KS2 children who are not currently covered by benefits related free school meals with a possible pilot school of Westfield Community School. 100% take up of this offer would incur costs outlined below:

Year Group	Total number of pupils	No of FSM pupils	No of non-FSM pupils	Cost per day £2.94 per meal	Total cost for school year (x190 days)
Y3	79	28	51	£149.94	£28,488.60
Y4	67	27	40	£117.60	£22,344.00
Y5	66	22	44	£129.36	£24,578.40
Y6	74	21	43	£126.42	£24,019.80
Total	286	98	178	£523.32	£99,430.88

It is suggested that a **c. £4,000 contingency** is added to these costs to allow for the purchase of additional equipment to support the scale up in the take-up of meals during the pilot.

23. **Option 2: Primary Breakfast Meal Offer** – this would provide a breakfast offer to all Primary age children (KS1 and KS2). A possible pilot school could be Burton Green Primary School with a kitchen and service that may require reasonable adjustments to deliver the service. The delivery of a breakfast offer to all 135 children on roll has been priced at **£1.00 per meal**. This would cover the costs of the meal, plus labour and sundry costs. 100% take up of this offer would incur a total cost of **£25,650**.
24. Three potential pilot schools (Westfield Primary, Tang Hall Primary and Burton Green Primary) have been assessed for their readiness to deliver UFSMs. The assessment tool used has identified how kitchens are currently managing with meal numbers, whether they could manage with increased meal numbers and what may be required in order to deliver anticipated additional meal numbers such as extra staffing, light and heavy equipment, additional serving time, suitable premises space and operational working conditions to take on extra meals capacity.
25. Following the completed assessment, the initial indication is that Westfield Primary School is the most prepared and equipped to be included within the pilot. Westfield Primary would be the most suitable school to pilot the delivery of UFSM for the following reasons:
- It is the largest of the three schools and is the largest primary school in the city;
 - Ward data shows that Westfield has the highest level of children living in low income households of any ward in York;
 - Westfield ward has the lowest level of life expectancy of any ward in York and has high levels of childhood obesity;
 - Educational outcomes and school attendance are all considerably lower than the York and national averages. This is an embedded trend over time.
 - The school is local authority maintained and has school meals provided by the North Yorkshire Council Catering Service
 - The school will require additional staffing and equipment, but it is capable of delivery with minimum adjustments. The

school also has a dedicated dining hall which makes the required in-school adjustments minimal.

26. Burton Green is the smallest of the schools, but currently the least well prepared for scale up. However, given the size of the school and its state of readiness this would provide valuable learning for any future city-wide scale up of the pilot project. Burton Green is an academy school, part of the Hope Sentamu Learning Trust, and has meals provided by a commercial catering company, so again would provide a useful context for any future city-wide scale up of the project and would provide a contrast in evaluating the benefits of a breakfast rather than a lunchtime offer. The percentage of FSM in the school is higher than Westfield.

27. **Benefits of a Healthy Breakfast**

Providing a breakfast for children is expected to have the following benefits:

- a. improve cognitive function, particularly memory, attention, reaction time and executive function for the school day;
- b. improve academic performance, including school achievement and attainment;
- c. improved attendance; and
- d. better weight management.

28. **Benefit of a healthy lunch time meal**

Providing a healthy lunch time meal for children is expected to have the following benefits:

- a. improve cognitive function, particularly memory, attention, reaction time and executive function after lunch;
- b. improve academic performance, including school achievement and attainment;
- c. Improved attendance;
- d. Better weight management; and

- e. a healthy balanced lunch time meal can assist to stave of negative health effects.
29. The University of York have offered to supply assistance with the evaluation of the pilot project, as this fits in with their “Fix Our Food” project and the Food Foundation. In order to ensure that the burden of the evaluation does not lie with the two pilot schools, it would be beneficial to draw on support from the University of York to assist with the collection and analysis of qualitative and quantitative data sets.
 30. Evaluation of the lunchtime meal offer at Westfield will focus on gaining evidence about:
 - a. the difference the project makes to the take up of meals;
 - b. how much healthy food is going in to children as a result based on their menu choices and food waste;
 - c. any changes in readiness to learn in the afternoons;
 - d. any changes in absence due to illness and any changes to school attendance.
 31. The pilot project will involve pre and post pilot interviews with parents and carers, children and teachers to provide qualitative evidence about concerns about food provision pre pilot and to gauge the impact of the pilot.

Organisational Impact and Implications

31.

- ***Financial***

Detailed financial information in relation to the costs of the proposed pilots and the potential implications for individual schools’ budgets is included in the main body of the report. A one-off budget of £100k is available to support the implementation of the pilots. The estimated cost of the pilots for a 12 month period is £129k. There are also likely to be other costs associated with establishing and evaluating the pilots. It is expected that the pilots will not commence until full funding has been identified and confirmed through the Community Fund.

