

**Notice of a public meeting of
Cabinet**

To: Councillors Alexander (Chair), Crisp, Gunnell, Levene, Looker, Merrett, Simpson-Laing (Vice-Chair) and Williams

Date: Tuesday, 7 May 2013

Time: 5.30 pm

Venue: The Snow Room - Ground Floor, West Offices

AGENDA

Notice to Members - Calling In:

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

4:00 pm on Thursday 9 May 2013, if an item is called in *after* a decision has been taken.

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

1. Declarations of Interest

At this point, Members are asked to declare:

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

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

2. Exclusion of Press and Public

To consider the exclusion of the press and public from the meeting during consideration Annex 2 to agenda item 16 (Business Case for the Creation of a Warden Call/CELS Social Enterprise) on the grounds that it contains information relating to the financial or business affairs of particular persons. This information is classed as exempt under paragraph 3 of Schedule 12A to Section 100A of the Local Government Act 1972 (as revised by The Local Government (Access to Information) (Variation) Order 2006).

3. Minutes (Pages 3 - 18)

To approve and sign the minutes of the Cabinet meeting held on 2 April 2013.

4. Public Participation

At this point in the meeting members of the public who have registered to speak can do so. The deadline for registering is **5.00pm on Friday 3 May 2013.** Members of the public can speak on agenda items or matters within the remit of the committee.

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

5. Forward Plan (Pages 19 - 30)

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

6. The Future of Derwent Schools Federation and Osbaldwick Primary School (Pages 31 - 40)

This report summarises developments since the proposal to close Derwent Infant and Junior Schools and expand Osbaldwick Primary and the results of the six-week statutory representation period followed the publication of notices which closed on 16 April 2013. It also includes an update on staffing and financial issues, pupil places and arrangements to ensure the best possible quality of education for all pupils

7. Growing the York Economy - Working with Leeds City Region Local Enterprise Partnership (Pages 41 - 64)

This report sets out opportunities emerging from the development of a Leeds City Region Local Enterprise Partnership and associated City Deal for the city of York and initial steps for the city in taking advantage of these opportunities.

a) West Yorkshire Plus York Transport Fund (WYTF+) (Pages 65 - 104)

This report provides an update on the development of the West Yorkshire Plus York Transport Fund (WYTF+) and outlines details of the proposed York package of schemes, together with information on the financial contributions and governance proposals.

b) Transport Governance Review for York (Pages 105 - 130)

This report sets out details of the transport governance review for York which is the next stage of the city's work to create the best possible environment for its workforce, residents and business base, and builds on the city's involvement in the development of the Leeds City Region Local Enterprise Partnership (LEP).

8. Economic Infrastructure Fund - Proposals (Pages 131 - 158)

This report sets out three proposals for Economic Infrastructure Fund (EIF) allocations: (1) LCR Revolving Investment Fund (RIF); (2) LCR transport infrastructure proposals; and (3) Economic Inclusion.

9. Final Report of the Youth Unemployment Scrutiny Review (Pages 159 - 236)

This report sets out the recommendations arising from the Scrutiny Review into Youth Unemployment. A copy of the full final report is attached and Councillor D'Agorne, as Chair of the Task Group, will be in attendance at the meeting to present the report.

Erratum: There are a number of references in this report to the 'Head of Adult Services', this should read 'Head of York Learning'.

10. Improving Movement and Public Realm in the City Centre (Pages 237 - 298)

This report sets out a proposal for a trial to establish a pedestrian, public transport and cycle priority route over Lendal Bridge; commencing in August 2013. Removal of through traffic from the 'heart of the city' with managed access provided for essential traffic on 'priority routes' (in particular Lendal Bridge) offers a key transformational opportunity to maximise access for pedestrians, cyclists and buses.

11. Early Morning Restriction Orders and Late Night Levy (Pages 299 - 308)

This report informs the Cabinet of the recent changes made to the Licensing Act 2003, following the implementation of Section 119 (Early Morning Restriction Orders) and Chapter 2 (Late Night Levy) of the Police Reform and Social Responsibility Act 2011, on 31 October 2012 and the potential impact on the Licensing Authority.

12. New Council House Building - Phase 1 (Pages 309 - 332)

This report sets out details of the Council's ambitions to build new council homes as part of the Get York Building (GYB) initiative. It seeks approval to pursue development of a number of sites within the Housing Revenue Account to build between 50 and 70 new homes.

13. Implementing Additional Public Health duties within City of York Council: Update (Pages 333 - 350)

This report provides Cabinet with an overview of how the Council have and are implementing the additional public health duties that came into effect on 1 April 2013.

14. Staff Sickness Absence Final Report (Pages 351 - 416)

This report presents the final report arising from the Sickness Absence Management scrutiny review at Appendix 1. It asks Cabinet to note the work on the scrutiny review, endorse the implementation of the recommendations by HR and where appropriate, approve the remaining recommendations arising from the review. Members of the Task Group will be in attendance to present the report and answer any questions.

**15. Improving Community Resilience Scrutiny Review
Final Report** (Pages 417 - 446)

This report presents information gathered in support of the Community Safety Overview and Scrutiny Committee's review on Improving Community Resilience and asks Members to agree the recommendations arising. Member of the Committee will be in attendance to present the report.

**16. Business Case for the Creation of a Warden Call/CELS
Social Enterprise** (Pages 447 - 592)

This report provides a summary of the planning underway in developing and evaluating the Integrated Business Plan for the Community Equipment Loan and Warden Call/Telecare Service (CELTAS) to become a social enterprise.

17. Urgent Business

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

Democracy Officer:

Name: Jill Pickering

Contact details:

- Telephone – (01904) 552061
- E-mail – jill.pickering@york.gov.uk

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

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- Business of the meeting
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Contact details are set out above.

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Scrutiny Committees

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

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

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City of York Council

Committee Minutes

MEETING	CABINET
DATE	2 APRIL 2013
PRESENT	COUNCILLORS ALEXANDER (CHAIR), CRISP, GUNNELL, LEVENE, LOOKER, MERRETT, SIMPSON-LAING (VICE-CHAIR) AND WILLIAMS
IN ATTENDANCE	COUNCILLORS CUTHBERTSON, DOUGHTY, HEALEY, RICHARDSON, REID, RUNCIMAN, STEWARD AND WARTERS

PART A - MATTERS DEALT WITH UNDER DELEGATED POWERS

111. DECLARATIONS OF INTEREST

Members were invited to declare at this point in the meeting any personal interests, not included on the Register of Interests, or any prejudicial or disclosable pecuniary interests they may have in respect of business on the agenda. The following personal non prejudicial interests were declared in relation to agenda item 9 (Embracing Diversity: A Hate Crime Strategy for York - minute 119 refers):

Cllr Merrett as a member of his family had experienced hate crime abuse and Cllr Crisp as a number of members of her family had also encountered similar abuse.

Cllr Merrett also declared a personal non prejudicial interest in relation to agenda item 11 (Maximising the Opportunities from the Green Deal – minute 121 refers) as a representative on the York Energy Partnership Board.

112. MINUTES

RESOLVED: That the minutes of the last meeting of the Committee held on 5 March 2013 be approved and signed by the Chair as a correct record.

113. PUBLIC PARTICIPATION/OTHER SPEAKERS

It was reported that there had been one registration to speak at the meeting under the Council's Public Participation Scheme, and a number of Members of Council had requested to speak on the following items:

5. Reinvigorate York: Public Space Improvement Project for Kings Square

Cllr Reid confirmed that whilst Kings Square would benefit from a facelift, it was felt that an outlay of £500k was not justified in the current economic climate when roads were in need of maintenance. With reference to the application for planning permission for cafe seating it was felt that this should not take place until the works had been completed to ensure that the necessary space was available.

6. Waste Services – Service Delivery Options 2012/13 and 2013/14

Cllr Doughty spoke in respect of the proposals for waste services, again expressing his concerns that residents had not been offered status quo as an alternative in the consultation regarding future service delivery. He reiterated his opposition to proposals including the partial closure of the Towthorpe HWRC and questioned the possible failure in projected income and the likelihood of not reaching recycling targets.

Cllr Reid spoke to reiterate her opposition to the recommendations to charge for additional green bins and cease collection during the winter months leading to more green waste being diverted to landfill. Reference was also made to the proposed exchange of additional green bins, or free bins for a home composter and options for food waste collection which were not included in the recommendations. It was pointed out that 1,850 residents had signed a petition opposing the proposals. Cabinet were asked for a commitment that any reduction in the service at Towthorpe HWRC would not lead to its ultimate closure.

7. Neighbourhood Working

Cllr Warters spoke to request discussion regarding consultation on changes at Hull Road Park.

Cllr Runciman pointed out that Ward Committees and Parish Council's had worked well over a number of years, following a great deal of hard work by ward members and residents. However, over the last two years budget cuts had seen a reduction in resident engagement. Concern was expressed that Officers should work with established infrastructure in wards rather than impose CYC led initiatives.

Cllr Cuthbertson also spoke to express serious concerns regarding the health and wellbeing of ward committees. Reference was made to the current advertising and publicity given to these meetings and to subsequent poor attendance.

8. Horses – Enforcement Policy

Cllr Warters also spoke in respect of the delays in bringing forward a policy for enforcing the removal of horses from Council land. He pointed out that the policy appeared to consist of existing laws which the authority had previously chosen to ignore. He asked the Cabinet Member to implement a zero tolerance policy in relation to horses tethered on verges to prevent further cruelty to horses.

9. Embracing Diversity: A Hate Crime Strategy for York

Ginnie Shaw, spoke as a member of the York Racial Equality Network whose aim was to work in harmony for a just society. The Network had welcomed the opportunity to assist in the refresh of the Hate Crime Strategy as their body was at the forefront against hate crime, being a reporting centre for a number of years, and providing evidence and statistics to assist various strategies and organisations. They had a number of active members who sat on various bodies throughout the city. Although YREN were happy to assist in the delivery of the action plan she questioned how the work would be funded. A request was made that YREN was included in the strategy as a named voluntary partner in all four strategy aims.

11. Maximising the Opportunities From the Green Deal in York

Cllr Healey spoke to request the inclusion of options and costs of these proposals to be provided to enable comparisons to be made prior to participation in this scheme.

114. FORWARD PLAN

Members received and noted details of those items listed on the Forward Plan for the next two Cabinet meetings, at the time the agenda was published.

115. REINVIGORATE YORK: PUBLIC SPACE IMPROVEMENT PROJECT FOR KINGS SQUARE

Consideration was given to a report which summarised the proposed improvements planned for Kings Square. The design options had been developed through an internal CYC working group in partnership with local business stakeholders.

Details of the public consultation undertaken together with a summary of the results were set out at paragraphs 6 to 9 and Annexes 1 to 4 of the report. An analysis of the following design options were also reported at paragraph 13:

Option 1: This was the preferred final design (Annex 5) with the key points being:

- (A) Repaving: Repave the entire area with new materials and create a raised table at the main road junction.
- (B) Trees: We propose not to replace the two trees on the roadside.
- (C) Raised Area: We propose to retain and refurbish the Raised Area.
- (D) Cafe seating: We propose that the council should apply for planning permission for cafe seating in Kings Square¹
- (E) Disabled parking: We propose to continue with the consultation design for disabled parking.
- (F) Paper Mulberry tree: is removed

Option 2: Each of the recommendations of the key points of the preferred final design could have an opposite design approach. The alternative design could therefore be a combination of either Option 1 or Option 2 for each point. These opposites were:

- (A) Repaving: Do not repave the entire area or create a raised table at the main road junction
-

- (B) Trees: Replace the two roadside trees with two further out to the road
- (C) Raised Area: Remove the Raised Area.
- (D) Cafe seating: Do not have any cafe seating
- (E) Disabled parking: Apply for a traffic order to restrict disabled parking in Kings Square
- (F) Paper Mulberry tree: is retained

Option 3: Do not implement the improvement project or just implement it in part.

It was confirmed that the Kings Square project, one of six city centre priority improvement projects, would be funded from the overall Reinvigorate York programme.

The Cabinet Member confirmed that it had been 40 years since there had been any major investment in Kings Square. He referred to the difficulties encountered between the competing needs of users in order to gain improvement in the appearance and function of the area. Thanks were expressed to all who had replied to the public consultation and the comments of earlier speakers were acknowledged in relation to an application for pavement cafes.

RESOLVED:

That Cabinet agree to:

- i) The preferred design as set out at Option 1, paragraph 10 of the report, together with a proposed allocated project budget of £490,000 out of the already agreed funds of the overall Reinvigorate York programme.
- ii) The delegation of agreement of the final design details to the relevant Cabinet Member in consultation with the appropriate Director.¹

REASON:

This is the preferred final design following a thorough analysis of public consultation and discussions with specialist officers and provides an improvement project with an adequate budget and avoids delay and potential risk of not completing the Reinvigorate York programme.

Action Required

1. Implement Option 1, agreement of the final design in consultation with the Cabinet Member. MS, GH

116. WASTE SERVICES - SERVICE DELIVERY OPTIONS 2012/13 AND 2013/14 FOLLOWING CONSULTATION

Consideration was given to a report which presented the outcome of consultation undertaken on the options for garden waste collections and the opening hours at Towthorpe Household Recycling Centre (HWRC). This followed an earlier report to Cabinet in February which had set out proposals for further reductions to the annual cost of providing the Council's waste collection services.

The following consultation options for both garden waste and Towthorpe had been consulted on and these had been analysed at paragraphs 8 to 61 and Appendix 1 of the report:

Garden Waste

The options consulted on were:

- a) A subscription charge of around £30 for emptying green bins all year round
- b) A subscription charge of around £15 for emptying green bins in the winter months (November to March), but no charge for the summer months
- c) No green bin collection in the winter months and no charge in the summer months
- d) First green bin supplied free and a one-off charge of around £30 for each extra garden waste bin
- e) The option to swap existing green bins for home composters free of charge
- f) A combined food waste and garden waste collection all year round
- g) Testing the market to see if a lower garden waste disposal cost can be achieved
- h) Assessing the market to see if garden waste has any value as a commodity
- i) Looking at the potential for all or part of the service to be undertaken by a social enterprise or community group

Towthorpe

The options consulted on were:

- closing regularly on one weekday all year round
- reducing daily opening hours
- opening weekends only in winter
- closing completely in winter

As the final recommended options fell short of the savings target, as set out in paragraph 64 and at Appendices B and C in the report, it was confirmed that this would be mitigated by a reduction in disposal costs achieved by ongoing work.

The Cabinet Member referred to inaccurate information which had been given to residents in relation to closure of the Towthorpe HWRC pointing out that during consultation residents could have chosen to support no reduction in closure or reduction in hours. In answer to earlier speakers the Cabinet Member confirmed that residents would be able to exchange additional green bins or free bins, for a composter.

Following further discussion it was

RESOLVED: That Cabinet agree to:

- (i) Approve the closure of Towthorpe HWRC every Wednesday throughout the year to take effect as soon as possible. ¹
- (ii) Approve the removal of the garden waste service between November and March each year with effect from November 2013. ²
- (iii) Approve the introduction of an annual charge to residents of £35 for each additional garden waste bin. ³
- (iv) Delegate authority to officers to enter into alternative disposal arrangements where this is a financial benefit to the Council. ⁴
- (v) Task officers with preparing a business case for a food waste service. ⁵
- (vi) Task officers with continuing to monitor the potential for garden waste as a

saleable commodity and for all, or part, of the service to be undertaken by a social enterprise or community group.⁵

REASON: To enable the Council to meet its statutory and policy targets and continue to provide a high quality waste collection and disposal service that is financially sustainable and provides a robust base for future growth.

Action Required

- | | |
|---|----|
| 1. Implement Wednesday closure. | GD |
| 2. Remove service from November 2013. | GD |
| 3. Introduce annual charge for additional garden waste bins. | GD |
| 4. Enter into alternative disposal arrangements subject to proviso. | GD |
| 5. Prepare business case and continue monitoring. | GD |

117. NEIGHBOURHOOD WORKING

Consideration was given to a report which set out details of a refresh of the Council's approach to Neighbourhood Working, coming into effect in June, following the current round of annual meetings.

The proposed update included:

- The establishment of Resident Forum meetings in place of Ward Committees
- A refresh of the Community Contract
- A revised mechanism for how ward funding is spent
- A strategy to engage residents
- Priorities for the new Communities and Equalities Team to support members in delivering the new model.

Details of work already undertaken to implement the proposals was set out at paragraphs 2 and 3 of the report, with feedback on consultation and changes made in response at paragraph 5. Support to be given to Members by the Communities and Equalities team in planning, organising and promoting programmes of engagement events and further practical steps was also set out. To facilitate the proposals would also require

amendments to the Council's constitution details of which were set out at paragraph 16 together with proposed terms of reference for the Resident Forum meetings in the Annex.

Consideration was then given to the available options to:

- Adopt the new model as proposed
- Retain the status quo or
- Adopt an amended version of the model

The Cabinet Member presented the report in more detail explaining the need for rebranding of the Neighbourhood Management Unit to better reflect the work being undertaken. It was confirmed that the new model was not prescriptive and allowed Members to be freed up and continue with those parts that worked well, whilst developing new flexible ways of working. The earlier speaker's comments were also supported.

RESOLVED: That Cabinet agree to:

- i) A refresh of the Community Contract as described in paragraph 5 of the report.
- ii) The distribution of ward credits as set out in paragraph 18 of the report.
- iii) The strategy to actively engage residents as described in paragraphs 11 and 12 of the report.¹

REASON: To actively engage York's residents in their wards.

Action Required

1. Implement changes to Neighbourhood Working as from June 2013.

MB, CC

118. HORSES - ENFORCEMENT POLICY

The Cabinet considered a report which set out the proposed policy and route for enforcing the removal of horses from Council land when they were grazing illegally. It also set out how the authority could support private landowners where horses were illegally grazing on private land.

A joint protocol had now been developed following work by a multi agency group setting out responsibilities of all parties and detailing the courses of action to be taken in a number of circumstances, which was set out at Annex 1 of the report. It was confirmed that although a representative of the Travellers Trust had not attend consultation meetings the protocol had been shared with the Travellers community.

The engagement of a Horse Bailiff had been considered important, to ensure that the protocol worked to support the removal of the horses as had securing land adjacent to the current Osbaldwick Travellers site for the provision of grazing land for the travellers.

The options put forward for consideration were:

Option 1 – To agree the joint protocol as set out at Annex 1.

Option 2 - To not agree the protocol and retain the status quo.

The Cabinet Member acknowledged that, although the joint protocol had taken some time to develop with a number of partner organisations, adoption of it would ensure that the authority had a policy to deal with any future issues also ensuring the welfare of the animals concerned.

Following further discussion it was

RESOLVED: That Cabinet agree the Protocol for the Management of Horses in York as set out at Annex 1 of the report. ¹.

REASON: To ensure that the Council has a robust, yet balanced approach to dealing with tethered horses.

Action Required

1. Implement the Protocol.

SW

119. EMBRACING DIVERSITY: A HATE CRIME STRATEGY FOR YORK

Members considered a report which outlined the background to the development of a new Hate Crime Strategy for the City of York. It asked for approval of the strategy and a commitment to the crucial role that City of York Council played to provide the

support necessary to bring offenders to justice and protect vulnerable victims.

Since the launch of the first Hate Crime Strategy in 2008, the number of hate crimes reported to the Police had dropped, however consultation had suggested that under reporting of hate crime incidents was a significant factor.

There had been extensive consultation undertaken on the strategy details of which were set out at paragraphs 6 to 11 and at Annex B of the report and a Community Impact Assessment at Annex F. Flow charts showing the current and proposed reporting processes were set out at Annexes C and D and the proposed future model for dealing with hate crime at Annex E.

The options put forward for consideration were:

Option 1 – Endorse the strategy and to give commitment to the key role that City of York Council will play in the implementation of the strategy and its associated work plans.

Option 2 – Ask officers to amend the strategy.

The Cabinet Member confirmed that this appeared to be a growing crime with the reported figures not representing what went on in the wider city. He referred to the need to acknowledge that these issues were being taken seriously and confirmed the important part that YREN played in shaping and assisting the implementation.

Reference was also made to the part the media played in this strategy and to their responsibilities and to the education of staff.

RESOLVED: That Cabinet approve Option 1 to endorse the Hate Crime Strategy for York and give commitment to the key role that City of York Council will play in the implementation of the strategy and its associated work plans.¹

REASON: To ensure that the city has an effective approach to preventing Hate Crime and addressing the impacts of Hate Crime in a coordinated and victim centred manner.

Action Required

1. Implement Strategy.

JM

120. FACING THE CHALLENGE OF POVERTY IN YORK

Consideration was give to a report which provided the Cabinet with an assessment of the poverty challenge in York, set out details for reducing poverty, the main work programmes in this area and identified additional work required to tackle these issues.

Background information on the meaning of poverty and the national and local picture were set out at paragraphs 5 to 28 of the report. With the following three themes proposed for ongoing work:

- Strategic poverty prevention.
- Work programmes for those most at risk of poverty.
- Work targeting those currently in poverty.

Although the Council was currently addressing some of these issues in the larger work programmes, priority needed to be given to assisting those already in poverty and options for this would form part of a report to Cabinet in June.

The Leader thanked York Press for raising awareness of the effects of the welfare reforms on residents of the city. With limited public resources the reported outlined how the authority could work together with partners to make a difference to the most vulnerable.

All Members went on to acknowledge the importance of this work to improve the lives of many in the city.

Following further lengthy discussion, it was

RESOLVED: That Cabinet:

- i) Note the statistical data provided on the extent of poverty in the city set out in the report.
- ii) Agree to the population of the city-wide framework and to the development of measures/activities to reduce poverty,

to be brought back to Cabinet in June as proposals for further work.¹

- iii) Agree the emphasis in priority to those in poverty.

REASON: To address the issues of fairness and equality in the city.

Action Required

1. Continue with population of framework and provide update report to Cabinet on 7 June 2013. SH

121. **MAXIMISING THE OPPORTUNITIES FROM THE GREEN DEAL IN YORK**

Consideration was given to a report which outlined the business case for the Leeds City Region (LCR) Green Deal and the authorities level of participation within the scheme.