- **Human Resources (HR)**

Staffing implications will be assessed as part of the delivering the pilot project and HR processes and policies will be followed accordingly. Scope of staffing requirements, including additional staff or reassigning staff will be defined further and relevant HR advisors will be involved in the discussions
- **Legal**
 - Any funding granted to the chosen pilot schools from the proposed Community Fund (or any other funder) will need to be subject to a grant funding agreement between the Community Fund (or the relevant funder) and the school/Trust. Further, the grants will need to comply with the rules set out within the Subsidy Control Act 2022. Advice should be sought from the Council's Legal Services regarding the drafting and/or negotiation of any agreement between the Community Fund and the school/Trust, including any advice and/or assessment of how the rules under 2022 act will apply.
 - The current catering contracts at the chosen pilot schools will need to be modified in line with their existing terms and conditions and the requirements of Reg. 72 of the Procurement Regs on the modification of public contracts, and the Council's CPRs, as well as any contract procedure rules and/or standing orders of the chosen schools and (where applicable) their Trusts. Advice should be sought from the Council's Legal Services and Commercial Procurement Teams on how best to proceed to ensure compliance.
 - Any consultant services provided by the University of York in relation to the evaluation of the results and datasets of the pilot project must be procured in line with the Council's obligations under the Procurement Regs and the Council's CPRs. Advice should be sought from the Council's Legal Services and Commercial Procurement Teams where appropriate.
- **Procurement,**

All current, active catering contracts that have been through a procurement process will need to be appropriately modified to

capture the new objectives. Any variations and modifications will need to be made in line with the current PCR's and CPR's and both Commercial Procurement and Legal Services will need to be consulted. Any additional works or services will need to be commissioned via a compliant procurement route under the Council's Contract Procedure Rules and where applicable, the Public Contract Regulations 2015. All tenders will need to be conducted in an open, fair, and transparent way to capture the key principles of procurement and to achieve all required outcomes of the project and/or pilots. Further advice regarding the procurement routes, strategies and markets must be sought from the Commercial Procurement team.

- ***Affordability***

Given that the average cost of school meal is £2.94 and a breakfast is £1.00 this will mean that for some families that will help with saving money on food bills as they prioritise what little they have in a cost of living crisis particularly in the pilot areas where the impacts felt by the crisis are hitting hard.

To proceed with both pilot schools then the funding campaign needs to have raised another £30k. Any future scale up of the project will be dependent on the success of fund raising via the community fund.

- ***Equalities and Human Rights***

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

- **Communications**

Communications Service staff are already engaged in planning communications support for the delivery of the pilots and have designed and delivered materials designed to inform and engage the relevant school communities. Further support may be required both in relation to the school partners, and in relation to managing media interest both as the pilot moves forward, and at its end. The Communications Service is not expected to be involved in the cross city alliance to address disadvantage and the cost-of-living crisis.

- **Health and Wellbeing**

Providing universal free school meals (FSMs) can have a positive impact on the health and wellbeing of our children. Evidence from four local authorities in London, which implemented universal FSM provision in primary schools, found a reduction in the prevalence of obesity in reception and year 6 children and that this effect was cumulative.

Universal free school meal provision may also contribute to reducing health inequalities as children from the most deprived areas are more likely to be living with obesity and the associated co-morbidities than those from the least deprived areas (The Food Foundation, 2022).

Food insecurity in households with children is rising, with 26% of all UK households affected by food insecurity and impacting 4 million children (The Food Foundation, 2022). Children from families that are food insecure are more likely to suffer from poor mental health.

Evaluation of the pilot project will be key and we would recommend that a Health Impact Assessment is completed. Public Health can also support with evaluation as we can draw data from the National Child Measurement Programme (NCMP), which collects the heights and weights of children in reception and year six annually to calculate Body Mass Index (BMI). Also, the bi-annual health and wellbeing school survey can be used to assess the health and wellbeing outcomes over time of children who receive a free school meal.

An Equalities Impact Assessment has been carried out and is annexed to this report at **Annex A**.

Risks and Mitigations

24. A key risk for the project is securing ongoing funding this will be crucial in working with the catering contractors who may incur additional costs as part of the pilot e.g. need for additional staffing. The costs of delivering the meals is a fixed cost of the project and this needs to be covered regardless of the take up of meals. Careful financial due diligence of the Westfield project will need to be maintained throughout the implementation to ensure that costs of delivery remain within the available budget.
25. Contractual arrangements may need contract variations to facilitate the pilot project. This will involve clear communication

regarding who is responsible for project delivery and where adjustments should be made within each school.