It was reported that the Green Deal (GD) was a Government initiative which would operate by providing energy efficiency and other works at no up front cost to the householder in all tenures and businesses. Details of the improvements costs paid for by a GD loan attached to the property, repayments and proposed savings, were set out in the report. Problems with hard to treat properties and the development of an 'Energy Company Obligation' to assist were also reported.

The options considered and put forward by a team of Officers to maximise the opportunities for the city were set out at paragraphs 9 to 11 and the LCR business case developed in conjunction with consultants.

The options put forward for consideration were:

Option 1: proceed with the LCR scheme as a partner and proceed to full procurement stage (£41k)

Option 2: not to proceed with LCR GD scheme and look at other local options (currently none are as developed as the LCR model)

A full analysis of the advantages and risks of each option was set out in the report at paragraphs 26 to 28.

The Cabinet Member confirmed that this investment was crucial in contributing to the future economic growth of the city. However it was to be seen if the scheme would deliver the

required results, it was suggested that area schemes and common house types would receive a better take up.

Following further discussion it was

RESOLVED: That Cabinet agree to approve Option 1 to proceed with the Leeds City Region scheme as a partner and proceed to full procurement stage. ¹.

REASON: To ensure that the council participate in a trustworthy scheme partnership with other local authorities and benefit from the economies of scale and by doing so improve take up and help to ensure that our more vulnerable residents are offered additional grant funding (through the 'Energy Company Obligation').

Action Required

1. Proceed with scheme and procurement.

SW

PART B - MATTERS REFERRED TO COUNCIL

122. NEIGHBOURHOOD WORKING

Consideration was given to a report which set out details of a refresh of the Council's approach to Neighbourhood Working, coming into effect in June, following the current round of annual meetings.

The proposed update included:

- The establishment of Resident Forum meetings in place of Ward Committees
- A refresh of the Community Contract
- A revised mechanism for how ward funding is spent
- A strategy to engage residents
- Priorities for the new Communities and Equalities Team to support members in delivering the new model.

Details of work already undertaken to implement the proposals was set out at paragraphs 2 and 3 of the report, with feedback on consultation and changes made in response at paragraph 5. Support to be given to Members by the Communities and Equalities team in planning, organising and promoting

programmes of engagement events and further practical steps was also set out. To facilitate the proposals would also require amendments to the Council's constitution details of which were set out at paragraph 16 together with proposed terms of reference for the Resident Forum meetings in the Annex.

Consideration was then given to the available options to:

- Adopt the new model as proposed
- Retain the status quo or
- Adopt an amended version of the model

The Cabinet Member presented the report in more detail explaining the need for rebranding of the Neighbourhood Management Unit to better reflect the work being undertaken. It was confirmed that the new model was not prescriptive and allowed Members to be freed up and continue with those parts that worked well, whilst developing new flexible ways of working. The earlier speaker's comments were also supported.

RECOMMENDED: That Council agree to the alteration of the Constitution to establish Resident Forums in place of Ward Committees, as described in paragraph 12 of the report, to include a revised mechanism to agree the allocation of ward funding, as described in paragraph 15 of the report.
1.

REASON: To actively engage York's residents in their wards.

Action Required

1. Refer recommendation to Council

JP

Cllr J Alexander, Chair

[The meeting started at 5.30 pm and finished at 7.10 pm].

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FORWARD PLAN

Table 1: Items scheduled on the Forward Plan for the additional Cabinet Meeting on 4 June 2013

<p>Feasibility Report - Cycle Hire Scheme for York</p> <p>Purpose of Report: To outline a case for a full city-wide trial of a public cycle hire scheme within York, based on the Newcastle approach.</p> <p>Cabinet are asked to give approval for Officers to undertake a tendering exercise with interested companies to establish the costs associated with undertaking a full city-wide trial for 12 months, delivered by a third-party. If the tender returns are satisfactory, delegate authority to the Director to award the contract and proceed with the trial.</p> <p>This item has been moved from a Cabinet Member Decision to a Cabinet Decision to allow the report to be considered by Cabinet as part of the Tour De France Legacy Strategy.</p> <p><i>This report has been slipped from the May to the June meeting to allow further consultation with cycling businesses within the city and to ensure alignment with the emerging Tour De France Legacy work programme.</i></p>	<p>Richard Holland</p>	<p>Cabinet Member for Transport Planning & Sustainability</p>
<p>Get York Building - Investment Plan for Growth</p> <p>Purpose of Report: To present a financial investment strategy targeting key stalled sites and the Local Plan Call for Sites quick wins for investment to improve viability to allow development to proceed.</p> <p>Members are asked to consider and approve the Investment Plan.</p> <p><i>This report has been slipped to the June meeting to allow further investigatory work to be undertaken by Officers.</i></p>	<p>Darren Richardson</p>	<p>Cabinet Member for Transport Planning & Sustainability</p>

<p>York Gypsy Roma and Traveller Strategy 2013 – 2018</p> <p>Purpose of Report: To outline the objectives of the Strategy and detailed actions to be delivered by key partner organisations, to improve opportunities and outcomes for members of the Gypsy Roma and Traveller Community across the City.</p> <p>Members are asked to approve the York Gypsy Roma and Traveller Strategy 2013 - 2018 and support its implementation across the City over the period.</p> <p><i>This report has been deferred until June in order that further work can be undertaken.</i></p>	<p>Kate Grandfield</p>	<p>Cabinet Member for Crime and Stronger Communities, Cabinet Member for Health, Housing and Adult Social Services and Cabinet Member for Leisure, Culture and Tourism.</p>
<p>Super Connected Cities Programme</p> <p>Purpose of Report: This report describes the eight innovative projects to be taken forward under the Super-Connected Cities (SCC) programme, highlights progress and the proposed governance arrangements.</p> <p>Members are asked to: 1. agree that a Digital York Strategy should be put in place overseen by a Digital York Board. That the Digital York Board should also steer the York Super-Connected Cities Programme. 2. agree that the Council should contribute £1 100 000 towards the Super-Connected Cities programme from the Economic Infrastructure Fund, and that the approval should be considered as part of the next Cabinet progress report on the Economic Infrastructure Fund.</p>	<p>Roy Grant</p>	<p>Cabinet Leader</p>
<p>Update on the Council’s Elderly Persons’ Homes (EPH) Modernisation Programme</p> <p>Purpose of Report: On 15 May 2012 Cabinet agreed an EPH modernisation programme, stating its intention for the council to fund build and operate 55 bed care homes in Fulford and Haxby, and to procure a partner to develop a community village for older people at Lowfield in Acomb. Since that decision there have been a number of developments that mean that the timetable and</p>	<p>Graham Terry</p>	<p>Cabinet Member for Health, Housing and Adult Social Services</p>

<p>approach agreed in May 2012 has needed to change. These changes need to be revisited by Cabinet and a revised programme and approach needs to be agreed. The report to Cabinet will include an update on the developments that have triggered the changes to the programme, and an updated financial model that reflects the changes to the proposed programme and its affordability.</p> <p>The report will ask Members to agree the revised EPH modernisation programme, including: - The proposed funding of the programme - The proposed procurement approach - The proposed timetable and sequence of EPH closures (to decant into the new care home facilities as they become ready)</p> <p>This report includes an annex which may be considered in private as it contains Exempt Information as described in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 (as amended) in that the information relates to the financial or business affairs of any particular person (including the authority holding that information).</p> <p>Consideration of this report has been postponed until June to allow officers more time to finalise the details of the procurement and the financial model.</p>		
<p>Community Engagement Final Scrutiny Report Purpose of Report: To present the Cabinet with the final report arising from the Community Engagement Scrutiny Review.</p> <p>Members are asked to approve the recommendations arising from the review</p>	Melanie Carr	Cabinet Member for Crime & Stronger Communities
<p>Libraries Scrutiny Review Final Report Purpose of Report: To present the Cabinet with the final report arising from the Libraries Scrutiny Review.</p> <p>Members are asked to approve the recommendations arising from the review.</p>	Melanie Carr	Cabinet Member for Leisure, Culture and Tourism

<p>Rights and Responsibilities for Customer Contacts Purpose of Report: to agree new arrangements</p> <p>Members are asked to agree the new arrangements</p> <p>This report was previously named “Restricted Customer Contact Arrangements”</p>	<p>Andrew Docherty</p>	<p>Cabinet Member for Corporate Services</p>
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<p><i>Table 2a: Items scheduled on the Forward Plan for the Cabinet Meeting on 2 July 2013</i></p>		
<p>Title & Description</p>	<p>Author</p>	<p>Portfolio Holder</p>
<p>Finance & Performance Yearend Report 2012/13 Purpose of Report: To report the financial outturn and final performance information for 2012/13</p> <p>Members are asked to note the issues.</p>	<p>Debbie Mitchell</p>	<p>Cabinet Member for Corporate Services</p>
<p>Developing a Thriving Voluntary Sector Purpose of report: To outline the City of York Council's proposed role/obligations as part of a Voluntary Sector Strategy for the City of York.</p> <p>Members are asked to approve the actions identified for CYC within the Citywide strategy.</p> <p><i>This item was slipped from November to the December Cabinet meeting to allow more time for consultation. This report has been slipped to the March 2013 meeting to allow further time for consultation. This item was slipped to the April Cabinet to allow the voluntary sector more time to develop it. This has now been slipped to the Cabinet meeting in June for the same reason. This item has been slipped to the July Cabinet to allow more time for York CVS to develop the strategy document.</i></p>	<p>Adam Gray</p>	<p>Cabinet Member for Leisure, Culture & Tourism and Cabinet Member for Crime & Stronger Communities</p>

<p>Public Toilets</p> <p>Purpose of Report: To agree future arrangements for the management of public toilets in York.</p> <p>Members are asked: To approve the award tender to secure investment in public toilets and new operator arrangements.</p> <p><i>This report has been deferred until the July Cabinet to allow time for tender evaluation.</i></p>	<p>Russell Stone/ Adele Spencer</p>	<p>Cabinet Member for Environmental Services</p>
<p>Future delivery arrangements for Library and Archives Services</p> <p>Purpose of Report: This report asks the Cabinet to decide whether to establish a social enterprise model for its Library and Archives Services.</p> <p>Cabinet are asked to: consider a draft business plan for a potential social enterprise to operate the Council's Library and Archives services and to decide whether to transfer the Council's services into this model and, if so, on what terms.</p> <p>This report has been deferred to July to allow more time for consideration of the Libraries scrutiny report and investigation of other technical issues”.</p>	<p>Charlie Croft</p>	<p>Cabinet Member for Leisure, Culture & Tourism</p>

Table 3: Items slipped on the Forward Plan

Title & Description	Author	Portfolio Holder	Original Date	Revised Date	Reason for Slippage
<p>York Gypsy Roma and Traveller Strategy 2013 – 2018</p> <p>Purpose of Report: To outline the objectives of the Strategy and detailed actions to be delivered by key partner organisations, to improve opportunities and outcomes for members of the Gypsy Roma and Traveller Community across the City.</p> <p>Members are asked to approve the York Gypsy Roma and Traveller Strategy 2013 - 2018 and support its implementation across the City over the period.</p>	Kate Grandfield	Cabinet Member for Crime and Stronger Communities, Cabinet Member for Health, Housing and Adult Social Services and Cabinet Member for Leisure, Culture and Tourism.	April 13	June 13	To allow further work to be undertaken.
<p>Developing a Thriving Voluntary Sector</p> <p>Purpose of report: To outline the City of York Council's proposed role/obligations as part of a Voluntary Sector Strategy for the City of York.</p> <p>Members are asked to approve the actions identified for CYC within the Citywide strategy.</p> <p>This item was slipped from November to the December Cabinet to allow more time for</p>	Adam Gray	Cabinet Member for Leisure, Culture & Tourism and Cabinet Member for Crime & Stronger Communities	Nov 2012	July 2013	To allow more time for York CVS to develop the strategy document.

<p>consultation. This report has been slipped to the March meeting to allow further time for consultation. This item has now slipped to the April Cabinet to allow the voluntary sector more time to develop it. This has now been slipped to the Cabinet meeting in June for the same reason.</p>					
<p>Feasibility Report - Cycle Hire Scheme for York</p> <p>Purpose of Report: To outline a case for a full city-wide trial of a public cycle hire scheme within York, based on the Newcastle approach.</p> <p>Cabinet are asked to give approval for Officers to undertake a tendering exercise with interested companies to establish the costs associated with undertaking a full city-wide trial for 12 months, delivered by a third-party. If the tender returns are satisfactory, delegate authority to the Director to award the contract and proceed with the trial.</p> <p>This item has been moved from a Cabinet Member Decision to a Cabinet Decision to allow the report to be considered by Cabinet as part of the Tour De France Legacy Strategy.</p>	<p>Richard Holland</p>	<p>Cabinet Member for Transport Planning & Sustainability</p>	<p>May 13</p>	<p>June 13</p>	<p>To allow further consultation with cycling businesses within the city and to ensure alignment with the emerging Tour De France Legacy work programme.</p>

<p>A-Boards Review Final Scrutiny Report Purpose of Report: To present the Cabinet with the Final Report arising from the A-Boards Scrutiny Review.</p> <p>Members are asked to Approve the Recommendations arising from the review.</p> <p>The report was deferred to the June Cabinet meeting to enable the recommendation arising to be considered.</p>	Melanie Carr	Cabinet Member for Transport, Planning & Sustainability	May 2013	Withdrawn	This report has been withdrawn from the Forward Plan for the time being as the Community Safety Overview and Scrutiny Committee have decided to carry out further work on this review.
<p>Update on the Council's Elderly Persons' Homes (EPH) Modernisation Programme Purpose of Report: On 15 May 2012 Cabinet agreed an EPH modernisation programme, stating its intention for the council to fund build and operate 55 bed care homes in Fulford and Haxby, and to procure a partner to develop a community village for older people at Lowfield in Acomb. Since that decision there have been a number of developments that mean that the timetable and approach agreed in May 2012 has needed to change. These changes need to be revisited by Cabinet and a revised programme and approach needs to be agreed. The report to Cabinet will include an update on the developments that have triggered the changes to the programme, and an updated financial model that reflects the changes to the proposed programme and its affordability.</p>	Graham Terry	Cabinet Member for Health, Housing and Adult Social Services	April 2013	June 2013	To allow officers more time to finalise the details of the procurement and the financial model.

<p>The report will ask Members to agree the revised EPH modernisation programme, including: - The proposed funding of the programme - The proposed procurement approach - The proposed timetable and sequence of EPH closures (to decant into the new care home facilities as they become ready)</p> <p>This report includes an annex which may be considered in private as it contains Exempt Information as described in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 (as amended) in that the information relates to the financial or business affairs of any particular person (including the authority holding that information).</p>					
<p>Public Toilets</p> <p>Purpose of Report: To agree future arrangements for the management of public toilets in York.</p> <p>Members are asked: To approve the award tender to secure investment in public toilets and new operator arrangements.</p>	<p>Russell Stone/ Adele Spencer</p>	<p>Cabinet Member for Environmental Service</p>	<p>June 2013</p>	<p>July 2013</p>	<p>This report has been deferred until the July Cabinet to allow time for tender evaluation.</p>
<p>Review of Council Tax Support Scheme and Council Tax Exemptions</p> <p>As requested by Cabinet the report will provide an update on the implementation of the councils CTS scheme and Technical Changes to Council Tax. It will also consider</p>	<p>David Walker</p>	<p>Cabinet Member for Corporate Services</p>	<p>July 2013</p>	<p>Withdrawn</p>	<p>This item will be considered by Cabinet later in the year.</p>

<p>whether changes may be required for 2014/15 and the need for further Public Consultation</p> <p>Members are asked to: consider the current position and options for 2014/15 and make any necessary decisions.</p>					
<p>Get York Building - Investment Plan for Growth</p> <p>Purpose of Report: To present a financial investment strategy targeting key stalled sites and the Local Plan Call for Sites quick wins for investment to improve viability to allow development to proceed.</p> <p>Members are asked to consider and approve the Investment Plan.</p>	<p>Darren Richardson</p>	<p>Cabinet Member for Transport Planning & Sustainability</p>	<p>May 2013</p>	<p>June 2013</p>	<p><i>To allow further investigatory work to be undertaken by Officers.</i></p>
<p>Rights and Responsibilities for Customer Contacts</p> <p>Purpose of Report: to agree new arrangements</p> <p>Members are asked to agree the new arrangements</p> <p>This report was previously named "Restricted Customer Contact Arrangements"</p>	<p>Andrew Docherty</p>	<p>Cabinet Member for Corporate Services</p>	<p>May 2013</p>	<p>June 2013</p>	<p>To ensure effective management of the Cabinet agenda.</p>

<p>Future delivery arrangements for Library and Archives Services</p> <p>Purpose of Report: This report asks the Cabinet to decide whether to establish a social enterprise model for its Library and Archives Services.</p> <p>Cabinet are asked to: consider a draft business plan for a potential social enterprise to operate the Council's Library and Archives services and to decide whether to transfer the Council's services into this model and, if so, on what terms.</p>	<p>Charlie Croft</p>	<p>Cabinet Member for Leisure, Culture & Tourism</p>	<p>June 2013</p>	<p>July 2013</p>	<p>To allow more time for consideration of the Libraries scrutiny report and investigation of other technical issues”.</p>
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Cabinet**7 May 2013**

Report of the Cabinet Member for Education, Children and Young People

The Future of Derwent Schools Federation and Osbaldwick Primary School**Summary**

1. At the meeting on 27 February 2013, the Cabinet Member for Education, Children and Young People considered the details of the responses to the public consultation concerning the proposal to close Derwent Infant and Junior Schools and to expand Osbaldwick Primary.
2. The 27 February 2013 report set out the arguments for and against closing Derwent Infant and Junior Schools and expanding Osbaldwick Primary, particularly in light of the recurring low parental demand for places at Derwent Schools and the high level and anticipated demand for places at Osbaldwick Primary.
3. Taking all of the issues into account, the Cabinet Member agreed to publish Public Notices, in accordance with legislation, proposing a closure of Derwent Infant and Junior Schools and an expansion of Osbaldwick Primary. A six-week statutory representation period followed the publication of notices which closed on 16 April 2013.
4. The representation period is the final opportunity for people and organisations to express their views about the proposals, and these must be taken into account by the decision maker – which in this case is Cabinet. In fact, on this occasion, the local authority (LA) did not receive any further representations during the six-week period that followed publication of the statutory notices.
5. The report summarises other developments since the 27 February 2013 report that are relevant to the proposal. This includes an update on staffing and financial issues, pupil places and arrangements to ensure the best possible quality of education for all pupils.

Background

6. The report to Cabinet on 27 February 2013 set out in detail the background to this matter, and the reasons for proposing the closure of Derwent Schools and expanding Osbaldwick Primary. The report described the financial and educational implications of expanding Osbaldwick Primary concentrating on the need to ensure there is an excellent quality of education in the local community.

Responses received during the Initial Public Consultation Period

7. The public consultation period was carried out between 10 December 2012 and 15 February 2013. During this period, the LA, the schools and their governing bodies consulted broadly in order to engage parents, pupils and the community. This consisted of the publication and distribution of a consultation document, a parent's evening, site visits to each school, a detailed Frequently Asked Questions document and a public consultation event held at both schools. Forty questionnaires were completed at the site visits, and six emailed responses were received during the period of consultation.
8. All of the responses received were set out in annexes which accompanied the February report.

Responses received during the Statutory Representation Period

9. Following publication of the statutory notification on 6 March 2013, the LA received no further submissions during the 6-week statutory representation period.

Developmental Improvements

10. A number of physical improvements are proposed for the Derwent site. These include improving the appearance of the front of the site; where required, painting external doors and fencing in school colours, and increasing cycle storage facilities.
11. Within the new Osbaldwick School there will also be maintained nursery provision in order to ensure there are sufficient high quality

early education places for three and four year olds available to meet local demand.

12. One parent governor at Derwent has joined the Osbaldwick governing body and opportunities for other governors to join are being considered.

Analysis

14. The LA must have regard to guidance issued by the Secretary of State when taking a decision on closure and expansion proposals. These are 'Closing a Mainstream School: A Guide for Local Authorities' and 'Expanding a Maintained Mainstream School by Enlargement or Adding a Sixth Form'. Both of these documents are guides for LAs and governing bodies.
15. Both documents state that, "All proposals should be considered on their individual merits". Each guide sets out various factors that should be considered by decision makers (Cabinet) in making their decision. The relevant factors are summarised below.

A - Effect on Standards and School Improvement

16. Both guides state that schools that need to be closed "are closed quickly and replaced by new ones where necessary; and the best schools are able to expand and spread their ethos and success".
17. The guidance states that "The government wishes to encourage changes to local school provision which will boost standards and opportunities for young people, whilst matching school place supply as closely as possible to pupils' and parents' needs and wishes". The LA believe that closing Derwent Schools and expanding Osbaldwick Primary across two sites under one headteacher and one governing body will provide a high quality of educational provision for the local community whilst retaining excellent facilities and providing better value for money than the existing arrangements.
18. The guidance also states that "It is important that education is provided as cost effectively as possible. Empty places can represent a poor use of resources - resources that can often be used more effectively to support schools in raising standards. The Secretary of State wishes to encourage LAs to organise provision

in order to ensure that places are located where parents want them. LAs should take action to remove empty places at schools that are unpopular with parents and which do little to raise standards or improve choice". With the highest surplus places across the city, Derwent Schools' declining pupil numbers means that the cost of education per pupil is particularly high.