26. Communication with parents and carers in the pilot schools will be necessary in advance of the start of the pilot and also at the end of the pilot if a decision is taken not to maintain universal free school meals or if a decision is taken to continue with a targeted rather than a whole city roll out.

Wards Impacted

Westfield and Clifton

Contact details

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

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Telephone:	01904 553007
Report approved:	Yes
Date:	6/11/23

Annexes

Annex A: Equalities Impact Assessment

City of York Council
Equalities Impact Assessment

Who is submitting the proposal?

Directorate:	People		
Service Area:	Children's Services and Education		
Name of the proposal :	Delivery of KS2 Universal Free School Meals Pilot Project		
Lead officer:	Maxine Squire, Assistant Director, Education and Skills		
Date assessment completed:	08/10/2023		
Names of those who contributed to the assessment :			
Name	Job title	Organisation	Area of expertise
Lamara Taylor	Headteacher	Westfield Primary School	School leadership
Rachelle White	School Admissions Manager	City of York Council	Administration of pupil data and FSM eligibility checks
Sue Wilson	School catering adviser	City of York Council	Management of school catering services and school food standards

Step 1 – Aims and intended outcomes

1.1	<p>What is the purpose of the proposal? Please explain your proposal in Plain English avoiding acronyms and jargon.</p>
	<p>Implementation of a pilot project to extend universal free school meals to Key Stage 2 children. The project is designed to deliver on the Executive's election manifesto commitment to create a cross city alliance to address disadvantage and the cost of living crisis. Findings from the pilot project will then be used to inform any full city roll out of universal free school meals</p>
1.2	<p>Are there any external considerations? (Legislation/government directive/codes of practice etc.)</p>
	<p>The School Food Standards. Section 114A School Standards and Framework Act 1998 requires that food and drink provided to pupils at schools in England complies with certain nutritional standards. This standard applies across the whole school day, including breakfasts, morning breaks, tuck shops and after school clubs. Section 512 of the Education Act 1996 places a duty on maintained schools, academies and free schools to provide free school meals to pupils of all ages that meet the criteria.</p>
1.3	<p>Who are the stakeholders and what are their interests?</p>
	<p>Parents and carers in the two pilot schools who would be financially benefitted by not having to pay for a school meal/breakfast KS2 children who are not eligible for free school meals would have access to a free meal/breakfast School leaders and managers and catering companies. This will create some extra work however, also has potential benefits to increase the take up of meals and the potential impact this will have on pupils attendance, behaviour and concentration. Parents and carers not in the pilot schools will have an interest in the progress of the project and whether this will lead to whole city roll out. Community funders will be interested in the impact of their donations to the project.</p>

1.4	What results/outcomes do we want to achieve and for whom? This section should explain what outcomes you want to achieve for service users, staff and/or the wider community. Demonstrate how the proposal links to the Council Plan and other corporate strategies and plans.
	The pilot will provide evidence about the impact on providing universal free school meals on improving educational outcomes, health and well being of KS2 children. The pilot will explore the benefits for families in reducing the stigma associated with applying for free school meals and will help to tackle the pressures felt by families due to the cost of living crisis.

Step 2 – Gathering the information and feedback

2.1	What sources of data, evidence and consultation feedback do we have to help us understand the impact of the proposal on equality rights and human rights? Please consider a range of sources, including: consultation exercises, surveys, feedback from staff, stakeholders, participants, research reports, the views of equality groups, as well your own experience of working in this area etc.	
Source of data/supporting evidence	Reason for using	
Evidence from the DfE evaluation of the pilot of universal infant free school meals	This report led to national roll out of UFSM in KS1. This provides an evidence base about the benefits of providing universal infant free school meals.	
Learning from the implementation of Universal Free School Meals in Scotland using Normalisation Process Theory: Lessons for policymakers to engage multiple stakeholders	This report provides an evaluation of the roll out of infant UFSM and provides pointers for the successful implementation of an extension of UFSM including: <ul style="list-style-type: none"> Universal free school meals (UFSM) could improve children’s outcomes Evaluation of UFSM policies internationally is limited UFSM policies need to engage with multiple stakeholders adequately 	

	<p>Policymakers must communicate the potential benefits to educational stakeholders</p> <p>Adequate monitoring and evaluation could help to improve communication.</p>

Step 3 – Gaps in data and knowledge

3.1	What are the main gaps in information and understanding of the impact of your proposal? Please indicate how any gaps will be dealt with.	
	Gaps in data or knowledge	Action to deal with this
	Data sets will need to be developed to support the pilot.	Engage with the universities to develop the evaluation framework for the pilot.

Step 4 – Analysing the impacts or effects.