B - Need for Places

19. Guidance advises that "The government is committed to ensuring that every parent can choose an excellent school for their child. It is for the decision maker to decide whether a school is successful and popular, however, the following indicators **should** all be taken into account: a) the school's performance, and b) the numbers of applications for places".
20. The guidance is specific in defining spare places stating that "the decision maker (Cabinet) should normally approve proposals to close schools in order to remove surplus places where the school proposed for closure has a quarter or more places unfilled, and at least 30 surplus places, and where standards are low compared to standards across the LA".
21. At the time of the October census 2012, Derwent Infant and Junior had 100 pupils, and 110 surplus places (51%). The most recent primary admission data (for September 2013) shows only nine parents chose Derwent Schools out of a possible published admission number of 30. In September 2013, using current data, the total number of pupils on roll will have reduced from 100 to 95.
22. In 2010, both Derwent and Osbaldwick were inspected by Ofsted. Derwent was judged overall as being 'satisfactory'. Osbaldwick was considered by Ofsted to be a 'good school with outstanding outcomes'.
23. An expanded Osbaldwick Primary would change from being one form of entry to two forms of entry providing up to 60 places per year group. This will mean the school should be able to meet the anticipated local demand for primary places in the foreseeable future given current patterns of parental preference.
24. Minor changes to the catchment area of Tang Hall Primary School and the existing Derwent catchment area are proposed in order to

balance the available school places within local catchment areas. This change would mean Tang Hall Primary School would include the area north of Tang Hall Beck and west of Tang Hall Lane in its catchment area for admissions for Reception age entry from September 2014. This catchment area change will also cover applications across the other year groups for those requesting school places from September 2013.

C - Impact on the Community and Travel

25. The guidance notes that “some schools may already be a focal point for family and community activity, providing extended services for a range of users, and its closure may have wider social ramifications. In considering proposals for the closure of such schools, the effect on families and the community should be considered. Where the school was providing access to extended services some provision should be made for the pupils and their families to access similar services through their new schools or other means”. The guidance also notes that when considering proposals to close a school the Cabinet should consider the impact of the proposals on community cohesion and take into account the nature of alternative provision.
26. The February Cabinet report described the community facilities provided across both sites. These included sports provision, comprising a floodlit Multi Use Games Area (MUGA) with a separate block for showers and changing; early year’s provision, including the maintained nursery and out of school clubs, and Children’s Centre and Integrated Family Service provision. It is anticipated that these services will all continue operating to the same standard if the proposals are agreed.
27. The February report also described the expected movement of people between the two sites. To allow parents/carers to drop off and pick up children between the two sites, there would be staggered start and finish times. During the school day, children would be supervised and escorted when walking between the two sites to access facilities such as the MUGA, or to use either of the halls for activities. The after-school club would be operated from one site and children on the other site would be escorted, as happens at present. Most activities would therefore take place at each child’s base site, meaning children would finish the day at the same site as they started at.

D - Special Educational Needs (SEN) Provision

28. The guidance states that “SEN provision, in the context of school organisation legislation and this guidance, is provision recognised by the LA as specifically reserved for pupils with special educational needs”. Although Derwent and Osbaldwick Schools do not include specific SEN provision as covered by this guidance, the LA will continue to ensure that high quality teaching and support arrangements will be provided appropriate to individual children’s needs.

Implications

Financial Implications

29. With the highest amount of surplus spaces in the city at 51%, the continuing low demand for places at Derwent has led to an unsustainable cost of educational provision. The cost of provision of education per pupil at Derwent is almost double that of other schools. The LA is fully aware of the pressures on school budgets and the importance of providing the best value for money possible.
30. If a decision is taken to close the Derwent schools, the governing body of the expanded Osbaldwick Primary will be allocated a budget calculated in accordance with the local funding formula regulations agreed by the York Education Partnership. This will include transition funding in order to support the expanded school as it becomes established.

HR Implications

31. The proposal to close Derwent Schools with effect from 31 August 2013 means that up to 24 staff employed at the school on that date could become redundant by reason of the closure. Formal consultation on these potential redundancies with staff, their trade unions and professional associations has been undertaken in recent months and is now concluded. Notice of any such redundancies will need to be served by 31 May 2013 at the latest.
32. In order to mitigate compulsory redundancies as a result of the closure, it is expected that there will be a small number of volunteers for redundancy from both teaching and support staff;

and the remaining staff will be encouraged to apply for ring fenced vacancies in the expanded Osbaldwick Primary school structure.

33. Consultation has now concluded on the proposed revised staffing structure for an expanded Osbaldwick Primary school and, if the closure is agreed, arrangements will be made for recruitment to the vacancies to proceed as soon as possible.
34. Staff who have not volunteered for redundancy or found redeployment in Osbaldwick Primary school or elsewhere by 1st September 2013 will receive a redundancy payment in line with the City of York Council's scheme.

Other Implications

36. The statutory published admission number for Osbaldwick Primary will be increased to 60 for September 2013. There are no other specific equalities, legal, crime and disorder, information technology, or property implications. All admissions will be processed under fair access protocols.

Council Plan

35. The provision of primary education is a key responsibility of the Council, which is recognised as a high performing authority in this regard. Successful educational outcomes for young people from all of our communities contribute significantly to the delivery of the Council's priorities. The interests of children and young people have been the key consideration in this issue.

Risk Management

37. If Derwent Schools is to close and Osbaldwick Primary school is to expand, a managed process will be put in by the governing bodies, supported by local authority officers. The expanded school will be ready to operate across the two sites in September 2013.

Conclusions

38. The LA has a responsibility to ensure an appropriate balance between supply and demand of school places so that resources are used effectively and to boost standards and opportunities. Increasing financial pressures on LAs mean that difficult decisions have to be made to balance their budgets and to ensure value for money.
39. Following the publication of statutory closure notices on 6 March 2013, no further responses have been received concerning the proposals. School leaders have continued to talk with parents as discussions have arisen and a parents' group will be set up to help the transition to new arrangements.

Recommendations

40. Cabinet is recommended to:
 - i. agree to close Derwent Infant and Junior Schools from 31 August 2013
 - ii. agree to operate an expanded Osbaldwick Primary School from 1 September 2013
 - iii. agree to the minor changes to the catchment area of Tang Hall Primary School and the existing Derwent catchment area in order to balance the available school places from September 2013
 - iv. approve an increase in Planned Admission Numbers (PAN) to Osbaldwick Primary from September 2013

Reason: The primary education of children will be best served by expanding Osbaldwick Primary, building on the strong leadership and governance already available in the local education community and using the excellent facilities available at Derwent Schools.

Contact Details

Authors:	Chief Officer responsible for the report:		
Claire McCormick Planning & Project Officer Adults, Children and Education 01904 554334	Kevin Hall Director of Adults, Children and Education 01904 554200		
	Report Approved	✓	Date 24 April 2013
	Cabinet Member Responsible for the report:		
	Cllr Janet Looker Cabinet Member for Education, Children and Young People		
Specialist Implications Officer(s): Richard Hartle (Finance) – ext 4225 Jo Sheen (HR) - ext 4250			
Wards affected	All	✓	
For further information please contact the authors of the report			

Annexes

None

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Cabinet**7th May 2013****Growing the York Economy – working with Leeds City Region Local Enterprise Partnership****Executive Summary**

1. This report sets out opportunities emerging from the development of a **Leeds City Region Local Enterprise Partnership and associated City Deal** for the city of York and initial steps for the city in taking advantage of these opportunities.
2. It is the first of three related reports – the second being a report on the West Yorkshire Plus York Transport Fund, and the third, a related transport governance review.
3. The city faces **unprecedented opportunity** with a major shift in the powers and levers available to local leaders and businesses to drive growth. There has been a move to push decision-making and investment in major policy areas like transport, housing and skills away from central Government to more local levels in the form of partnerships of local areas working together in the form of Local Enterprise Partnerships (LEPs).
4. These LEPs have been created to help determine local economic priorities and lead economic growth and job creation within sub-regional economies. LEPs are comprised of local authorities and private sector partners from across “**functioning economic market area (FEMA)**”s – i.e., the area in which economies operate, people commute to jobs, and businesses sell to customers and buy from suppliers.
5. This report sets out the progress made in recent years made by the city of York in its involvement in LEPs, and particularly the Leeds City Region LEP, where the predominant economic links are and potential for growth exists.

6. The report then sets out the detail of the Leeds City Region City Deal, of which City of York Council was a signatory and from which the city will be a beneficiary, and the next milestones and steps required for the city to continue to make progress on these agendas – including the decision to co-invest in the West Yorkshire Plus York Transport Fund, and to undertake the associated governance review required to ensure that the city is effectively involved in making decisions on where this fund and strategic interventions in transport are made in the city and wider West Yorkshire geography.
7. Together, these next steps, covered in detail by the next two reports on the Cabinet agenda, present the next milestone in a journey of creating better opportunity for a better economic future for York.

Background

8. It is widely understood that economic activity – i.e. the ways in which people commute to jobs and businesses trade and buy from supply chains – does not operate neatly within administrative boundaries. However, strategic decisions made by the public sector in investing in transport networks, skills provision, development programmes, and the like tend to be made in relation to local authority boundaries, as this is where statutory responsibility for these activities lies.
9. More importantly, though, economies have evolved to rely more on knowledge and the connectivity of individual local areas to wider economic markets is fundamental to their economic growth potential.
10. As Northern Way research on city relationships in 2009 found, more complementary economic relationships, supported by improvements in transport connectivity, have the potential to generate higher levels of sustainable economic growth and development. It finds that neighbouring cities and towns can maximise economic benefits by focusing on how their distinctive assets affect their links
11. A recent report by Department for Communities and Local Government explains how this mismatch between economic boundaries creates problems for local business and residents:

This gap between administrative and economic boundaries inhibits strategic decision-making and creates co-ordination challenges for economic policy-making, risking policies that are not in the wider regional or national interest or the loss of policy opportunities that could make all places better off.¹

12. At the same time, decision-making and investment with regard to major transport infrastructure, programmes to boost skills and employment and investment to kick-start housing have generally tended to be controlled by central Government, which again creates a mismatch between where funding is invested and local priorities for that spend.
13. Under both the previous Government and the current Government, there have been a **series of reforms to redress the resulting mismatch between the level at which the investment and policy decisions are needed and the level at which decisions and investments are controlled**. The aim with these changes has been to better ensure that economic development is undertaken in a way that responds effectively to rather than inhibits natural economic markets operating.
14. In June 2010 Government invited businesses and councils to come together to form **local enterprise partnerships (LEPs)** whose geography properly reflects the natural economic areas of England. In other words, they cover “functional economic market areas” – or the areas in which people commute to work, businesses operate supply chains, etc.
15. There are 39 covering England, and tend to be larger than traditional local authority boundaries but smaller than the old English regions (of which there were 9).
16. In one sense, these LEPs were intended to replace the previous Regional Development Agencies, which for York was Yorkshire Forward. These partnerships are intended to develop economic growth strategies and plans for their areas, and drive economic development in their areas.

¹ CLG (2008), *Why Place Matters and Implications for the Role of Central, Regional and Local Government*, page 40.

17. Further, recent announcements by Government following the Heseltine Review, indicate that LEPs will be given control over decentralised funding in the form of **Single Local Growth Funds**, and allocated responsibilities for European funding. Although the detail of how this funding will be allocated is yet to be announced, there is a clear opportunity for local authorities working through LEPs to take greater control of critical decisions and investment in areas that are critical to the future economic success of their areas.
18. In addition to these single pots of funding being decentralised to LEPs, certain LEPs have been able to secure further devolution in the form of City Deals. Championed by the Cities Minister, Greg Clark and signed by the Deputy Prime Minister, Nick Clegg, these Deals provide a suite of new freedoms, powers and tools to help those city regions and sub-regions with the greatest growth potential to make a step change in achieving economic growth.
19. To understand the need and rationale for devolution to LEP level, it is first necessary to review the economic rationale for York's current LEP involvement.

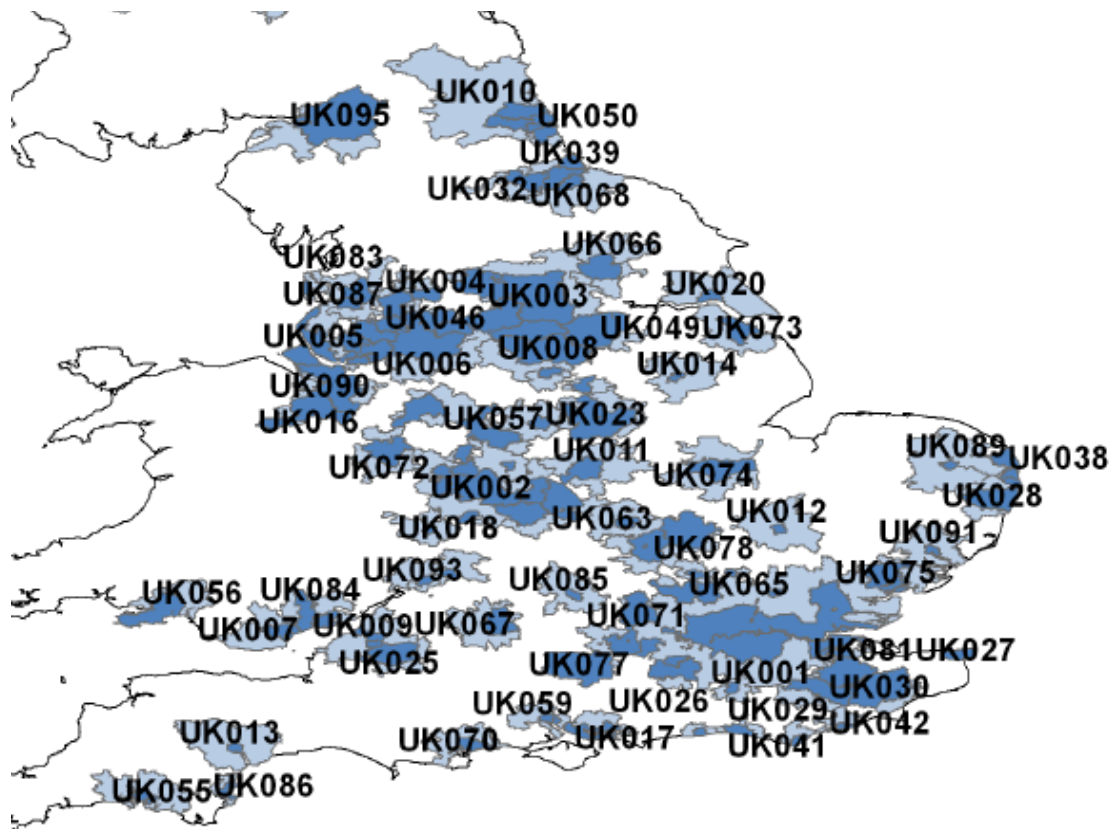
York's functional economic geography

20. To date, the city of York has been member of two LEPs, given its complex economic relationships – both west and south, and north and east. Hence the city's membership in Leeds City Region LEP and York, North Yorkshire and East Riding LEP.
21. There is strong steer within the Heseltine Review that where devolution is made to LEPs, there should be no overlap between LEP boundaries:

2.58 At present some LEPs overlap. These overlaps need to be removed so that there is a single partnership with clear ownership for economic development in every part of England. In the same way that neighbouring local authorities do not overlap, but come together on common issues, LEPs need to evolve to work to the same principle. This must be achieved as a matter of urgency to ensure that communities served by LEPs whose boundaries overlap are able to see a single vision and a compelling plan for their area.

Recommendation 6: The Government should invite LEPs to review their boundaries within a three month period to ensure they have a good match with their functional economic market area and that they do not overlap.

22. The city's catchment for labour includes the **North and East Riding of Yorkshire economic areas**, with volumes of commuters travelling into the city each day for employment. In addition, there are reflecting a volume of in-commuters and certain strong supply chain relationships that exist to the North of the city – particularly in agri-food.
23. However, the city's predominant economic area, defined both by existing links and potential future economic potential, is the **Leeds City Region**.
24. The natural links between economic areas within the city region is strengthened by recent evidence produced by the OECD, *Redefining Urban: a new way to measure metropolitan areas* (2013).
25. In the following map, the research classifies York (UK066) as a medium sized urban area with a hinterland that fundamentally overlaps with the Leeds hinterland (UK003) (for information, Bradford is UK008 and Huddersfield UK 0046)



Source: OECD metropolitan areas database (MAD)

26. The existing links to the Leeds City Region economy are well rehearsed in the Leeds City Region Partnership's economic research and intelligence developed over the almost ten years since its establishment, but is reviewed in greater detail here.
27. Measured on the basis of commuting links, the city's relationship with LCR has been growing over recent years.
28. Although research in 2009 found that the city of York was a **fairly self-contained labour market**, there have been increases in recent years in commuting outward to West Yorkshire economic areas. At 2010, 9% of York's workforce commuted to destinations in West Yorkshire, with 7% commuting to Leeds alone.
29. Although the figure has fallen back somewhat in 2011 data, the fact remains that economic links are growing between York and West Yorkshire, and the wider Leeds City Region.²
30. In terms of in-commuting, APS data shows that as of 2011, 3.84% of commuters into York originate in West Yorkshire, with 3.1% of those travelling from Leeds. This is a slight increase from 2010 data of 3.1% in total commuting from West Yorkshire.
31. Viewed from West Yorkshire's perspective, Axciom data show that 7% of West Yorkshire out-commuters travel to York for employment, whilst York residents account for 3% of those working in West Yorkshire.³
32. In total there are current flows of over 6,100 York residents to West Yorkshire, and an inflow of 4,100 West Yorkshire residents to the city of York.
33. More importantly, however, are the **existing supply chain links and potential opportunities** for greater links between York's and the Leeds City Region's growth industries.

Financial and business services

² Annual Population Survey (2010, 2011).

³ Based on Axciom data (TBC)

34. There are natural economic links between the city's and wider city region's **financial and business services** sectors – the latter of which is the UK's predominant location for the sector outside London, and acts as a hub in the North of the country. The city region's financial and businesses services sector generates over £13 billion (21 bn USD) every year. Despite the global economic downturn, the sector is projected to grow by 51% between now and 2022, offering stable, secure investment opportunities.
35. The city region employs over 250,000 people in this sector, giving both indigenous investors and inward investors access to the best talent at competitive costs. 30 national and international banks are based in Leeds City Region, including the Bank of England's only note-issuing centre outside London.
36. Within this critical mass for the industry, there is a high degree of geographically concentrated specialisation across the city region, which includes specialisations in:
 - **Accountancy** – There are over 150 accountancy firms in Leeds alone, including the world's Big Four, PriceWaterhouseCoopers, Deloitte, KPMG and Ernst & Young. Nine of the top 10 UK practices also operate out of Leeds City Region, with audit services a particular strength
 - **Banking** – National and international banks based here include Lloyds, HBOS, Santander, Barclays, HSBC, Yorkshire Bank and RBS
 - **Wealth management and stockbroking** – We're home to several stockbroking firms including TD Waterhouse, Fortis Bank, The Pensions Trust, Brewin Dolphi and AWD Chase de Vere
 - **Equity and venture capital** – We're the headquarters for the UK's largest provider of risk capital to small businesses, YfM. A number of private equity firms also operate across Yorkshire.
 - **Processing and customer contact** – We have the largest concentration of call centres in the UK with Direct Line, HSBC, Alliance & Leicester, First Direct, Thomas Cook. Freemans Grattan and Barclays all operating processing and customer contact centres here; and
 - **Insurance** – here, York benefits from specialisation with the location of Aviva, CPP and boosted most recently by the decision by Hiscox Ltd to locate a major northern office in the city. Across the wider city region, players like Royal Sun

Alliance, Praxis Partners, and Engage Mutual are among the leading insurance providers with their headquarters or significant sites in the wider city region – which together with the York firms, create a powerful proposition and draw for further investment in the industry.

Healthcare and medical technologies

37. In addition, there are existing but also growing links between the city of York's biosciences expertise and high end enterprise in technical design and the LCR's growing **healthcare and medical technologies sector**.
38. The Leeds City Region is home to the National Health Service (NHS) Executive, the largest teaching hospital and the largest cancer care centre in Europe. Further, the city region will soon become one of two commissioning hubs for the NHS, offering even greater access to one of the largest buyers of health and medical care globally.
39. The Leeds City Region labour market offers business investors a ready supply of workforce across the full range of skill sets required in key sub-sectors of the industry. Around 143,000 people are currently employed in our health and life sciences sector (10% of the total Leeds City Region workforce), and our universities produce close to 9,000 graduates in medicine, dentistry and related subjects every year.
40. Within this, the city of York offers a professional and scientific employment base of over 3,400 FTE currently, that is set to grow a further 2,400 by 2030.
41. The city region offers a significant and well-connected network of support for innovation and R&D from across the region's universities, including one of the strongest bioscience innovation offers in the UK, which includes the Bioincubator at Leeds Innovation Centre and Bradford Bioincubator, along with York's own Biocentre, which together provide 9% of all dedicated bioincubator space in the UK.
42. Over the last decade, the city region has seen considerable growth in innovation-led, high-value sub-sectors such as biotechnology,

advanced surgical instrumentation, pharmaceuticals, regenerative medicine, telehealth and nutraceuticals.

43. Within this wider medical and health technologies offer, the city of York is positioned well to benefit from the growing demand for research and expertise, as well as facilities for this growing industry. Specifically, the city of York has a critical mass of expertise, knowledge and skilled workforce in the biosciences and technology design – at the higher end of the value chain in the sector – which benefits from and will continue to benefit from the growing links to the city region’s medical institutions and advanced manufacturing base – which actually produces and uses the technologies.
44. The city is home to around 130 organisations involved in or connected with the biosciences industry – including major international companies, start-ups, large government agencies and SMEs as well as the research bases at the University of York and the Hull York Medical School.
45. The city of York has particular specialisms in disease management and tissue technologies, and a potential for growth in the telecare/telehealth industry – for which there is already a significant base in the city region.

Digital technologies and creative industries

46. As a well-established hub of creative and cultural industries in the North of England, the **city of York benefits from a growing connectivity with the wider creative and media arts industries are across the LCR**, and there is still further potential for these links to grow. The complementary relationship between the city and wider City Region is clear and set to grow, as the wider city region digital and creative industries continue to grow.
47. In fact, business growth in our digital and creative industries has outstripped that of other UK core city regions. LCR employment in digital and creative industries is higher than Manchester or Bristol. Growth in business numbers has been particularly strong in software, computer games and electronic publishing (an increase of 78% between 2005 and 2009) and radio and TV (a 66% increase). This growth is set to continue, thanks to our proximity to

Media City in Salford – just 40 miles from Leeds – which offers lucrative new business opportunities.

48. The sector is supported by vibrant industry networks, university excellence and various creative business hubs, including dedicated media centres in Leeds, Huddersfield and Barnsley. Within this wider network of centres across the city region, the city of York holds a unique position as a cultural hub, and a network of support on offer for fledgling and growing dynamic new companies. Within York, the sector's position as the fastest growing in the city reflects the inspirational character of the city's unique historic and characterful fabric of place and the way in which this translates to enterprise.
49. York's two universities and two Further Education colleges now offer more than 160 courses in the creative and media arts, with over 5,000 students taking these courses at any one time. Together, the institutions have invested more than £100m in media arts facilities and resources in the last ten years, providing the city with cutting-edge facilities and attracting national and international attention and business interest.
50. Work on a 'Cultural Quarter' (embracing York St John University, York Art Gallery, York Theatre Royal, the Yorkshire Museum, Explore Centre and the National Railway Museum), is actively shaping investment strategies in the city.
51. Other spaces available for both early start-up and more established creative businesses in York are the Ron Cooke Hub on the University of York's new campus development and The Catalyst, also on the same campus. Located within the Ron Cooke Hub is Springboard, an exciting new pre-incubation space for start-up companies and entrepreneurs. The Catalyst is designed to support the growth and development of early stage companies in the creative, IT, digital and media sectors. Both Springboard and The Catalyst offer exciting opportunities for collaboration between the businesses themselves and with academic departments at the University.
52. With the greater market integration possible through the City Deal, the city of York stands to grow the market for creative and media arts industry business into the Leeds City Region.

The case for further market integration with Leeds City Region

53. The case for further market integration with Leeds City Region is based on the city's ambition for economic growth, and the vision of becoming a top 5 UK city economy and a top 10 European city economy, with ultimate ambition to be the best small city economy possible in which to work and live. To achieve this level of ambition, however, the city will need to enhance its market opportunities in a way that requires stronger integration with wider markets.
54. Relative to other cities across the UK, the city of York is a relatively strong Northern economy with tremendous "people" potential with the 7th highest skill proportions in the country in the latest Cities Outlook rankings, and having ranked number 1 for Human Resources according to the Local Futures Municipal Journal Inward Investment Guide to England, and number 2 for talent in the Santander Towns and Cities Index, 2013.
55. However, in order for the city to achieve the level of prosperity and competitiveness that is set out in the York Economic Strategy, the city needs to address several key issues:
- It is ranked 26th of 64 cities in Cities Outlook for **productivity** (gross value added (GVA) per capita) indicating that despite its high skills and research capacity, the city is not maximising the translation of these knowledge assets into high value business investment
 - The city has a **lower than average rate of patent production** than its city comparators according to the latest Centre for Cities, Cities Outlook 2013 rankings – at 56th out of 64 cities – despite its two higher education universities and high graduate-level skills base.
 - The city's **housing crisis** means that there is a limit to the workforce the city can supply to the kinds of business investors it is looking to attract – again ranking 54th of 64 cities on housing stock change from 2010 to 2011, and 17th of 64 cities on the affordability ratio in the latest Cities Outlook rankings.
 - More widely, there is a **persistent mismatch between the level of demand for commercial space**- both for business to start and grow in the city as well as inward investing business to locate in the city. This mismatch is down to a

lack of the right quality, size and tenancy of space required by businesses at these various stages of the enterprise lifecycle.

- Although the city has a lower than average worklessness rate than most cities, the **issue of worklessness has risen in particular neighbourhoods** with 50% of Job Seeker claimants living in the city's 5 most deprived wards of Westfield, Clifton, Tang Hall, Acomb and Hull Road. In fact, there is an unemployment rate of 30% within the 8 most deprived 'lower super output areas' in York which are home to around 13,000 people, just under 7% of the York's population

56. In order to tackle these challenges, the city of York will need to tap into new market opportunities that will both connect York residents and businesses to wider markets, but also will bring new investment to the city as it becomes more attractive as a link to a wider supply chain, labour market and network of enterprise and research expertise.

The general case: the benefits of bringing markets closer together

57. Through greater connectivity with the city's functional economic market area, the city will benefit from both general benefits of a larger market, but also the specific benefits of connectivity with Leeds City Region and specifically the Wes Yorkshire conurbation.

58. The **general benefits of bringing economic markets closer together** (referred to in the academic literature on the subject as the "*economies of agglomeration*") refer to the "positive externalities that arise through the spatial concentration of economic activity."

59. In other words, by locating in close proximity to one another, firms can derive benefits such as those that arise from larger labour markets, greater opportunity to share knowledge, and greater opportunity for firms to specialise. Communities themselves benefit from greater choice in where individuals live and work, and the indirect benefit of the prosperity that is generated from the business benefits.

60. Simply put, the city of York benefits from proximity to the wider the Leeds City Region economy, which in total comprises 3m

population and £52bn – an economy larger than 9 European countries.

61. Research into the exact benefit of closer market integration has found that there is a direct correlation between working across local authority boundaries and economic growth. Specifically, a 10% increase in agglomeration or connectivity between economies can result in a 1.25% increase in productivity overall in a given economy.
62. Service sectors on average tend to benefit more from these benefits, given the predominance of these sectors on knowledge. The 2009 Northern Way study of the Leeds City Region found that **the city of York employs more of its workforce in these service sectors that are “agglomeration sensitive”** and less people in sectors that do not benefit from agglomeration than Leeds – sectors such as financial and professional services and the knowledge intensive sectors such as the biosciences, creative and digital technologies.
63. In addition to the generic benefits of agglomeration, there are benefits that could be achieved based on the **very specific existing and potential economic complementarities between the city of York and Leeds City Region markets**, should greater connectivity between them be achieved.
64. Historically, the West Yorkshire economic geography has been shaped by its manufacturing heritage and the textile industry, with Leeds and Bradford being at the heart of the Industrial Revolution in the UK, whilst the city of York evolved from a centre of Government, to religion, to trade and later the confectionary and railway industries. As such, the city of York is less integrated with the traditional manufacturing structures of West Yorkshire, although the development of the knowledge economy in Leeds and York, as well as the surrounding city region economies, have seen more modern supply chain and labour market links developing.
65. These links are most heavily concentrated between York and Leeds, although beyond the labour market there are strong supply chain links via the financial and professional services, creative and digital technologies and advanced manufacturing industries across the wider West Yorkshire sub-region.

66. Developing as they have from different historical trajectories and more recently as centres of knowledge intensive industry, the cities of York and Leeds are economic centres in their own right within the wider Leeds City Region conurbation. Both rank at the top of the region for productivity, although both perform less than the national average on this measure, and historically, both cities have been net contributors of business rates. Further both ranked in the top 10% nationally in the Ekosgen Index of Economic Resilience (2011).⁴
67. For its part, the city of York is unique as a net supplier of high level skills (over 30% of residents have NVQ 4 skills and above, vs. the LCR average of 24%), and distinctive research and knowledge strengths derived from the city's two universities and two further education colleges, along with a growing business base in the knowledge economy sectors of biosciences, creative, digital technologies and financial and professional services.
68. In fact, recent growth forecasts by Oxford Economics shows that the city of York has the potential to grow at a rate that outstrips not only the region but also the national economy: the city's GVA is set to grow by 63% (adding £2.482m) to 2030, compared to the Yorkshire and Humber region at a rate of up to 54% and UK at a rate of up to 59%; its employment is set to grow at 13% (adding 14,471 jobs) versus the regional average of 7.5% and national average of 8.7% .
69. However, in order to fully capitalise on this potential growth, the city also has a persistent issue with underutilisation of skills – both high level and lower level skills, and a growing issue with the availability of housing and commercial space – as evidenced by a recent study undertaken to inform York's local plan. The study by Driver Jonas Deloitte and Ekosgen has identified the need for approximately 1090 to 1250 homes per year and 164,000 sq.m. commercial space to 2030.⁵

⁴ Ekosgen (2011). *Strengthening local economies: index of economic resilience*.

⁵ Driver Jonas Deloitte (2013). **XXXXXXXXXX**

Comparison – building the York and West Yorkshire Story (Cities Outlook 2013)

Indicators	York	Leeds	Bradford	Wakefield	Huddersfield
High level skills (NVQ4+) 2011 (%)	40.8	33.4	22.3	18.9	28.7
No skills 2011 (%)	6.8	8.9	16	13.8	15.8
Employment (2011/12) (%)	75.9	66.8	63.3	69	67.2
JSA Claimant 2012 (%)	2.2	4.8	5.9	4.3	4.7
Private sector employment growth (2010-11) (% change)	2.4	3.4	1.8	1.3	6.3
Private to public sector employment ratio	2.4	3.0	2.1	2.6	2.6
Business start-ups per 10,000 population	33.1	38.8	30.0	25.4	35.1
Patents per 100,000 population (2011)	1.5	3.7	2.7	0.6	3.8
Growth in housing stock	0.3	0.5	0.4	0.7	0.5

**Red - significantly below national average; amber – near national average; green – at or above national average.*

70. The city of York currently has a problem of **under-utilisation of skills**, with a trend of high level skills in relatively low skilled jobs, whilst West Yorkshire faces a starkly opposite problem – low level skills without job opportunities. However, there is a growing industrial base and complementary research facilities and

expertise in West Yorkshire from which York's asset base could benefit significantly.

71. These very specific relationships and the unique complementarity of the York and West Yorkshire economies mean that by connecting more effectively the economic markets comprised, the potential exists for greater resilience to be built into the two sets of economies.
72. Together, the **WY plus York economic geography comprises a strength of supply chain, research and labour market assets** in key industries including the healthcare and medical technologies sector, the financial and professional services, digital technologies and creative and media arts industries – which if better connected, could enhance the productivity of the city region as a whole and the individual performance of York and West Yorkshire economies.
73. Given the above economic imperative and potential future economic growth from the greater physical connectivity provides a strong rationale for removing any artificial barriers of governance – political and otherwise – between the West Yorkshire authority areas and the city of York.

Using the Leeds City Region LEP and City Deal to achieve economic growth

74. With the establishment of LEPs, the Government has enabled greater market integration and taking decisions and making investments in economic development activity at a functioning market level.
75. The Budget announcement from March 2013 signalled the creation of Single Local Growth Funds, which will bring together major tranches of economic-development related funding at a LEP level, aligned with LEP growth plans, and the move toward notional allocation of European funding to LEP areas, again aligned to LEP-led programmes.
76. Within this wider context of devolution to LEP level, some LEPs have succeeded in garnering more advanced “deals” for devolution. These LEPs, which initially covered the Core City Regions (largest city regions in the country), although further City Deals amongst second-tier LEPs have been announced earlier this

year. These Deals will see those LEPs taking on further devolved decision making and further opportunity to work in new and innovative ways to generate investment into their local areas.

77. In fact, the Leeds City Region LEP and York within it signed one of the first City Deals, with potentially significant opportunities for new ways of working with regard to a wide range of agendas as detailed in the next section.

City Deal for Leeds City Region: Opportunity for York

78. The City Deal for Leeds City Region LEP offers participating authorities greater control over decisions and investment made in transport, skills, and other related agendas. The full detail of the deal is set out in the Appendix to this report, but roughly, the City Deal includes the following powers and devolution:
- a £1 billion fund to improve public transport and the highways network, with the potential to create 20,000 jobs in the medium term
 - an additional £400m fund to strengthen infrastructure across the City Region
 - the creation of a 14-24 apprenticeship academy in Leeds, giving young people and local employers access to opportunities and training
 - the development of an 'Apprenticeship Hub' network, aiming to generate 15,000 new apprenticeships in the next four years
 - initiatives to increase overseas trade and inward investment activity, which could bring 7,400 jobs by 2018
 - ultra-fast broadband for 88,000 homes, and over 16,000 businesses, with the intention to roll this out across the City Region by 2015
79. Of particular note are the first two of these which arguably produce the greatest added value to the city of York and other partners.

The City Deal: The Economic or Revolving Investment Fund (RIF)

80. At the heart of the Leeds City Region City Deal is the ambition to create a fund of critical mass that will enable investment in infrastructure to kick start growth in the city region economy. This fund, the Economic or Revolving Investment Fund (RIF) is, as the name suggests, a fund that is intended to generate an ongoing pot of money that will invest in commercially viable projects that produce a return that will be reinvested into the fund – creating further opportunity for the fund to be invested in further projects in the future.
81. The City Region’s aspiration is to create a Fund of up to £500 million that could be invested in projects that support economic growth, with financial returns being reinvested on a revolving basis. Based on the impact of investments made by the Regional Development Agencies, such a Fund might be expected to support regional Gross Value Add growth, over time, of up to £3billion.⁶
82. The Fund would enable the city region to kick-start investment in the city region’s key infrastructure priorities, as well as help city region authorities lever in still more funds from private sources.
83. The Fund will only invest in projects that can offer a commercial return. The Revolving Investment Fund will therefore operate alongside a wider range of funding mechanisms (including the Transport Fund) that can support other investments needed to grow the economy which cannot be funded on a commercial basis
84. The RIF is being developed in respect of the wider context in which it will operate. That context has been built on a number of key principles, including:
- Strategic governance across the City Region will set, monitor and manage a common economic strategy and its supporting priorities;

⁶ Based on Pricewaterhouse Coopers analysis of £500m Fund, attracting leverage at a ratio of 1:3 from the private sector – creating £2bn initial investment capacity. Assumes Fund is “revolved” three times to deliver investment of £6bn. Estimated impact of £6bn investment, increase in GVA of up to £3bn.

- Public sector funding, to deliver the City Region economic strategy, is pooled under the control of the overarching strategic governance arrangements;
 - Attracting additional private sector investment into the City Region to support growth; and
 - Recycling returns (whether directly from projects or indirectly via increases to pooled resources such as business rates) to be redirected via the strategic governance arrangements to support further projects.
85. The fund will be created initially by the pooling of business rates by participating local authorities. The LCR Business Rates Pool is made up of Bradford, Calderdale, Harrogate, Kirklees, Leeds, Wakefield and York. The Pool was designated by the Secretary of State on 14 December 2012.
86. Private finance will be sought to co-invest at revolving Fund and/or project level. A consequence of drawing in private finance is that investment decisions will be made on an independent basis (in line with a Fund investment strategy that has been agreed via the strategic governance arrangements).
87. The income generated from the LCR Pool (from levy savings) will be used to support the LCR Infrastructure Fund. Latest estimates suggest that the Pool could generate around an additional £1m for the Fund in 2013/14.
88. **Details of this fund and the next steps for York in agreeing its co-investment in the Fund are covered in detail in the EIF funding recommendations made later in this agenda.**

The City Deal: The Transport Deal

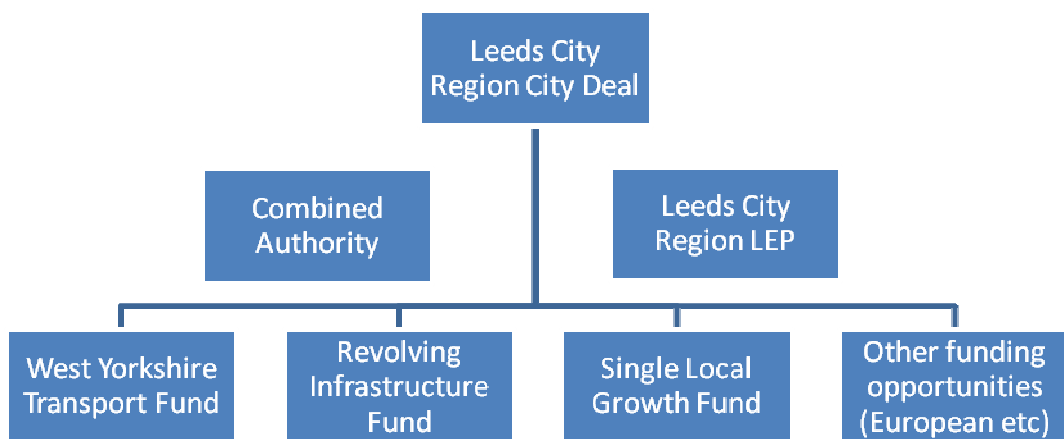
89. The Leeds City Region City Deal includes a commitment by Government to grant unprecedented freedoms to build, manage and sustain a local £1bn WY Plus Transport Fund to drive economic growth, subject to establishing a Combined Authority (CA) governance arrangements to oversee the operation of the Fund. The freedoms and funding will include:

- a. a ten year £182.8m post 2014 major transport scheme funding allocation devolved to WY and York as part of the £1bn WYTF, and in return for dealing with DfT's compliance requirements (Local Transport Body - LTB);
 - b. consideration by HMT in the next Spending Review of an additional programme of strategic local schemes;
 - c. revenue funding as part of the ten year allocation, enabling a broader range of high profile sub regional social and economic issues to be tackled, including subsidising travel to help NEETs and disabled people into employment, education and training;
 - d. devolved funding paid in advance of incurring costs locally, creating flexibility in sequencing delivery of WYTF schemes;
 - e. working with HMT to increase the associated local share of public spending for re-investment to create a self-sustaining Fund; and
 - f. locally determined prioritisation based on a 'Green Book' compliant Strategic Appraisal Framework.
90. In addition, Ministers will also be considering the expressions of interest submitted by West Yorkshire, Greater Manchester and South Yorkshire to take on the Northern and Trans Pennine rail franchises in 2014. In addition to transforming local accountability, the devolved operation of these franchises would deliver a step change in the economic impact, service quality, and efficiency of rail operations in the North. However, putting in place sufficiently strong, stable and visible local governance such as a CA is considered a prerequisite to forming a credible and accountable pan Northern franchising counterparty.
91. Further, a compact will be put in place, for example, with the Highways Agency and DfT Rail to ensure that the national strategic transport network, including the Motorways and rail network, support rather than stifle, local productivity growth.
92. In order for the above to be devolved by Government, the authorities involved must (a) agree to co-invest in the creation of the West Yorkshire plus York Transport Fund (WYYTF) and (b) establish a CA.

93. **The West Yorkshire plus York Transport Fund and the associated governance review are covered in separate reports on this agenda.**

How it all fits together and next steps

94. In order for the city of York to take advantage of these significant new powers, however, there is a need for the city to commit to accountable, transparent and robust decision making and governance, which has been made a clear condition of some of the more significant elements of devolution in the City Deal with the Leeds City Region.
95. Where authorities are to benefit from the devolution indicated by the City Deal, there is an expectation that there will be a level of local co-investment to match devolved funding pots, and that the appropriate governance will be in place
96. This translates to a need for the city to agree co-investment in the Revolving Investment Fund (RIF) and the West Yorkshire plus York Transport Fund, and in the case of the latter in particular, a sufficient and robust governance to be in place to manage and take sustainable strategic decisions.
97. The below graphic shows roughly how the Leeds City Region City Deal looks in terms of funding and governance:



Recommendations

98. Members are recommended to:

- Note progress to date on the development of the Leeds City Region City Deal
- Consider the associated WYYTF and Governance Review reports, and the associated calls for funding in the EIF recommendations on this agenda.

Reason: To keep Members updated on progress with the development of the Leeds City Region Deal and emerging opportunities.

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Wards affected: All

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APPENDIX - The Leeds City Region City Deal

APPENDIX. The Leeds City Region City Deal

99. Below are set out the detail of the Leeds City Region City Deal in full:
100. **Transport:** Government will grant unprecedented freedoms to build, manage and sustain a local £1bn WY Plus Transport Fund to drive economic growth, subject to establishing WY CA governance arrangements to oversee the operation of the Fund. The freedoms and funding will include:
- a ten year £182.8m post 2014 major transport scheme funding allocation devolved to WY and York as part of the £1bn WYTF, and in return for dealing with DfT's compliance requirements (Local Transport Body - LTB);
 - consideration by HMT in the next Spending Review of an additional programme of strategic local schemes;
 - revenue funding as part of the ten year allocation, enabling a broader range of high profile sub regional social and economic issues to be tackled, including subsidising travel to help NEETs and disabled people into employment, education and training;
 - devolved funding paid in advance of incurring costs locally, creating flexibility in sequencing delivery of WYTF schemes;
 - working with HMT to increase the associated local share of public spending for re-investment to create a self-sustaining Fund; and
 - locally determined prioritisation based on a 'Green Book' compliant Strategic Appraisal Framework.
101. Ministers are considering the WY, GM and SY expression of interest submitted for local areas to take on the Northern and Trans Pennine rail franchises in 2014. In addition to transforming local accountability, the devolved operation of these franchises would deliver a step change in the economic impact, service quality, and efficiency of rail operations in the North. Putting in place sufficiently strong, stable and visible local governance such as a CA is considered a prerequisite to forming a credible and accountable pan Northern franchising counterparty.
102. A compact will be put in place, for example, with the Highways Agency and DfT Rail to ensure that the national strategic transport network, including the Motorways and rail network, support rather than stifle, local productivity growth.

103. **LCR Revolving Investment Fund:** LCR partners (including WY, York and Harrogate) will create a Revolving Investment Fund backed by £200m of pooled local resources, including CIL, retained Business Rates, EU, RGF, GPF and EZ receipts. Investments in scope will include economic infrastructure to promote housing growth, low carbon and flood alleviation, based on a shared investment strategy and the proposed Single Appraisal Framework. Key features of this fund will also include:
- a shared investment programme with the HCA, and conclude discussions about how their assets can contribute to the Investment Fund; and
 - working with HMT to increase the associated local share of public income for re-investment to create a self-sustaining Fund.
104. **Trade and Investment:** The City Deal seeks to close the LCR Balance of Payments gap. This will be achieved through a joint City Region Trade and Investment Plan committing LCR and UKTI to form a new joint Board which is backed by enhanced delivery capacity drawn from local and national resources.
105. **Skills and Worklessness:** LCR will offer a Guarantee to the Young, supporting its long term ambition to become 'NEET free'. New initiatives will include a 14-24 Academy and Apprenticeship Hubs. As part of the City Deal, LCR will also take on a leadership role on skills more generally in order to align the skills investments of Government, employers and individuals with real growth sectors in the LCR economy.
106. **Business friendly planning:** Local commitment to delivering an effective and business friendly planning system that promotes and accelerates e.g. housing and employment site development and growth, whilst safeguarding the area's natural assets (as per the Planning Charter).
107. **Local Carbon:** LCR will deliver the Low Carbon Pioneers programme in collaboration with DECC, alongside a range of other steps to deliver a low carbon built environment.