4.1	Please consider what the evidence tells you about the likely impact (positive or negative) on people sharing a protected characteristic, i.e. how significant could the impacts be if we did not make any adjustments? Remember the duty is also positive – so please identify where the proposal offers opportunities to promote equality and/or foster good relations.
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Equality Groups and Human Rights.	Key Findings/Impacts	Positive (+) Negative (-) Neutral (0)	High (H) Medium (M) Low (L)
Age		0	
Disability		0	
Gender		0	
Gender Reassignment		0	
Marriage and civil partnership		0	
Pregnancy and maternity		0	
Race		0	
Religion and belief		0	
Sexual orientation		0	
Other Socio-economic groups including :	Could other socio-economic groups be affected e.g. carers, ex-offenders, low incomes?		
Carer		0	
Low income groups	The threshold for FSM means that many low income families are not eligible under the current FSM scheme. They would be benefitted by the pilot project and so access to a	+	H

	nutritious meal would be provided to low income groups who are above the threshold to access a free school meal.		
Veterans, Armed Forces Community		0	
Other	Children not currently eligible for free school meals will be able to access a meal	+	H
Impact on human rights:			
List any human rights impacted.			

Use the following guidance to inform your responses:

Indicate:

- Where you think that the proposal could have a POSITIVE impact on any of the equality groups like promoting equality and equal opportunities or improving relations within equality groups
- Where you think that the proposal could have a NEGATIVE impact on any of the equality groups, i.e. it could disadvantage them
- Where you think that this proposal has a NEUTRAL effect on any of the equality groups listed below i.e. it has no effect currently on equality groups.

It is important to remember that a proposal may be highly relevant to one aspect of equality and not relevant to another.

<p>High impact (The proposal or process is very equality relevant)</p>	<p>There is significant potential for or evidence of adverse impact The proposal is institution wide or public facing The proposal has consequences for or affects significant numbers of people The proposal has the potential to make a significant contribution to promoting equality and the exercise of human rights.</p>
<p>Medium impact (The proposal or process is somewhat equality relevant)</p>	<p>There is some evidence to suggest potential for or evidence of adverse impact The proposal is institution wide or across services, but mainly internal The proposal has consequences for or affects some people The proposal has the potential to make a contribution to promoting equality and the exercise of human rights</p>
<p>Low impact (The proposal or process might be equality relevant)</p>	<p>There is little evidence to suggest that the proposal could result in adverse impact The proposal operates in a limited way The proposal has consequences for or affects few people The proposal may have the potential to contribute to promoting equality and the exercise of human rights</p>

Step 5 - Mitigating adverse impacts and maximising positive impacts

5.1	Based on your findings, explain ways you plan to mitigate any unlawful prohibited conduct or unwanted adverse impact. Where positive impacts have been identified, what is been done to optimise opportunities to advance equality or foster good relations?
<p>The positive impact of the pilot project will be tracked through the evaluation of the project. This will be used to inform any future scale up of the project.</p>	

Step 6 – Recommendations and conclusions of the assessment

6.1	Having considered the potential or actual impacts you should be in a position to make an informed judgement on what should be done. In all cases, document your reasoning that justifies your decision. There are four main options you can take:
<p>- No major change to the proposal – the EIA demonstrates the proposal is robust. There is no potential for unlawful discrimination or adverse impact and you have taken all opportunities to advance equality and foster good relations, subject to continuing monitor and review.</p>	

- **Adjust the proposal** – the EIA identifies potential problems or missed opportunities. This involves taking steps to remove any barriers, to better advance quality or to foster good relations.
- **Continue with the proposal** (despite the potential for adverse impact) – you should clearly set out the justifications for doing this and how you believe the decision is compatible with our obligations under the duty
- **Stop and remove the proposal** – if there are adverse effects that are not justified and cannot be mitigated, you should consider stopping the proposal altogether. If a proposal leads to unlawful discrimination it should be removed or changed.

Important: If there are any adverse impacts you cannot mitigate, please provide a compelling reason in the justification column.

Option selected	Conclusions/justification
No major change to the proposal	The proposal is to run a pilot project. Learning from the pilot project will be used to inform any further considerations regarding equalities.

Step 7 – Summary of agreed actions resulting from the assessment

7.1 What action, by whom, will be undertaken as a result of the impact assessment.			
Impact/issue	Action to be taken	Person responsible	Timescale
Managing expectations about the continuation of the project after the pilot phase	Develop and deliver a comms strategy to cover the period of the pilot and the sharing of evaluation findings		

Step 8 - Monitor, review and improve

8. 1	How will the impact of your proposal be monitored and improved upon going forward? Consider how will you identify the impact of activities on protected characteristics and other marginalised groups going forward? How will any learning and enhancements be capitalised on and embedded?

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