Cabinet**7 May 2013**

Report of the Cabinet Member for Transport, Planning and Sustainability

WEST YORKSHIRE PLUS YORK TRANSPORT FUND (WYTF+)**Summary**

1. This report is presented in order to:
 - Provide an update on the development of the West Yorkshire Plus York Transport Fund (WYTF+);
 - Provide details of the proposed York package of schemes;
 - Seek support in principle to the indicative level of financial contributions that York would need to make to the fund;
 - Provide an update on emerging governance proposals and indicative timeline of key WYTF+ milestones.
 - Approve the governance Memorandum of Understanding (MoU) covering the interim period to April 2014.
 - Approve the preliminary development of the projects within the proposed York package in 2013/14.

2. Owing to the proposed future financial and governance commitments identified in this report the final decision will need to be taken by Full Council in due course. A final report will be presented at Full Council in advance of any formal transfer of authority, prior to making any long term revenue commitments and following the resolution of any outstanding City Deal items such as the Earn Back arrangements.

Background

Context – The Need for WYTF+

3. Although York is weathering the current economic slowdown relatively well in comparison to some other UK towns and cities¹, it is acknowledged that the major UK cities and regions must compete on an international basis. Even against a backdrop of a global recession many other cities are investing heavily and seeing their economic output grow.
4. Therefore, the challenge for the local authorities of York and the West Yorkshire region is to find the best way to use the scarce public sector funds available to stimulate the economy so that the recovery is strong and sustained.
5. There are several ways in which investment can lead to this form of economic strengthening. Investment in infrastructure that leads to business growth and efficiency gains is one of them. Transport connectivity – how long journeys take as well as their reliability - is a critical factor for most businesses across the North, and it is therefore an absolutely vital area for investment.
6. Work done by the Northern Way established an evidence base that highlighted the potential in the North to provide a strong boost to national economic recovery, but we don't yet have the quality transport networks that are needed. It also suggested that the growth potential for the north is substantial and called for a re-balancing of transport expenditure away from the south of England.
7. Calculations carried out by Transport for Greater Manchester in a Single Appraisal Framework (SAF) reveal that transport infrastructure investment offers excellent value for money relative to other local authority policy and intervention areas, in terms of increasing economic potential.
8. Major transport schemes are also needed to underpin the emerging York Local Plan. Opportunities to link the phasing of some of the proposed York package to key local development sites such as York Central are important and will be investigated fully. Significant growth would be accommodated through the following outcomes:

¹ Centre for Cities, Cities Outlook report 2012

- Widening the accessible labour pool to attract new employees from a wider catchment area.
 - Improving access to York by upgrading the northern section of the outer ring road with specific benefits for all road users.
 - A significant enhancement in bus commuting into the city centre and to sustainable nodes, assisted by the relocation of non-essential traffic out of the city centre onto the ring road.
 - Entering into a partnership with Network Rail to transform the existing station to create an improved gateway with the capacity and quality to attract significant numbers of new users thus delivering growth.
 - Connecting the increased workforce expected as a result of housing growth with new and existing employment opportunities.
 - Improving access to new jobs and areas of existing employment for people who live in deprived communities.
9. Locally in York there is strong support from the general population for transport investment to support the economy, reducing congestion and improving connectivity and transport.² This is reinforced through comments and views received through ongoing dialogue with our key transport stakeholders, some of whom are very concerned at current inadequacies affecting their businesses in terms of delivery times and reliability.

Context – The Development of WYTF+

10. The origins of the WYTF+ date back to the announcement of the Leeds City Deal with Government in July 2012. As well as a proposal to change transport governance arrangements (a Combined Authority) and initiate rail devolution, the Leeds City Deal also included a commitment to create a £1 billion+ fund to invest in transport over the next decade.
11. Alongside the City Deals the UK Government has also changed the way in which local transport major scheme funding will be

² City of York Council Local Transport Plan for 2011 to 2031

organised from 2015/16 onwards. Local authorities were invited to become members of Local Transport Bodies (LTB). By devolving power and funding for transport major schemes from the DfT the LTB becomes the organisation through which scheme prioritisation and funding decisions are made.

12. The Cabinet approved (9 October 2012) the proposal for York to join a West Yorkshire and York LTB subject to detailed Governance arrangements being agreed. The DfT confirmed the indicative Major Scheme allocation for the West Yorkshire and York LTB in January 2013. The WYTF+ includes the West Yorkshire + York LTB major scheme funding.
13. City of York Council is also a non-voting member of the neighbouring North Yorkshire LTB. Initial discussions with the NYLTB have identified that the York Outer Ring Road scheme is of mutual benefit to both West Yorkshire Plus York and North Yorkshire LTB.
14. A report describing the development of the WYTF+ is attached as Annex A. The key objectives are:
 - The fund is targeted specifically at increasing employment and productivity growth.
 - The fund will address decades of under-investment in the City Region transport network.
 - The overall impact of the fund will be carbon neutral or better
15. Evidence shows that the fund has potential to achieve the following outcomes:
 - Generate significant additional economic investment
 - Enhance connectivity to, from and within the area.
 - Unlock key development sites
 - Substantially reduce dependence on central funding
 - Provide surety over a 10 year programme of major schemes
 - Create a further income stream (the Earnback deal)
 - Develop transformational schemes

The York Package

16. The proposed York package of schemes shares the same objectives as the (core) West Yorkshire package - namely the delivery of the maximum net increases in Gross Value Added (GVA) – a measure of economic output - and improving access to employment.
17. By adopting the same strategic objective as that used in the core package York's overall funding contribution and its per capita allocation of major scheme funding will be spent either on schemes with a mutual benefit to West Yorkshire and York (and potentially other LTBs) or on schemes of benefit to York and its hinterland.
18. The initial long list of potential major schemes and a précis of the analysis and modelling carried out to prioritise the schemes is detailed in Annex B. The five highest performing York schemes were prioritised as shown in Table 1.

Table 1 – York Package of Schemes

Initial Sift Order	Scheme	Cost (incl optimism bias) £m	Scheme Description
1	York Central Access	27.0	York Central Access, new access road via A59, pedestrian access from station area, sustainable access routes, Queen Street bridge demolished and bus interchange within wider station redevelopment
2	A19 Bus Lane and access to Designer Outlet P&R Improvements	1.9	A19 Bus Lane and Improved access to and egress from existing Designer Outlet P&R
3	Clifton Moor Park & Ride and corridor improvements	9.8	New Clifton Moor Park & Ride site and bus priority and general corridor improvements
4	PT Improvements 2 – City Centre Infrastructure	7.2	PT Improvements 2 – City Centre bus priority infrastructure and traffic management measures including: City centre bridge access priorities City centre bus priority measures Changes to city centre traffic management Roll out of hybrid/electric bus fleet conversion York ongoing Better Bus Area Status
5	Northern Outer Ring Road Improvements - Low Intervention	37.6	Northern Outer Ring Road Improvements - Low Intervention (r/b upgrades, minor widening improvements to approaches and exits and some NMU facility upgrades)
York Package		83.5	c.£129m total York GVA

19. The prioritised package of schemes in York follows a similar balanced approach as in West Yorkshire by offering additional highway capacity around York, while enabling sustainable growth (by bus, rail, walk and cycle) for access to new employment opportunities in the city centre, main urban areas and at sustainable nodes.

20. The package will deliver the following:

- Increased capacity on the northern sections of the outer ring road

- Provide new access and bus interchange within the York Central development
- Full Park & Ride coverage of the city and service improvements
- Support priorities for bus, cycle and walking access within and to the city centre.

21. These five schemes naturally form a coherent package that would support additional employment and GVA growth, compared to the baseline situation without the package, as shown in Table 2.

Table 2 – Economic and Employment Impact

YORK	Year	2024	2030	2036
Additional employment		1,200	1,800	2,000
Additional GVA (per year)		£70m	£110m	£130m
Additional York residents in employment		750	900	1,200

22. Overall the Fund would support significant levels of employment growth with only a minimal increase in the volume of car commuting traffic. The increase in employment within York would be met by increased employment opportunities for York residents and an increase in inward commuting from North Yorkshire.

23. Along with 1,200 additional York residents in employment by 2024, there would be benefit for residents of neighbouring Authorities. The additional number of residents in employment would also increase (by 2036) above the baseline, as follows:

- West Yorkshire 110
- Selby 240
- North Yorkshire 110
- East Riding 130

24. The York package of schemes performs very well in terms of GVA 'bought' per £1.00 invested. The calculations suggest the package would buy £1.61 of GVA per £1.00 invested, compared to £1.23 in West Yorkshire (and £0.90 in Greater Manchester). The conventional Transport Benefit to Cost Ratio (BCR) for the York package is calculated as 2.2 as a minimum, which excludes a detailed analysis of decongestion benefits (which are likely to be significant).

25. Addressing existing points of congestion and delay on the highway and public transport networks will benefit all transport users. Quicker and more reliable journey times are provided for strategic (through) traffic enhancing strategic connectivity to the A1(M). These will be complemented by city centre measures that will result in quicker, more reliable public transport into the heart of the historic city areas.
26. The overall impact on carbon emissions is expected to be neutral or slightly positive. The carbon impacts of decongestion cannot be tested in detail at this stage, but once adequately calculated the scale of reduction is expected to lead to a net decrease in city wide emissions. The detailed impact on carbon will be assessed at the detailed design and business case stage
27. A similar approach to further carbon reductions as suggested for West Yorkshire could be pursued. It will be possible to set more ambitious targets for carbon as part of the design specification, or as enhancements to scheme designs which could attract additional funding or third party contributions which could facilitate the following types of intervention:
 - Further improvements in bus technology such as an increased rate of conversion to hybrid or preferably electric vehicles
 - Inclusion of electric charging points as part of rail station/bus park and ride schemes
 - Cycle and walk schemes being incorporated within key corridor and town centre improvement designs

“Earn-Back”

28. Discussions are taking place with central government over the terms of the ‘earn back’ commitment set out in the City Deal. It is anticipated that delivery of the early measures in the fund will generate additional economic activity and revenue for government (primarily through business rates). A key element of the City Deal is the ability to ‘earn back’ a proportion of this revenue and use it to support further investment through the fund locally. This is particularly important for some of the more ambitious, longer term measures that are proposed to be implemented after the first 10 years.

29. As the Fund develops, and as Earn Back starts to create a 'new' funding stream in the future, the York and West Yorkshire partners will develop an approach to jointly developing, delivering and funding mutually beneficial schemes.

Transformational Schemes

30. A number of larger mutually beneficial schemes have been identified as medium term interventions with potential to deliver transformational change. It is recognised that most of these will take longer than the initial 10 year period of the fund to develop, design and deliver and will require funding over and above the initial £1bn (for example through the 'earn back' deal with government). It is proposed that the fund will be used to undertake the preparatory work required for future delivery.
31. Also of relevance to York are the committed improvements to the Trans-Pennine train services (electrification) that will improve connectivity between York, Leeds and beyond and provide a key building block to achieve further rail improvements.
32. Also of significant local interest are further rail network improvements (potentially funded through Earn Back). Most notably improvements to the Harrogate line will be developed in partnership with Network Rail. Other rail projects will be developed to address connectivity between York and Castleford/Wakefield, and Bradford and Halifax via the Caldervale line.
33. Business links will be further enhanced through the future provision of heavy rail or tram train connections between Leeds and Bradford City Centres and Leeds Bradford International Airport.

Governance

34. Following detailed consideration by the West Yorkshire District Councils, West Yorkshire Integrated Transport Authority and City of York Council it is proposed to establish the West Yorkshire and York Local Transport Body in accordance with the requirements of the DfT. Proposals for the governance arrangements to be adopted are currently being finalised by each partner with a view to submitting the governance plan to DfT by July 2013 for approval.

35. The governance proposals have been shaped by the intention of the West Yorkshire authorities to form a Combined Authority (CA) in April 2014. At the point the Combined Authority is established, the LTB functions will be assumed by the arrangements to be put in place for the Combined Authority. Before then, arrangements need to be made for the 'Interim Period'.
36. A draft Memorandum of Understanding (MoU) has been prepared to set out the common will of the WYTF+ partners to cover governance issues during the interim period. This is attached as Annex C, and the key features are:
- The LTB functions will be administered by the Executive Committee of the West Yorkshire Integrated Transport Authority (WYITA).
 - During the Interim Period an elected Councillor nominated by the Leader of City of York Council may attend all meetings of the LTB or any committee of the WYITA at which LTB business appears on the Agenda. Under the standing orders of WYITA the Chair will permit the York Councillor to address the meeting and take part in discussions but not vote.
 - Subject to agreement from WYITA and CYC, a Joint Advisory Committee of the WYITA and City of York Council may be established pursuant to s101 of the Local Government Act 1972 to advise and make recommendations to the LTB.
 - The Parties agree that York's overall funding contribution to the Fund including the devolved major scheme funding will only be directed to: schemes with a mutual benefit to West Yorkshire and York (and potentially other LTB's); or schemes of benefit to York and its hinterland.
 - In its capacity as the LTB, WYITA will only allocate resources committed to the Transport Fund and prioritise schemes in accordance with the agreed prioritisation criteria and in agreement with both parties – effectively 'Ring-Fencing' the York package to the schemes as outlined.

37. As York is unlikely to be a founder member of the CA (due to non contiguous boundaries) a further MoU is likely to be needed between the CA and CYC.

Preparatory Work

38. Following approval from each individual district to set up the WYTF+, it is proposed to develop a number of schemes that can be brought forward in the early years of the fund.
39. Work to develop West Yorkshire based schemes will be funded by a ring-fenced allocation in the 2013/14 WYITA budget allocated from the WY transport levy. This funding is not available to develop York schemes.
40. Therefore, if York is to keep pace with the other members of the WYTF the council will need to assign sufficient budget from its own funds to develop York scheme(s) for early delivery.
41. Given the existing congestion problems and LTP and DfT funded scheme investment programme, it is the Officer view that the York Outer Ring Road scheme should be prioritised for early delivery in the WYTF+. Development of this scheme at an early stage also maximises the opportunity for a contribution from the North Yorkshire Local Transport Body (NYLTB) which is working to a 2015-2019 funding window. Initial discussions regarding a joint funding proposal to the NYLTB have been positive.
42. Early development of the station bus interchange plans will also be a priority to enable early engagement with potential East Coast Mainline franchise bidders and working with Network Rail to ensure implementation takes place within the next franchise period.
43. Current transport capital programme funding is fully allocated in 2013/14 to support the delivery of the Access York Phase 1 project and Better Bus Area Fund and Local Sustainable Transport Fund schemes. Subject to confirmation of the financial arrangements it is proposed to fund the preliminary development work for the schemes within the WYTF+ by bringing forward a proportion of the 14/15 contribution to the fund once the fund has been approved. In the interim initial development of the schemes will continue using the existing Delivery and Innovation Fund allocation (£70k) for Access York Phase 2 development.

44. Depending on the delivery programme it is anticipated that up to £200k will be required in 13/14 to progress the development of the business case and early stage design for the Outer Ring Road Schemes.

Shared Delivery

45. Looking further ahead there are key opportunities to share delivery expertise between York and West Yorkshire authorities and efficiencies to be gained through a partnership approach to feasibility studies, business case development, project management and delivery.

Consultation

46. Citywide consultation was carried out in 2009 when the City of York Council Local Transport Plan for 2011-2031 was developed. Consultation has also taken place with business interests and the York Quality Bus Partnership. This showed strong support for transport investment to support the economy.
47. Internal consultation concerning WYTF+ has been carried out with: Leader; Chief Executive; Cabinet Member for Transport; Director; Finance Director and Assistant Director through a regular programme of Officer Steering, Leaders and Portfolio holders' meetings.
48. Detailed consultation will be undertaken on the individual schemes as they are progressed.

Options

49. This section presents the main options available for Members to consider as follows:

Option 1 – Support in principle the establishment of the West Yorkshire Plus Transport Fund and the indicative financial commitment.

Option 2 - Reject the proposal

Analysis

50. This section presents an appraisal of the advantages and disadvantages of each option.

Option 1 – Support in principle the establishment of the West Yorkshire Plus Transport Fund and the indicative financial commitment.

51. Supporting the principle of the fund and the indicative financial contributions to the WYTF+ will set in motion the process of establishing the fund. The York package of measures will bring about significant GVA and job creation benefits alongside substantial improvements to the York transport network including:
 - a. Extension and improvement of the Park & Ride network and relieving the main urban area road network
 - b. Upgrading the northern parts of the York Outer Ring Road
 - c. Improving public transport and sustainable access into the city centre
 - d. Unlocking access into key brownfield development sites
 - e. Improving public transport connectivity at the railway station
52. In the longer term the WYTF+ core schemes will form the building blocks for future transformational schemes such as Harrogate Line upgrades. The scheme has potential to earn back future revenue streams into the transport fund.
53. There are a number of action points to finalise if the proposed support in principle recommended in this report is approved to enable the Transport Fund to progress, these are:
 - a) Confirmation of the availability of funding to meet the local contributions. As part of the annual budget setting process a budget report will be prepared for approval at Cabinet which will be then be forwarded to Full Council for final approval.
 - b) Further consideration of the impact of the proposed revisions to the LTP settlement.
 - c) Satisfactory progress made in on-going City Deal negotiations, specifically including securing clarity and agreement on an acceptable level of Earn Back funding from future additional business rates in West Yorkshire and York..
 - d) An in-principle agreement to the setting up of the fund being made by all West Yorkshire District Authorities

54. Members should be aware of the proposed ongoing long term financial commitment to contribute towards the fund as set out in the financial section below.
55. As part of this option it is proposed that the draft Memorandum of Understanding is approved to cover the Interim Period until the proposed Combined Authority is established.

Option 2 – Reject the WYTF+ financial contribution

56. Rejecting the indicative financial contributions to the WYTF+ will mean that York has no access to city region deal elements of the WYTF+ local transport major scheme funds. This represents the bulk of the fund. This will also remove potential to access earn-back and may prevent transformational schemes being achieved in York.
57. It may be possible for membership of the LTB to continue but York may only be able to access the devolved DfT funding element (£5.0m for 2015 – 2019), and this would be subject to agreement from the other partners.
58. Choosing this course of action will result in reduced impact on achieving the Council priorities of “Get York Moving” and “Grow the Economy”.

Council Plan

59. The York package of major transport schemes will enable the achievement of the Council priorities as shown in Table 3.

Table 3 – York Package Fit to Council Priorities

Get York Moving	Grow the Economy	Protect Environment	Protect Vulnerable	Build Strong Communities
Reduced congestion Quicker ORR journey times Further expands and improves	Removes barriers to job creation Stimulates GVA Focus on city centre and northern ORR Reduces congestions costs and	More PT and P&R trips Improved City Centre Air Quality and cityscape Reduced carbon emissions by	Focus on public transport Improves accessibility to transport, jobs and healthcare	Helps open the York Central site up and underpins the city’s continued growth

P&R	business/delivery unreliability	switching to electric (hybrid) buses
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Implications

Financial

60. The cost of the York package, including optimism bias is circa £80m. Without optimism bias this figure reduces to circa £60 million.
61. During the detailed development and phasing work, the spend profile and the funding requirement may need to be adjusted to balance. This report presents an indicative approach to this income and expenditure balance, which is considered appropriate at this stage.
62. The WYTF Finance Working Group (made up of Strategic Finance Managers from the five West Yorkshire Districts, York and Metro) have identified three main sources of direct contributions into the Fund, and the 'buying power' attributable to each element:
- District Contributions (£749 million)
 - LTP top slice at a level of 40% from LTP into the Fund (£101 million)
 - DfT local major scheme funding (£150 million)*
 - TOTAL (£1 billion)
- * The DfT funding element may be increased once the implications of the recent announcement on devolved major scheme funding has been assessed - WY and York have been informed they will receive an indicative £182m over 10 years)
63. To build up the £749 million capital element of the Fund, District revenue contributions would start in 2014/15 and increase year on year up to a maximum in 2022/23. That additional contribution would then need to be maintained for a period of 30 years.
64. It is also proposed to top slice 40% of the LTP to add an additional £101 million. The availability of funding is dependent on future LTP settlements. This will move transport funding away

from small schemes towards the larger schemes with city region wide impact.

65. The table below sets out the District contributions that would be required in future years and the actual contributions which are proposed for 2013/14. Contributions are based on June 2011 population figures.

	2013/14	2014/15	2015/16	2016/17	2017/18		2022/23
Leeds	656	1,061	3,433	5,148	6,866	and ramping up year on year to	15,448
Bradford	461	735	2,392	3,589	4,785		10,766
Wakefield	299	447	1,493	2,239	2,986		6,718
Calderdale	176	291	934	1,401	1,867		4,202
Kirklees	359	967	1,934	2,902	3,869		8,705
York		452	905	1,357	1,809		4,070
Total	1,951	3,953	11,091	16,636	22,182		49,909
Per head of population YORK	£0.00	£2.28	£4.57	£6.85	£9.13		£20.55
Per week per head YORK	0p	5p	9p	14p	18p	40p	

District contributions are in £000's

66. It should be stressed that this level is indicative and not presented as definitive figures. The profile of contributions will adjust to the delivery profile. The table does however demonstrate the scale of contributions which would be required over a 40 year period if the objective of a £1bn Transport Fund is to be achieved.
67. It should be noted that the districts contributions may need to be amended subject to options for a medium term review and will always be subject to existing DCLG guidance and overall Local Government Powers for raising finance locally.
68. There is currently no revenue budget provision for the York contribution to a Transport Fund. The funding requirement ramps up from £452k in 14/15 to £4.070m per year by 2022/23 and would need to be maintained for the following 30 years. The costs shown in the table would add to the Council's budget gap and need to be considered in the context of the budget savings which the Council is already having to identify.
69. A one off contribution from the Economic Infrastructure Fund could be allocated to cover the 2014/15 district contribution to the

fund. However future funding would need to be identified from the revenue budget.

70. The proposed 40% LTP top-slice will have a significant impact on the ability to deliver smaller scale local schemes in York. The base LTP budget allocated for 2013/14 is £1.63m and £2.32m in 2014/15. A 40% top-slice is therefore likely to amount to around £930k per annum. Depending on future settlements the funding available for smaller local transport schemes could be in the region of £1.4m. This reduction will mean that fewer schemes will be delivered impacting particularly on the smaller scale cycling and pedestrian schemes. In addition it will limit the ability to match fund bids for specific projects from the LTP budget as has been the case for the LSTF and Access York projects.

Human Resources (HR)

71. The York aspects of the West Yorkshire Transport Fund will need to be managed locally with staff taken on as necessary. Reduced LTP funding will result in a lower staffing requirement for the development of smaller scale schemes in York. Opportunities may exist for staff to be seconded to the central WYTF+ delivery team. As York's LTP has a high level of match funding commitments over the next two years (BBAF and LSTF) a more gradual or tapered top-slice contribution will need to be considered.

Equalities

72. No adverse impact on specialist groups expected. A full SDI analysis likely to be carried out as part of the appraisal for a major transport scheme.

Legal

73. We are currently progressing the governance aspects of the interim arrangements on the basis of the MoU. Legal issues related to the possible progression of the Combined Authority will be the subject of a separate report.

Crime and Disorder

74. No significant impact

Information Technology (IT)

75. No significant impact

Property

76. No significant impact

Other

77. None

Risk Management

78. The first key risk is the ability of the Council to make the necessary budget adjustments to fund the proposed district contribution. If the necessary budget is not available it may not be possible to progress the fund in the format proposed.

79. The second key risk is that a lack of support for and progress of the Fund will undermine the basis of the City Deal with Government, resulting in the devolved powers not being secured. This is being managed through ongoing engagement with all partners, and the process for creating the Combined Authority.

Recommendations

80. Members are recommended to:

1) Support the principle of establishing a £1 billion 'West Yorkshire Plus' Transport Fund and the associated, indicative levels of financial commitments as set out in this report, subject to:

- i) Satisfactory progress in on-going City Deal negotiations, specifically including securing clarity and agreement on an acceptable level of Earn Back funding from future additional business rates in West Yorkshire and York; and
- ii) An in-principle agreement being made by all West Yorkshire District Authorities

Reason: To enable major transport schemes to be brought forward which will deliver the council's objectives

2) Submit the proposal to Full Council once the issues in recommendation 1 have been resolved.

Reason: To enable major transport schemes to be brought forward which will deliver the council's objectives

- 3) Approve the draft Memorandum of Understanding

Reason: To enable CYC and West Yorkshire Authorities to work together to deliver the WYTF+

- 4) Approve the initial development of business cases for the Outer Ring Road schemes and early development work on bus interchange at railway station in 2013/14.

Reason: To allow delivery of schemes early in the WYTF+ programme.

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**Report
Approved**



Date *23-April-2013*

Specialist Implications Officer

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

All

For further information please contact the author of the report

Annexes

Annex A – West Yorkshire Plus York Technical Summary Report

Annex B – Prioritisation Analysis and Modelling Report

Annex C – WYTF+ Draft Memorandum of Understanding

ANNEX A

WEST YORKSHIRE PLUS TRANSPORT FUND – TECHNICAL SUMMARY
REPORT

1.0	Introduction
1.1	<p>This report sets out the progress that has been made in developing the approach to, and scope of a West Yorkshire Plus Transport Fund. It covers:</p> <ul style="list-style-type: none"> • The rationale behind and need for establishing the Fund • The scope, cost and impacts of a prioritised package of investments in West Yorkshire (the Core Package) • The implications for establishing a Fund, with sufficient buying power to deliver the prioritised packages, on the budgets of the West Yorkshire and York and the commitments each District would need to make • A summary of on-going negotiations around the City Deal and the Combined Authority • How the Fund could be delivered in partnership with York
2.0	Background
2.1	<p>Transport connectivity is acknowledged as being critically important in unlocking and stimulating economic growth, closing the ‘wealth’ gap between our City Region and others, and improving the overall quality of living, working and doing business in West Yorkshire. The spatial inter-relationships affecting the economic geography of West Yorkshire result in an inter-dependency between the Districts and there is a significant level of cross boundary commuting. Investment in one District can be seen to deliver benefits to other neighbouring Districts. The evidence assembled to underpin the development of the Fund has clearly shown this cross boundary effect at play in West Yorkshire.</p>
2.2	<p>The development of a West Yorkshire Transport Fund (WYTF) has the potential to:</p> <ul style="list-style-type: none"> • Generate significant additional economic investment that would deliver jobs in the short and longer term; • Enhance connectivity to, from and within West Yorkshire; • Establish a fully integrated transport system for West Yorkshire; and • Substantially reduce dependence on central funding, giving local communities and businesses surety over a 10 year programme of major transport schemes
2.3	<p>Previous reports to Districts have made the case for transport investment as a</p>

	highly effective means of supporting growth in GVA and employment, and increasing the productivity of businesses. The methodology and appraisal used in this work forecasts a scale of impacts on GVA and employment comparable with the forecasts produced when a Transport Fund was developed for Greater Manchester. A previous report to the Districts has set out progress with the analysis being undertaken to develop the Fund and the schemes it would deliver.
2.4	<p>There is clear evidence that without significant and well-targeted investment in the transport network in West Yorkshire the opportunities for economic growth will be constrained. This will be a result of increasing levels of congestion, rising costs of motoring and public transport and the ability to recruit a workforce, interact with other businesses or transport goods and services to people and business that need them. Significant investment in transport is therefore needed:</p> <ul style="list-style-type: none"> • To enable existing, and new, businesses to become more productive (through reducing lost time caused by congestion); • To expand the size of the workforce that could both support the growth of existing businesses and the creation of new employment, particularly in major growth locations (such as Aire Valley); • To expand the numbers and types of employment opportunities that can be reached from existing communities, and new housing sites, to improve the opportunities available to the existing and the future workforce.
2.5	The Core Package of schemes in the Fund will work together to deliver a combined impact across the transport network which will be greater than the sum of the individual impacts. Together, and with the addition of other committed improvements, they will help close the economic gap between our city region and others. These investments will help ensure that the Leeds City Region becomes a leading city region in the UK and Europe. The combined package of improvements to be delivered will enhance connectivity with West Yorkshire, across the north and the rest of Yorkshire and the UK.
2.6	The WYITA, on behalf of the partners, has allocated £700,000 to develop and utilise the analytical tools to enable an evidence based approach to developing the Fund. York has committed around £70,000. The analytical tools were developed from previous work undertaken by Metro and Leeds using DfT specified appraisal guidance. The methodology used to develop the Fund followed the approach successfully used to establish the Greater Manchester fund. To put that allocation in context, it is understood Greater Manchester spent in excess of £2million to get to a similar position.
2.7	A Portfolio Holders Steering Group (made up of lead members from each Districts and the Chair of the ITA) has provided the scrutiny, direction and overview to ensure the Fund would be capable of delivering on the pre-defined objectives, supporting District LDF aspirations and identifying a mechanism to deliver local

	control over the identification, development and delivery of long term investments in the transport network of West Yorkshire and York. On-going consultation and engagement with Leaders, Chief Executives and Directors of Development has informed the process.
2.8	<p>Those objectives were:</p> <ul style="list-style-type: none"> • The primary objective is to maximise an increase in employment and productivity growth by the completion of transport schemes across West Yorkshire, irrespective of boundaries • Against this background, two employment accessibility minima are proposed: <ul style="list-style-type: none"> ○ A better than average improvement in employment accessibility for residents in the most deprived 25% of WY communities and ○ Every WY district to gain an average improvement in employment accessibility no less than half the average across WY • The overall impact of the Fund's interventions would be carbon neutral at the package level
2.9	An improvement in people's ability to access jobs, with a particular focus on those living in the most deprived communities, will be an important complementary measure of the Programme of schemes.
2.10	Appendix B lists the schemes that have been identified within the West Yorkshire Core Package.
2.11	The detailed definition of all schemes in the West Yorkshire Core Package would be refined during detailed business case development, including appropriate value engineering, consultation, optioneering, fit with LTP objectives and appraisal. This would be done to ensure all schemes offer best value for money.
2.12	It should be noted that the Core Package is one that would be deliverable within 10 years and that comprises the schemes that are most effective in supporting short term growth in GVA and employment. In turn these will have the most impact on generating 'Earn Back', which would be used to extend expenditure into longer term transformational schemes.
3.0	West Yorkshire Schemes
3.1	A number of high profile transformational and gateway schemes are already committed for delivery in West Yorkshire and York by 2020. These are from external budgets outside the Fund. They include the following schemes with capital works costing in the region of £550 million:

	<ul style="list-style-type: none"> • Electrification of York-Leeds-Manchester and Selby-Leeds • Associated capacity improvements (such as at Huddersfield station) • NGT lines 1 and 2 in Leeds • Leeds station southern entrance • Leeds station Masterplan • HLOS rail capacity expansion (an average 20% increase in rail capacity) • Smartcards • Bus Quality Contracts or Partnership approach (currently being developed)
3.2	<p>The government has announced its intention to proceed with a longer term delivery (circa 2032) of high speed rail between Leeds and South Yorkshire, East Midlands, West Midlands and London, including a new city centre HS2 rail station in Leeds. HS2 would be funded centrally from sources outside the Fund, but it is important that relevant schemes delivered through the Fund will be designed to maximise the positive impacts and benefits of HS2 for the whole of West Yorkshire, York and the Leeds City region.</p>
3.3	<p>The Fund would also include work to support the production of robust evidence, lobbying material, development and detailed design associated with longer term and more complex transformational schemes which will need to be developed and delivered in partnership, and may involve re-shaping longer term land use reallocation to generate sufficient demand to establish a Financial case. The schemes which will be progressed would include:</p> <ul style="list-style-type: none"> • Full electrification of the Caldervale rail line linking Leeds, Bradford, Halifax and Manchester • Full electrification of the Leeds-Harrogate-York rail line • Fixed link connections (such as tram-train) between Bradford, LBIA and Leeds • Expansion of the NGT network, e.g. west to Bradford • Delivery of essential improvements identified in the Yorkshire Rail Network Study
3.4	<p>The West Yorkshire Core Package addresses network wide and specific locations and corridor based needs where transport constraints will inhibit economic growth. The Package will help to extend the benefits of committed investments across the whole of West Yorkshire, in a way that transform transport connectivity within and between the main urban centres, and ensure that regional employment locations (such as the Aire Valley Leeds) are well connected to residents and businesses in all West Yorkshire Districts.</p>
3.5	<p>The Core Package would provide a step change in connectivity across West Yorkshire through the delivery of the following projects, which would have a transformational set of impacts:</p> <ul style="list-style-type: none"> • Speed and frequency increases on the Caldervale rail line

	<ul style="list-style-type: none"> • New and improved motorway junctions, including junction 24a on the M62 • Major end to end corridor works such as Bradford to Leeds, Halifax to Huddersfield and Dewsbury to Leeds • Significant works in Leeds and Halifax centre to reduce car impacts, open up development land and improve connectivity and sustainable access • Significant expansion of park and ride at rail stations and through new bus or NGT based services • A comprehensive package of highway improvements (on around 500km of WY roads) to reduce congestion, improve traffic speeds and reliability and increase flows, and address local air quality, safety and frontage activity • Major highway improvements to unlock critically congested junctions and provide access to new development sites such as Cooper Bridge • A package of bus measures to increase frequency, reduce delays and unreliability, introduce 'greener' more efficient hybrid buses and provide a framework for reduced bus fares (circa 10% in real terms) to be delivered via Quality Contracts or Bus Partnerships • Expansion of the NGT network into Leeds Aire Valley 																
3.6	<p>The schemes in the Core Package will have a significant transport impact at a local level, but when delivered as a package they will deliver greater benefits at a network wide level. This will facilitate faster, more reliable highway connectivity between the national motorway system, strategic destinations such as Aire Valley, East Wakefield, Canal Road and the airport, and across the City Region. In parallel the significant enhancements to public transport will facilitate sustainable, low carbon, economic growth in our urban centres by improving connectivity into, and between the key centres of Leeds, Bradford, Wakefield, Huddersfield and Halifax, as well as beyond to York, Manchester and Sheffield.</p>																
3.7	<p>The combined effect of this core package would support additional employment and GVA growth in West Yorkshire at the following scale, above the situation without the package. The difference between 'additional employment' and 'additional West Yorkshire residents in employment' is made up by an increase in-commuting from outside West Yorkshire and an increase in out-commuting, to Manchester for example.</p> <table border="1"> <thead> <tr> <th></th> <th>2024</th> <th>2030</th> <th>2036</th> </tr> </thead> <tbody> <tr> <td>Additional employment</td> <td>12,500</td> <td>15,800</td> <td>18,200</td> </tr> <tr> <td>Additional GVA (per year)</td> <td>£810m</td> <td>£1,100m</td> <td>£1,230m</td> </tr> <tr> <td>Additional WY residents in employment</td> <td>10,700</td> <td>13,000</td> <td>14,700</td> </tr> </tbody> </table>		2024	2030	2036	Additional employment	12,500	15,800	18,200	Additional GVA (per year)	£810m	£1,100m	£1,230m	Additional WY residents in employment	10,700	13,000	14,700
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3.8	<p>The WY package of schemes performs well in terms of GVA 'bought' per £ invested. The Greater Manchester Fund (circa £1.5billion) was calculated to buy £0.90 of GVA per £1.00 invested. The circa £1billion WY package is calculated to buy £1.23 of GVA per £1.00 invested.</p>																

3.9	The employment forecasts (for permanent jobs) would be additional to temporary employment in the construction industry as a result of this level of infrastructure investment. This is estimated to be around 7,500 job years (e.g. for example, 750 jobs lasting 10 years).
3.10	<p>The Core Package would also deliver the against the secondary criteria:</p> <ul style="list-style-type: none"> • Improved accessibility to employment from 'deprived wards' greater than the West Yorkshire average (by a factor of +7%) • Equitable distribution of improved accessibility geographically, with all Districts seeing an improvement greater than half the West Yorkshire average
3.11	<p>The analysis to date forecasts that because of the prioritised Core Package, there would be:</p> <ul style="list-style-type: none"> • an 8% increase in employment (and hence commuting levels) • an increase in average commuting distances • an increase in business to business and business to market trips
3.12	This increased level of commuting is forecast to be accommodated through a reduction in the absolute levels of car commuting and an increase in the absolute levels of bus and rail use. By 2024, with the Core Package in place, the forecast predicts a reduction of 2% in car commuting, a 20% increase in bus commuting and a 13% increase in rail commuting at the West Yorkshire level.
3.13	An objective of Fund is to ensure it Core Package 'carbon neutral'. That is to say, that compared to a future year baseline, the Fund would not lead to an increase in carbon emissions from transport. Achieving sustainable (zero carbon) economic growth is actually a very tough objective, particularly given the polycentric nature of West Yorkshire, the dispersed nature of cross boundary commuting, the role of the M62/M1 corridors and the location of growth sites, which are often away from the major centres of housing.
3.14	<p>Because of the strategic nature of the modelling it is not yet possible to accurately predict the impact on carbon. The initial estimate is for an increase of 1-2%, but this analysis excludes significant benefits of decongestion, which could result in a net decrease. A better understanding of the impact on carbon will be obtained at the detailed design and business case stage. It will be possible to set more ambitious targets for carbon as part of the design specification, or as add-on's to scheme designs which could attract additional funding or third party contributions which could facilitate the following types of intervention:</p> <ul style="list-style-type: none"> • Further improvements in bus technology such as an increased rate of conversion to hybrid vehicles

3.19	The conventional BCR (Benefit to Cost ratio) for the Core Package is calculated as between 3.5 and 5.0, depending on the scale of decongestion benefits achieved. As defined by DfT, a strong BCR would be 2.0 or above.																		
3.20	A provisional £50m has been identified to promote and accelerate the co-funding and delivery of rail station gateway schemes, such as Leeds and Bradford city centre stations. This would be used to accelerate Network Rail investments through co-funding and enabling works. This was the approach adopted in Greater Manchester.																		
3.21	<p>The estimated cost of the West Yorkshire Core Package is between £780 and £1,100 million (depending on the scale of optimism bias applied). The following table summarises the costs associated with the West Yorkshire investment package.</p> <table border="1" data-bbox="320 824 1430 1346"> <thead> <tr> <th data-bbox="320 824 762 898"></th> <th colspan="2" data-bbox="762 824 1430 898">Allocated Funds (£ million)</th> </tr> <tr> <th data-bbox="320 898 762 972"></th> <th data-bbox="762 898 1102 972">Minimum (zero optimism bias)</th> <th data-bbox="1102 898 1430 972">Maximum (full optimism bias)</th> </tr> </thead> <tbody> <tr> <td data-bbox="320 972 762 1084">Enabling schemes (from Core Package)</td> <td data-bbox="762 972 1102 1084">430</td> <td data-bbox="1102 972 1430 1084">620</td> </tr> <tr> <td data-bbox="320 1084 762 1196">Transformational schemes (from Core Package)</td> <td data-bbox="762 1084 1102 1196">300</td> <td data-bbox="1102 1084 1430 1196">430</td> </tr> <tr> <td data-bbox="320 1196 762 1270">Gateways works</td> <td data-bbox="762 1196 1102 1270">50</td> <td data-bbox="1102 1196 1430 1270">50</td> </tr> <tr> <td data-bbox="320 1270 762 1346">WY TOTAL</td> <td data-bbox="762 1270 1102 1346">780</td> <td data-bbox="1102 1270 1430 1346">1100</td> </tr> </tbody> </table>		Allocated Funds (£ million)			Minimum (zero optimism bias)	Maximum (full optimism bias)	Enabling schemes (from Core Package)	430	620	Transformational schemes (from Core Package)	300	430	Gateways works	50	50	WY TOTAL	780	1100
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3.22	Similar work has been undertaken to identify a Package of investments in York. The opportunity would be explored to manage a Fund jointly, while maintaining separate and equitable funding pots to deploy in West Yorkshire and York. The analysis has shown that while cross-boundary effects are very significant in West Yorkshire, they are not significantly apparent between West Yorkshire and York so there is no basis in using West Yorkshire funds in York and vice versa.																		
4.0	Funding Package																		
4.1	In order to enable expenditure of between £780 million and £1,100 million in West Yorkshire (and between £60 million and £80 million in York), analysis has been undertaken to consider the options of establishing a Fund with £1 billion buying power.																		

4.2	<p>In time, and during detailed development and phasing work, the size of the Fund and the scale of the expenditure will need to be iterated to match each other. This report presents an indicative approach to this income and expenditure balance, which is considered appropriate at this stage. On this basis the mechanism for creating £1 billion of spending power is set out.</p>
4.3	<p>The three sources of direct contributions into the Fund, and the ‘buying power’ attributable to each element are as follows:</p> <ul style="list-style-type: none"> • District Contributions (£749 million) • LTP top slice at a level of 40% from LTP into the Fund (£101 million) • DfT local major scheme funding (£150 million)* • TOTAL (£1 billion) <p><i>* this may be increased once the implications of the recent announcement on devolved major scheme funding has been assessed (WY and York will receive £182m over 10 years)</i></p>
4.4	<p>Top slicing the LTP budget by 40% would need careful management to ensure the remainder was targeted to the types of schemes not specifically addressed by the Fund, for example road safety, cycling or travel planning. The Fund would result in significant and extensive investment in schemes aimed at economic growth, which would reduce the call on the LTP, hence the need to consider rebalancing the LTP allocations to other spend areas.</p>
4.5	<p>The City Deal negotiations are seeking certainty on the LTP and local major contributions from DfT, and this report is seeking agreement from the West Yorkshire and York Leaders that they can commit to the scale of the District Contributions proposed in order to establish a £1 billion Fund. These are summarised in the table below</p>

4.6	<p>To build up the £749 million element of the Fund, District contributions are illustrated to start in 2014/15 and increase (through extra levy) year on year to up to a maximum in 2022/23. That additional contribution would be maintained for a period of 30 years. The table below sets out the District Contributions that would be required, in the first three and last years. Contributions are based on June 2011 population figures. The first year (2013/14) assumes zero contributions from the Districts and would be met from a ring fenced ITA allocation.</p> <table border="1" data-bbox="320 483 1430 808"> <thead> <tr> <th></th> <th>2013/14</th> <th>2014/15</th> <th>2015/16</th> <th>2016/17</th> <th>2017/18</th> <th></th> </tr> </thead> <tbody> <tr> <td>Leeds</td> <td>656</td> <td>1,061</td> <td>3,433</td> <td>5,148</td> <td>6,866</td> <td>and</td> </tr> <tr> <td>Bradford</td> <td>461</td> <td>735</td> <td>2,392</td> <td>3,589</td> <td>4,785</td> <td>ramping</td> </tr> <tr> <td>Wakefield</td> <td>299</td> <td>447</td> <td>1,493</td> <td>2,239</td> <td>2,986</td> <td>up</td> </tr> <tr> <td>Calderdale</td> <td>176</td> <td>291</td> <td>934</td> <td>1,401</td> <td>1,867</td> <td>year</td> </tr> <tr> <td>Kirklees</td> <td>359</td> <td>967</td> <td>1,934</td> <td>2,902</td> <td>3,869</td> <td>on</td> </tr> <tr> <td>York</td> <td></td> <td>452</td> <td>905</td> <td>1,357</td> <td>1,809</td> <td>year</td> </tr> <tr> <td>Total</td> <td>1,951</td> <td>3,953</td> <td>11,091</td> <td>16,636</td> <td>22,182</td> <td></td> </tr> <tr> <td>Per head of population</td> <td>£0.80</td> <td>£1.63</td> <td>£4.57</td> <td>£6.86</td> <td>£9.15</td> <td></td> </tr> <tr> <td>Per week per head (pence)</td> <td>1.5p</td> <td>3.1p</td> <td>8.8p</td> <td>13.2p</td> <td>17.6p</td> <td></td> </tr> </tbody> </table> <p><i>District contributions are in £000's</i></p>		2013/14	2014/15	2015/16	2016/17	2017/18		Leeds	656	1,061	3,433	5,148	6,866	and	Bradford	461	735	2,392	3,589	4,785	ramping	Wakefield	299	447	1,493	2,239	2,986	up	Calderdale	176	291	934	1,401	1,867	year	Kirklees	359	967	1,934	2,902	3,869	on	York		452	905	1,357	1,809	year	Total	1,951	3,953	11,091	16,636	22,182		Per head of population	£0.80	£1.63	£4.57	£6.86	£9.15		Per week per head (pence)	1.5p	3.1p	8.8p	13.2p	17.6p	
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4.8	<p>While direct comparisons are difficult it is worth noting that the Greater Manchester Transport Fund includes a levy increase rising to circa £80 million after 10 years compared to circa £50 million in the West Yorkshire Plus Fund.</p>																																																																						
4.9	<p>It is recognised that these are challenging levels of contribution given the current position on local government funding. There is an opportunity to effectively spread the first year cost by making an initial contribution through an increased levy in 2013/14. This would again be ring-fenced by the ITA and should a decision be made not to proceed with the Fund then this sum could be rebated back through the 2014/15 levy discussions.</p>																																																																						
4.10	<p>During detailed development, design and phasing work the Funding Model would be used to optimise the phasing of the expenditure and borrowing requirements. The District commitments are therefore likely to change to some small degree, but the figures shown represent a realistic scale and profile of commitments required to establish a Fund of circa £1 billion.</p>																																																																						

4.11	<p>The Fund would be used to address decades of under investment in West Yorkshire. In that context it is helpful to understand the level of contributions paid across other Metropolitan Authorities. The table below shows levy and population comparisons in the ITAs in 2011/12 (excluding the additional Fund levy in Greater Manchester). West Yorkshire clearly had the lowest levy per head of population by a significant margin (£43 per head).</p> <table border="1" data-bbox="320 450 1437 786"> <thead> <tr> <th></th> <th>Levy £ 000s</th> <th>Population 000s</th> <th>Levy / head £</th> <th>Levy / head % of highest</th> <th>Levy / head % of GMITA</th> </tr> </thead> <tbody> <tr> <td><i>Integrated Transport Authority</i></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>West Yorkshire (Metro)</td> <td>97,600</td> <td>2,250</td> <td>43</td> <td>49%</td> <td>68%</td> </tr> <tr> <td>West Midlands (Centro)</td> <td>140,718</td> <td>2,655</td> <td>53</td> <td>60%</td> <td>83%</td> </tr> <tr> <td>Greater Manchester</td> <td>168,900</td> <td>2,629</td> <td>64</td> <td>73%</td> <td>100%</td> </tr> <tr> <td>Tyne & Wear</td> <td>71,706</td> <td>1,120</td> <td>64</td> <td>73%</td> <td>100%</td> </tr> <tr> <td>South Yorkshire</td> <td>93,000</td> <td>1,328</td> <td>70</td> <td>80%</td> <td>109%</td> </tr> <tr> <td>Merseyside</td> <td>119,076</td> <td>1,353</td> <td>88</td> <td>100%</td> <td>137%</td> </tr> </tbody> </table>		Levy £ 000s	Population 000s	Levy / head £	Levy / head % of highest	Levy / head % of GMITA	<i>Integrated Transport Authority</i>						West Yorkshire (Metro)	97,600	2,250	43	49%	68%	West Midlands (Centro)	140,718	2,655	53	60%	83%	Greater Manchester	168,900	2,629	64	73%	100%	Tyne & Wear	71,706	1,120	64	73%	100%	South Yorkshire	93,000	1,328	70	80%	109%	Merseyside	119,076	1,353	88	100%	137%
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5.1	<p>Discussions on the City Deal are still on-going. A key element to be agreed is the scale of the Earn Back formula, and the agreed level of additional business rates that would be paid to the West Yorkshire and York Authorities going forward. Specifically the Authorities need clarity on an acceptable level of 'new' funding that would be a future income stream to the West Yorkshire and York Authorities.</p>																																																
5.2	<p>A number of further areas are still under discussion, and it is the view that agreement is being aimed for by Autumn 2013, allowing an implementation of the Fund in April 2014.</p>																																																
5.3	<p>The areas still under discussion include:</p> <ul style="list-style-type: none"> • The geography of the Local Transport Board and Combined Authority • Securing long term commitments to funding from DfT • Early release of block funding at the start of DfT spending periods • Securing rail devolution • Agreement on DfT role in developing and delivering improvements identified in the Yorkshire Rail Network Study (such as electrification of the Caldervale and Harrogate lines) 																																																
5.4	<p>The availability of Earn Back as a future revenue stream has not been taken into account when building up the Financial Model, and profiling borrowing powers.</p>																																																

	<p>This approach is prudent, and creates the potential for future flexibility around a number of future choices around how this future revenue is used, which could include some or all of the following:</p> <ul style="list-style-type: none"> • Delivery of longer term transformational transport schemes, for example a fixed-link to the Airport • Global or targeted subsidy of different transport costs, such as for example reduced bus fares for young people or people/families with low income • Transport investment with an added emphasis on regeneration or urban realm schemes (such as town centre pedestrianisation/urban quality schemes)
5.5	<p>It should also be noted that additional revenue income associated with increased public transport usage has not been assumed as a revenue stream to service the debts of the Fund. The current work suggests the level of this additional income revenue would be significant, and within a Quality Contract framework (or an acceptable Bus Partnership arrangement) or devolved rail framework it would be an important revenue future steam. This revenue could present the same opportunities as described in the previous paragraph.</p>
5.6	<p>The scale of Earn Back is still being negotiated, but has been estimated (from the Greater Manchester experience) as generating of an income of £20m per year, which could generate £300m plus of spending power. This could become available 5 years after the start of the Fund.</p>
5.7	<p>The scale of additional public transport revenue would also be significant. Access to it will be influenced by the arrangements for Rail Devolution and whether a Quality Contract or Bus Partnership Framework is in place. With the Core package in place, the analysis forecasts a growth of circa 20 million public transport passengers (bus, rail and NGT) per year by 2024 This suggests a significant level of net 'new' funding in the tens of millions per year, if some or all of this can be captured by the public sector.</p>
6.0	Relationship with York
6.1	<p>At the outset it was considered possible that expenditure in West Yorkshire could have direct and significant impacts in York and vice versa. Subsequent analysis has shown that two largely discrete and independent Core Packages have been identified for priority delivery within 10 years.</p>
6.2	<p>The option of a joint Fund for West Yorkshire and York is therefore not mutually dependent. However there is benefit in considering the establishment and management of a Fund jointly, even if the decisions on the scale of allocations between the two areas, is clearly dictated by the scale of input from each area.</p>

6.2	As longer term projects are developed there is scope to consider the concept of joint funding and the equitable allocation of funding from each area. This could apply to the work on electrification of the Leeds-Harrogate -York rail line for example.
7.0	Next Steps
7.1	Each District Council needs to consider the scale of year on year contributions they would need to commit to establish a combined spending power of circa £1 billion. Similarly they need to endorse the Core Package of priority investments that the Fund would deliver.
7.2	If agreed then a delivery phasing programme would be established, and detailed work carried out to refine and optimise schemes development to get the most effective, value for money designs. This would involve consultation with members, public, businesses and partners
7.3	The full agreement to commit to District expenditure to the Fund should be conditional on on-going City Deal negotiations. A key benefit of establishing a West Yorkshire Plus Transport Fund would be to enable access to additional funding that would be earned through the Earn Back process. The scale of that earn back would determine the scale of further investment that could be delivered in WY, beyond the Core Package.

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ANNEX B – Scheme Prioritisation and Modelling

1. Schemes located outside the City of York but with particular potential to offer benefits to both West Yorkshire and York were investigated but were recognized as being schemes that will take longer than the initial 10 year period of the fund to develop, design and deliver or will require funding over and above that which is allocated from the initial £1bn. A contribution ‘top-sliced’ from the fund provides a commitment to the detailed development and business cases required for schemes - such as Harrogate line improvements.
2. Projects based within York were considered but the numbers (of potential schemes) were strictly limited by analysis cost and available budgets. An initial long list of ten potential major projects was identified in discussion with the Cabinet Member with responsibility for Transport. These are listed in Table A.

Table A – Initial Long List of Schemes

Initial Sift Rank Order	Scheme Description
1	York Central Access, new access road via A59, pedestrian access from station area, sustainable access routes, Queen Street bridge demolished and bus interchange within wider station frontage redevelopment
2	A19 Bus Lane and Improved access to and egress from Designer Outlet P&R
3	Clifton Moor Park & Ride and corridor improvements
4	PT Improvements 2 – City Centre bus priority infrastructure and traffic management
5	Northern Outer Ring Road Improvements - Low Intervention (r/b upgrades)
6	Northern Outer Ring Road Improvements - High Intervention (Dualling and grade separated selected junctions)
7	Northern Outer Ring Road Improvements - Medium Intervention (r/b upgrades, and dualling across the river and ECML bridge sections)
8	PT IMPROVEMENTS 1: Enhanced Bus Network (PT2 measures+fare interventions+hybrid buses)
9	PT IMPROVEMENTS 3: Bus/Rail Interchange and York Station approach area improvements. Transformational transport hub - no link to York Central assumed
10	Haxby station

3. WYTF+ prioritisation methods were used to prioritise and select the schemes that make up the York package focusing on the delivery of the maximum net increases in GVA and jobs within the York context.
4. A summary of the modelling process is as follows.

- Schemes run through the York Transport Model (CUBE/SATURN). Summary modelling statistics and changes in generalised cost skims output.
- Output fed into the SDG UDM model (Land Use Planning and Transport Interaction)
- Outputs provided in terms of GVA and Jobs created.

5. The performance of the ten schemes is as shown below

Scheme name	Adjusted capital cost (2012 prices, inc OB) - contribution from fund (£m)	Whole life cost to the fund (£m NPV)	Net York employment change in 2026 compared to the baseline	Net York direct GVA change in 2026 compared to the baseline (£m in 2009 prices)	GVA/per £ of whole life cost	Ranking	Cumulative capital cost (£m)	Cumulative jobs impact (will include some double counting between schemes)	Beneficiaries (Districts)	Scheme Type
York Central Access Road	13.7	5.1	1,303	92	18.0	1	14	1,303	York	Highway
A19 Bus Lane and access to Designer Outlet P&R Improvements	1.9	0.3	49	3	11.9	2	16	1,352	York	Multi-modal corridor
Clifton Moor Park & Ride and corridor improvements	9.8	2.8	56	3	1.1	3	25	1,408	York	Multi-modal corridor
PT Improvements 2 – City Centre Infrastructure	7.2	2.7	24	1	0.5	4	33	1,433	York	Multi-modal improvements
Northern Outer Ring Road Improvements - Low Intervention	37.6	14.6	100	6	0.4	5	70	1,533	York	Highway
Northern Outer Ring Road Improvements - High Intervention	212.6	74.1	516	28	0.4	6	283	2,049	York	Highway
Northern Outer Ring Road Improvements - Medium Intervention	91.4	36.0	229	11	0.3	7	374	2,278	York	Highway
PT IMPROVEMENTS 1: Enhanced Bus Network	20.5	24.9	76	4	0.2	8	395	2,354	York	Multi-modal improvements
PT IMPROVEMENTS 3: Bus/Rail Interchange and York Station approach area improvements	28.7	8.8	-6	0	0.0	9	423	2,348	York	Multi-modal improvements
Haxby station	7.7	7.9	-76	-5	-0.6	10	431	2,272	York/Leeds	Rail

6. The top five schemes were taken forward to form the York package.

ANNEX C

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West Yorkshire and York Local Transport Board
Memorandum of Understanding
Between
West Yorkshire Integrated Transport Authority and
City of York Council
March 2013

Introduction

1. The Department for Transport (DfT) plans to abolish the current competitive process where scheme promoters compete for funding from the 'national Major Scheme funding pot'. From the 2014 Spending Review period, the DfT will devolve and distribute funding based on population to voluntary local partnerships and with decisions on this funding being taken by accountable local partners. This new local partnership is to be known as a 'Local Transport Body' (LTB).
2. The DfT have advised that a share of the national Major Transport Scheme funding pot will initially be allocated based on the proportion of the national population in West Yorkshire and York. Indicative allocations are as shown below:

Indicative Funding Allocations from Major Scheme Funding Devolution			
Funding Period	West Yorkshire	City of York	Total
2015 - 19	£55.0m	£5.0m	£60.0m
2019 - 25	£112.6m	£10.2m	£122.8m
Totals	£167.6m	£15.2m	£182.8m

3. As a part of the City Deal, the West Yorkshire local authorities are working collaboratively to create the West Yorkshire and York Transport Fund by April 2013 and a Combined Authority potentially by April 2014. The new Fund will include devolved major transport scheme funding as well as other sources of funding.
4. Following detailed consideration by the West Yorkshire District Councils, West Yorkshire Integrated Transport Authority and City of York Council it is proposed to establish the West Yorkshire and York Local Transport Body in accordance with the requirements of the DfT.

Agreement

5. For the period before the proposed Combined Authority is established (“the Interim Period”), it is proposed that the LTB functions be administered by the West Yorkshire Integrated Transport Authority (WYITA). This MoU covers ‘the Interim Period’ and how WYITA and CYC intend to work together to produce a common line of action during this time.
6. At the point the Combined Authority is established, the LTB functions will be assumed by the arrangements to be put in place for the Combined Authority. At this stage the parties acknowledge that the future arrangements for the LTB and the Combined Authority have yet to be approved as part of the Statutory Review under the Local Democracy Economic Development and construction Act.
7. During the Interim Period, the LTB will comprise the Executive Committee of the WYITA until the establishment of the Combined Authority arrangements.
8. The LTB will agree a prioritised list of programmes and projects to be funded from the resources within the proposed Transport Fund. During the Interim Period an elected Councillor nominated by the Leader of City of York Council may attend all meetings of the LTB or any committee of the WYITA at which LTB business appears on the Agenda. Under the standing orders of WYITA the Chair will permit the York Councillor to address the meeting and participate in discussion but not vote.
9. If the Parties both agree that it would be expedient, a Joint Advisory Committee of the WYITA and City of York Council may be established pursuant to s101 of the Local Government Act 1972 to advise and make recommendations to the LTB. Any such Joint Committee would be subject to the Standing Orders of the WYITA then in force.
10. The LTB will seek endorsement to the prioritised list from the Leaders and Portfolio Holders of the District Councils of West Yorkshire and City of York Council. It is anticipated that the approved list will be submitted to DfT during July 2013.
11. The Parties agree that the prioritisation criteria for the Transport Fund shall be:
 - Primary objective – to maximise the increase in employment and productivity growth across West Yorkshire and York via the delivery of transport schemes.
 - Secondary objective - to improve the ability of people in every West Yorkshire district and York to access jobs, with a particular focus on those living in the most deprived communities, and to achieve a carbon neutral impact at the package level.

12. Whilst accepting that the primary objective of the Fund is to maximise employment and productivity, the Parties agree that York's overall funding contribution to the Fund including the devolved major scheme funding will only be directed to:

- Schemes with a mutual benefit to West Yorkshire and York (and potentially other LTB's); or
- Schemes of benefit to York and its hinterland.

Which in either case are acceptable to both parties, acting reasonably

13. In its capacity as the LTB, WYITA will only allocate resources committed to the Transport Fund and prioritise schemes in accordance with the above prioritisation criteria.

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Cabinet

7th May 2013

Transport Governance review for York

Executive Summary

1. The transport governance review set out in this report is the next stage of the city's work to create the best possible environment for its workforce, residents and business base, and builds on the city's involvement in the development of the Leeds City Region Local Enterprise Partnership (LEP). It is a critical step in the city's involvement in the City Deal for the City Region, as set out in the previous report.
2. Through the City Deal, the city of York faces an unprecedented opportunity to take greater control over a critical component of its own economic development destiny – with the transport funding and powers on offer through the City Deal. A report on the West Yorkshire plus York Transport Fund is included as a previous item on this Cabinet agenda; the governance review set out here identifies the need for the city of York to adopt governance arrangements to secure decision-making powers in the creation and investment of this Fund.
3. The overall aim of this governance review is to respond to the need for York to ensure its governance for transport is fit for purpose in light of the creation of a West Yorkshire plus York Transport Fund and the proposal for Government to devolve major scheme funding to a sub-set of Leeds City Region authorities.
4. Although some of the options entailed in the review entail a loss of some direct control over specific powers and decisions locally, the giving up of these powers will fundamentally enable the city to access a greater level of devolved responsibilities and greater ability for the city to have a say in its future strategic transport destiny.

5. What this means in practical terms is that the city will gain greater opportunity to access funding for major strategic projects like infrastructure for access to York Central, influence over rail franchising arrangements and other critical infrastructure projects that will unlock economic growth in the city.
6. Based on the opportunities presented by the City Deal and the economic case for greater connectivity with the West Yorkshire economy, the governance options are explored in this report:
- **OPTION 1:** Status Quo
 - **OPTION 2:** Creation of an Economic Prosperity Board
 - **OPTION 3:** Establishment of a Combined Authority
7. Below is a summary table setting out the analysis and cost/benefit of each according to currently available information:

Option	Benefits	Costs	Analysis
OPTION 1: Status Quo	<ul style="list-style-type: none"> • Minimal loss of control over individual powers maintained by the authority 	<ul style="list-style-type: none"> • Opportunity cost of influence over transport strategic decision-making • Continued need for providing full transport team resource • Potential loss of control over £1bn WYYTF 	Unsustainable option
OPTION 2: Creation of an Economic Prosperity Board	<ul style="list-style-type: none"> • Some degree of greater collaboration achieved 	<ul style="list-style-type: none"> • Opportunity cost of influence over transport strategic decision-making • Potential loss of control over £1bn WYYTF 	Although a change, not sufficient in terms of benefit to justify the change
OPTION 3: Establishment of a Combined Authority	<ul style="list-style-type: none"> • Greatest opportunity to have a say in control over £1bn WYYTF • Enables the greatest level of joint collaboration between York and West Yorkshire authorities in strategic transport 	<ul style="list-style-type: none"> • Loss of some local strategic decision-making power • Power to set a transport precept in York is given to the Combined Authority 	PREFERRED OPTION: This option allows the authority the greatest opportunity to take advantage of City Deal powers

	planning and bidding for local transport funding <ul style="list-style-type: none"> • Greatest ability to leverage York's co-investment in the WYYTF 		
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8. Based on the options appraisal, the preferred option identified is **Option 3**, with the understanding that a special arrangement may be required for how York is involved in the CA given the need to overcome critical primary legislation restrictions which prohibit the creation of a Combined Authority between non-contiguous local authority areas and as to how the transport functions/powers (see paragraph 69) that will be transferred to the CA are managed and applied locally to York.

The aim of the governance review

9. The previous report on emerging opportunities for York from the Leeds City Region City Deal identified the rationale for supporting greater connectivity and market integration between York and Leeds City Region economies as part of a natural functioning economic market area (FEMA).
10. However, delivery of the City Deal is through a sub regional 'coalition of the willing' model, based on the principles of self-help such as active resource pooling and investment in those assets and infrastructure which will do the most to correct market failures. For example, road congestion and rail over-crowding leading to poor connectivity and access to jobs within and between local authorities and to markets, has been holding back our economic prosperity.
11. This is being addressed via the proposed commitment to establish a £1bn Transport Fund between WY and York, outlined in the previous report, which includes as part of the City Deal a devolved 10 year allocation of £182m from DfT's major transport scheme budget. It is anticipated that prioritising £1bn of investment against a Single Appraisal Framework and in line with the LCR Plan will create uplift in GVA of 2% (£1bn p.a.) and increasing permanent jobs by some 20,000 in the medium term.

Requirement for a Statutory Review

12. As a result of the substantial package of devolved funding and powers on offer, in particular in relation to Transport, the City Deal also commits the participating authorities to formally reviewing the governance arrangements for their area of the City Region¹. Going forward, this is to ensure that these arrangements are fit for the purpose in delivering the ambition of the City Deal.
13. This Review is to test the proposition that a Combined Authority (CA) is the best governance option against the Statutory test under Part 6 of the Local Democracy, Economic Development and Construction Act, 2009 (LDEDC) being likely to improve:
 - the exercise of statutory functions relating to transport, economic development and regeneration;
 - the effectiveness and efficiency of transport; and
 - the economic conditions of the area.
14. However, there is a fundamental legislative barrier currently preventing city of York from formally joining the Combined Authority as a full constituent member, which is being reviewed by Government Departments, but which will need to be taken into account in this review. The LDEDC Act 2009 currently prevents authorities with non-contiguous boundaries forming a Combined Authority.
15. Nonetheless, given the strength of the case for greater market integration between City of York and Leeds City Region, the option of full membership and other forms of membership of the CA are considered fully in this review. Should it be determined that full membership of the CA is the preferred option, the city of York will work with West Yorkshire authorities and Government officials to identify options for resolving these legislative barriers to this option.

¹ West Yorkshire covers the local authorities of Bradford, Calderdale, Kirklees, Leeds and Wakefield and also the West Yorkshire Integrated Transport Authority, which is the Local Transport Authority for the area. Subject to the legislation and agreement by each local authority, others would also have the opportunity to join the Combined Authority, so in the future this could expand to cover the whole LCR LEP area including York and potentially the North Yorkshire Districts of Selby, Craven and Harrogate. There are separate proposals for Barnsley, which is also part of LCR, to be part of an adjoining Sheffield City Region CA.

Key steps

16. Subject to the outcome of the governance review, the City Deal commits partner authorities to preparing a draft Scheme for the Combined Authority for consideration by the Secretary of State by July 2013. The Secretary of State would consult, including with the Authorities concerned, and if he concludes a CA will reflect the interests of local communities and secure effective and convenient local government, a draft Order would then need to be approved by both Houses of Parliament to bring the new body into being by April 2014, in line with the City Deal Implementation Plan.
17. By November 2012 the five WY local authorities, the West Yorkshire ITA and City of York Council had therefore individually agreed to
 - undertake a review of governance arrangements relating to transport, economic development and regeneration pursuant to Section 108 of the LDEDC Act 2009. ;
 - authorise Chief Executives in consultation with Leaders to prepare the Review including a consultation draft Scheme for a CA, subject to the findings of the Review;
 - note the provisional timetable for delivering the City Deal commitment to establishing a CA by April 2014, in order to be in a position to receive significant devolved powers and funding via the City Deal (this would require a final Scheme of governance to be submitted to the Secretary of State by July 2013); and
 - also, have agreed to a WY and York geography for the devolution of post 2014 major transport Scheme funding.
18. WY and York Chief Executives have progressed with the preparation of this Review in line with the Government's consultation on draft statutory guidance through an officer task group chaired by the Hon Secretary of the Association of West Yorkshire Authorities (AWYA) and drawn from the local authorities of West Yorkshire and York and the ITA².

A note on the CA Model

² The draft Review has drawn upon the views of key external stakeholders, including the LCR LEP, and also an independent panel of experts chaired by John Jarvis, former Director of Transport for the Northern Way, and including Jim Steer, founding Director of Steer Davies Gleave, Professor Peter Mackie, University of Leeds Institute of Transport Studies, and Professor Mike Campbell, former Director of Research and Policy of the UK Commission for Employment and Skills.

19. As the areas covered by functional economic market areas (illustrated by, for example, travel to work areas) are typically significantly larger than the areas of individual local authorities, there is considered to be scope for improvements to be made to economic outcomes through joint decision making and close coordination of delivery activity across these economic areas.
20. A CA is statutory body which takes on the combined role of Local Transport Authority and Economic Prosperity Board (EPB) for an area by agreement with the constituent authorities and Government. In an area which already has an ITA as the Local Transport Authority, the ITA would need to resolve to be dissolved so that its functions could be transferred to the CA. The constituent local authorities need not cede any functions to the CA, such as highways or economic development functions, although they may choose to do so or to share appropriate functions with the CA, where this would demonstrably improve economic conditions. The CA provides an opportunity to take on powers and funding which would otherwise be managed from Whitehall.
21. The CA model therefore allows groups of relevant Authorities to work closely together on a voluntary basis to provide a framework to deliver improvements in transport across their sub-regions and appropriate economic investment activity. They are intended to support improved strategic decision making on these issues.
22. By establishing a CA, a group of relevant Authorities is able to create a sub-regional 'body corporate' with legal personality that can act across their combined area in conjunction with the constituent authorities. This body would be able to take on agreed transport and economic investment functions providing a mechanism for governing and managing these activities at a strategic and integrated level across the sub-region.
23. As a Combined Authority has a separate legal identity from the constituent authorities it is able to hold budgets, employ staff and enter into contracts (e.g. to act as accountable body for funding distributed by Government) and to collaborate with local authorities within the wider LCR functional economy. The activities of the CA are governed by its members, a majority of whom must be elected members of the constituent local authorities, ensuring its local democratic mandate. A CA makes the delivery of strategic

decisions more streamlined and efficient, e.g. by removing the requirement for each local authority to ratify the same decision separately.

The Review document

24. The previous report identifies the evidence as to why the city of York and wider Leeds City Region are not performing to their full potential and could benefit from greater market integration that a Combined Authority would enable. It also identified the opportunities and commitments related to securing devolved powers and funding through the City Deal which could address these issues.
25. The remaining sections of this document cover:
 - an overview of the current city of York and wider City Region governance arrangements;
 - an appraisal of the options for improving city of York governance against the relevant statutory test and their comparative ability to deliver the City Deal; and
 - conclusions.

Current governance arrangements

26. The below section provides an overview of the current governance arrangements for the city of York and the wider Leeds City Region regarding transport decision-making and investment.

City of York Council (CYC) Transport Governance

27. As a unitary authority, the City of York Council retains statutory responsibility for delivery of transport planning, public transport and highways. The Council has a statutory duty to produce and keep under review a Local Transport Plan (LTP), for which York is on its third LTP currently, which covers the period 2015 to 2031.
28. CYC receives specific grant funding from the Department of Transport (DfT) for transport improvements and maintenance. Under the Local Transport Capital Block Funding for 2013/14 CYC is to receive £3.4m (£1.6m for Integrated Transport and £1.8m for Highway Capital Maintenance). This provides the means to fund “Local Transport” schemes (via the Integrated Block) and highway

maintenance. Under the current proposals for the West Yorkshire Plus Transport Fund there would be a 40% top slicing of the Integrated Block as a contribution to the Fund from all participating local authorities.

West Yorkshire Metro – Integrated Transport Authority

29. Currently in West Yorkshire, a range of duties, powers and functions for transport and highways is split between the West Yorkshire Integrated Transport Authority (WYITA), the West Yorkshire Passenger Transport Executive (WYPTE), and the five West Yorkshire local authorities. The WYITA and WYPTE (collectively known as “Metro” in WY) are both statutory bodies created under the Transport Act 1968 to secure public transport services and facilities required for WY. Under the Transport Act 1985 Metro is also responsible for procuring public passenger transport services following the de-regulation of the bus market. Metro has a duty as the Local Transport Authority to ‘secure or promote the provision of a system of public transport which meets the needs of the area’.
30. The role of ITAs was further strengthened with the Local Transport Act 2008 which introduced their sole role for developing integrated transport strategies for their areas. In West Yorkshire, this includes producing key transport strategy documents:
 - The Statutory Local Transport Plan and management of the transport allocation from DfT
 - WY Freight Plan
 - Network Management Plan
 - Rail Plan; and
 - Cycle Plan
 - Transport Asset Management Plan (TAMP)
31. The local authorities retain control of highways functions including highways maintenance and traffic management. The WYITA is also:
 - empowered to create bus franchising schemes and bus services strategy

- responsible for administering the English National Concessionary Travel Scheme for subsidising public transport;
 - party to rail franchise agreements;
 - responsible for reviewing rail passenger services and advising DfT under the Railways Acts.
 - Responsible for delivering passenger transport information and facilities
32. The WYITA funds the WYPTE which, as its statutory executive body, has the responsibility of implementing WYITA policies. WYITA is funded by
- the levy on the local authorities.
 - DfT rail and other grants
 - DfT major scheme grant funds

The Association of West Yorkshire Authorities (AWYA)

33. Although transport functions are formally undertaken by CYC and WYITA separately, there has been some work undertaken to establish structures to achieve a modicum of integration and alignment.
34. In recognition of the strong economic links to West Yorkshire, the City of York Council has recently become an associate member of the Association of West Yorkshire Authorities (AWYA) which has been in existence for almost 20 years. Its Council group, which consists of the Leaders of the five member Authorities, meet every six weeks.
35. The role of the AWYA is to:
- Consider matters which are of West Yorkshire-wide significance. Recent issues have included: transport funding; shared services, including highways and transportation; capacity building; City Regional issues; community cohesion; community safety and policing, and waste management.
 - Monitor the budgets of all joint West Yorkshire Authorities and offices, including, the WYITA, the WY Police and Crime Commissioner (WY PCC), the Fire Authority (WYFA) and

Joint Services (WYJS), and make nominations to the Boards of the Authorities.

Leeds City Region Partnership: LEP and Leaders Board

36. At the wider functional economic market area level of the City Region³, the eleven participating local authorities, including the 5 WY local authorities and the ITA have been collaborating on the economic growth agenda for almost a decade. This has been on the basis of the City Region being one of the most economically self-contained functional economic areas in the country (having some 95% of people working in LCR residing in its boundaries).
37. In April 2011, the LCR Local Enterprise Partnership (LEP)⁴ was established as one of the first in the country. And later that year the LEP Board and Leaders Board launched their jointly agreed Plan. Work is currently being undertaken to develop an overarching Strategic Appraisal Framework to provide the basis for transparent assessment of transport and economic investment. Further back, the LCR partnership became formalised as legally constituted Joint Committee of Leaders in 2007 (the LCR Leaders' Board). Under Section 2 of the Local Government Act 2000, the Leaders Board is empowered to discharge, on behalf of the member Councils, the promotion and improvement of the economic wellbeing and competitiveness of the City Region.
38. In addition to working with the Leaders Board, the LCR LEP's additional key areas of focus and interest include delivery of the Growing Places Fund, Inward Investment, Skills, and Low Carbon. These agendas are supported through the LCR Employment and Skills Board, the Business Innovation and Growth Panel, and the Green Economy Panel respectively.
39. Further, DfT has stated that LEPs are expected to play a key role in transport:
 - via membership of the Local Transport Body (LTB) which is required by DfT to prioritise and allocate devolved post 2014

³ Leeds City Region's geography comprises the local authority areas of West Yorkshire, plus Barnsley, York, and the North Yorkshire District areas of Selby, Craven and Harrogate.

⁴ LCR has three LEPs covering all or part of its area: LCR, Sheffield City Region (which includes Barnsley) and the York and North Yorkshire LEP (which includes York and the North Yorkshire Districts of Selby, Craven and Harrogate)

major scheme funding (under the LCR City Deal, DfT has confirmed a ten year allocation of £182.8m to the non-contiguous geography of WY and York);

- to inform national decision making e.g. on the Highways Agency and DfT Pinch Point Fund programmes; and
- with Leaders, to support the case for national infrastructure investment, e.g. HS2.

40. Sitting alongside the LEP, the LCR Leaders' Board has a number of specific roles:

- To work with the LCR (LEP) on the delivery of the LCR Plan objectives.
- To prepare, review and oversee delivery of other key City Region policy and strategies, including:
 - LCR Transport Strategy (LCR Transport Panel, 2009);
 - LCR Employment and Skills Strategy (LCR Employment and Skills Board, 2010);
 - LCR Housing and Regeneration Strategy (LCR HCA Board, 2010);
 - LCR Innovation Capital Programme (LCR Business Innovation and Growth Panel, 2010); and
 - Green Infrastructure Strategy (LCR Green Economy Panel, 2010)
- To work with other key partners:
 - to seek to promote housing growth and aligning investment via the advisory HCA LCR Board and
 - to advise Leaders on issues, such as HS2 and the evidence base, such as the Yorkshire Rail Network Study, via an Advisory Transport Panel which includes relevant membership including the ITA, Businesses, Network Rail and the Highways Agency.
- Alongside the LCR LEP, to make the case for significant devolved powers and funding from Government, including the City Deal.

York, North Yorkshire and East Riding LEP

41. The City of York Council is also a constituent member of the York, North Yorkshire and East Riding LEP, which itself was established in 2011.

42. In response to the Government's announcement in the 2013 budget that LEPs will be taking responsibility for a single funding pot, the YNYER LEP is currently developing a Growth Plan for the area that it covers, although there is a clear desire from those areas that sit within two LEPs (including York, Harrogate, Selby, Craven and East Riding of Yorkshire Councils) that this Growth Plan complements and adds value in these overlapping areas to the Growth Plans and structures being developed in the overlapping LEPs – for York, Harrogate, Selby and Craven, it means the LCR LEP Growth Plan and for East Riding of Yorkshire Council, it is Hull and Humber Ports LEP.
43. The City of York Council has made clear the priority it places on the Leeds City Region City Deal, and that any Growth Plan, funding or structures developed with the YNYER LEP will need to complement this activity.

Option assessment criteria

44. The remainder of this Review considers the appropriateness of current governance arrangements for the York area going forward against other possible options, including a Combined Authority, in terms of delivering the ambition of City Deal and the LCR LEP Plan.
45. To ensure compliance with the relevant LDEDC and Local Transport Act legislation, a formal governance Review is needed to establish if a CA or other model of governance would likely bring about an improvement in the area in the following:
 - the exercise of statutory functions relating to “economic development, regeneration and transport” in the area;
 - the effectiveness and efficiency of transport; and
 - the economic conditions in the area.
46. DfT has also confirmed they are looking for partners to address the following headline issues in formulating governance arrangements:
 - effective alignment between decision making on transport and decisions on other areas of policy such as land use, economic development and wider regeneration.

- robust and streamlined decision making arrangements which allow necessary decisions to be taken on complex and difficult issues in a timely and transparent manner.
 - a real enhancement of delivery capability and capacity by taking a coherent and integrated approach to managing currently fragmented transport planning and delivery skills and capacity.
47. The Review will also consider the above statutory test against the options, noting that whilst the Government's guidance on governance reviews under the Local Transport Act has been available for some time, guidance under the LDEDC Act was only published in consultation draft form and no clear definition has been provided of 'economic development and regeneration'.
48. This Review also respects there are limits to comparisons between the options, in particular between potential options and the status quo. The existing governance arrangements are context specific and a known quantity, and the alternative potential options are considered at a high level in the abstract and would inevitably require further development in due course in order to quantify, for example, their potential impact on efficiency savings.
49. It is recognised also that creating appropriate governance structures alone is unlikely to achieve in full the ambitious vision for the City Region. The importance of issues of policy design, culture and values is also key. The optimal governance model needs also to:
- confront the need for evidence and vision;
 - create the capacity for experts to talk to politicians and business and vice versa and for clear agreement to be reached on the most challenging strategic issues; and
 - create the space for debates that national politicians find difficult to manage and thereby demonstrate the capacity for greater devolution of responsibility in future.

Option Assessment

50. This Section examines the effectiveness of existing governance structures at the City of York Council and at city region level and considers their appropriateness against that of other possible governance models. Analysis of the following options is provided:

- **Option 1: Status Quo:** Leaving existing CYC governance unchanged (status quo);
- **Option 2:** Establishing an Economic Prosperity Board (EPB);
- **Option 3:** Establishing a CA with WY authorities;

OPTION 1: Status quo

51. The governance status quo at is described at section starting para 70; at WY level the arrangements have proved durable for the following reasons⁵:

- the local authorities and the ITA have generally developed sound transport strategies and programmes under LTP;
- the current range of powers at local authority level is generally understood and able to ensure that local interests are served in a flexible and broadly accountable way, with a direct political mandate and legitimacy from the electorate;
- the local authorities have progressively modernised their constitutions and have proved increasingly able to balance their own local needs with the wider economic and social interests of the City Region;
- likewise, there are instances where the local authorities already accept the political, practical or efficiency arguments for cross-boundary co-operation and pooling of resources, such as between WY Authorities on procurement and, via the City Deal, in developing the WY Plus Transport Fund; and
- comparative experience from elsewhere in the UK and overseas does not generally support the case for radical structural reform and major re-distribution of powers, and tends more towards “evolution” rather than “revolution.”

52. The existing strategic bodies for which consider arrangements for the local authorities are the AWYA and the LEP. AWYA has no strategic transport remit, as this rests with the ITA. Neither AWYA nor the LEP are statutory bodies, and they have no legal personality; they can therefore hold no functions or funding in their own right. They are not able to take on the devolved powers and funding on offer via the City Deal.

⁵ See also the Review of Transport Governance in Leeds City Region, Atkins, 2008

53. Economic development functions remain within the local authorities, and transport functions sit with the ITA and the PTE. There is currently no single streamlined and accountable body in place across WY to make decisions, manage risk, set strategy, manage delivery, assess performance and report on progress in relation to the City Deal.

Benefits

54. The primary benefit to **Option 1** is that CYC retains full control over its existing statutory functions, leaving the local authority in control of transport planning, public transport and highways.
55. Further, this option requires no change and thus minimises the resource required to develop new governance structures.
56. CYC has already agreed to form a Local Transport Body (LTB) with the West Yorkshire local authorities. This has been agreed with the Department of Transport and future major transport scheme funding will be allocated to this body. Interim arrangements are being established until a WY Combined Authority is set up. A Memorandum of Understanding is being established between the Integrated Transport Authority for West Yorkshire and CYC. Such an agreement could be drawn up with a West Yorkshire Combined Authority.

Costs

57. There are potentially significant costs to the city should the status quo be sought. The obvious cost is the lack of decision-making control it offers the city over the WY plus York Transport Fund – which currently is controlled by a LTB which includes York, but which if a CA is created with the West Yorkshire authorities only, will place York **outside the main** decision-making structures controlling this funding. At least, some kind of Joint Committee would need to be formed between the CA and CYC to ensure the city has a say in the decisions made regarding the Transport Fund.
58. In addition, the city stands to lose out on further devolution in transport funding and decision-making, as the Government progresses the agenda for decentralisation and devolution.

59. By opting out of City Deal governance opportunities, it becomes more difficult for the city to work jointly with West Yorkshire to then leverage further the West Yorkshire plus York Transport Fund – against which the city and WY authorities could seek to attract further external investment, whether in the form of private sector or sovereign wealth funds to further enhance investment in the sub-region’s infrastructure.
60. The following are some illustrative examples of the strategic fragmentation which currently exists and why the status quo is sub optimal in terms improving economic outcomes in line with the LCR Plan and the statutory test:
- As part of the City Deal, DfT has announced a working ten year post 2014 devolved major transport scheme funding allocation of £182m for WY and York. Unless governance is reformed this funding will only go to WY&Y LTB for four years as per other areas across the country, and will have no opportunity for leveraging this funding further through earn-back models or co-investment. This funding will however form a key part of the proposed £1bn WY Plus Transport Fund, which is being driven by the economic agenda led by AWYA and the local authorities.
 - It is anticipated that some similar barriers will be encountered in establishing the proposed £400m Economic Investment Fund. Moreover, there will be a specific challenge of taking on accountable body status in respect of Government’s proposals to devolve a single pot from Whitehall and also EU funding in the absence of a single statutory Economic Development body either at the WY or City Region level.
 - As a final example, at the moment, York has less direct involvement and influence on issues such as the Northern and Transpennine franchises as this work is currently being led by the Integrated Transport Authority and would be led in the future by the Combined Authority .

OPTION 2: Establishing an Economic Prosperity Board

61. A second option is to put in place an Economic Prosperity Board (EPB) under the 2009 LDEDC Act for the area of West Yorkshire and York.
62. As a statutory body it would share many of the features of a Combined Authority in that it would have legal personality and would provide a strong basis for taking on devolved powers and funding relating to economic development and regeneration, e.g. accountable body status for an economic development single pot or EU funding. However, the EPB would not take on transport powers.

Benefits

63. The benefit of Option 2 is that whilst it strengthens governance arrangements for collaboration in economic development-related activity, whilst minimising the change required to the governance of transport-related activity.

Costs

64. Because the EPB could not raise a levy, nor have borrowing powers to fund investment, it would not provide an appropriate governance arrangement for the creation and management of the proposed WY Transport Fund, which is a key driver for governance reform. Further, fragmented strategic transport and economic development governance at WY and York level would not provide a convincing proposition to Government for taking on with others, including Sheffield and Manchester, the devolved northern Rail franchises.
65. The consultation on draft statutory guidance for establishing EPBs and CAs similarly concludes:

“ITAs and EPBs can coexist without forming a combined authority, but, as there are obvious benefits to be gained from a coordinated approach to economic development, regeneration and transport, and to avoid the proliferation of different structures at the sub-regional level, it is likely that a combined authority will be more appropriate than separate ITAs and EPBs in the same area. This means that where

there is already an ITA in an area, relevant authorities that have concluded that similar arrangements would be appropriate for economic development and regeneration functions (which may include the ITA itself) should expect to establish a combined authority that incorporates the ITA, rather than establishing an EPB in the same area.”

OPTION 3: Establishing a Combined Authority with West Yorkshire

66. The above options of: status quo and creating an EPB have considerable strategic weaknesses, in particular their fitness for the purpose going forward of supporting the ambition of the City Deal and the LCR Plan. The third option considered is for the establishment of a Combined Authority for the area of West Yorkshire and York. As described above, a CA model brings together the functions of an EPB and strategic transport, and in WY this would therefore necessitate the abolition of the ITA.
67. However, presently, legislation requires that authorities establishing a CA must have contiguous boundaries, such that York and West Yorkshire are unable to legally pursue a full CA model under current legislation.
68. Nonetheless, as a condition of the City Deal arrangements for transport, the city of York is considering full membership of the CA a governance option, and should it be deemed the optimal solution, engagement will be undertaken with the appropriate Government Minister and departments to seek a way forward to legislative change to pave the way for this option to be realised.
69. A West Yorkshire and York Combined Authority would take on all of the responsibilities and functions of the West Yorkshire Integrated Transport Authority and the equivalent responsibilities and functions currently carried out by CYC. For York there would therefore be a transfer of powers to the Combined Authority for:
 - The planning and funding of socially necessary (subsidised) bus services
 - The provision of public transport information services
 - The management and maintenance of bus interchanges, bus stops and shelters
 - The running of concessionary travel schemes (currently done with North Yorkshire County Council)

- Bidding for new transport funding opportunities, recent examples would have been the Local Sustainable Transport Fund and the Better Bus Area Fund
- The receipt and allocation of DfT's capital allocations for Integrated Transport (LTP Schemes) and for Highways Capital Maintenance
- Potentially the running of and revenue streams from Park and Ride
- Partnership working with private bus operators to improve bus services
- The development and delivery of a Local Transport Plan and thereby the transport strategy, policies and investment priorities for the area

Benefits

70. A CA model could address the weaknesses of the other options and deliver significant benefits if one could be achieved.
71. A CA would provide a visible, stable and streamlined body corporate to which Government can be confident in devolving powers and funding, such as via the City Deal, which would otherwise be controlled by Whitehall. It would for example be ideally placed to act as the accountable body for:
- a 10 year £182m allocation of post 2014 devolved major transport scheme funding agreed in the City Deal (LTB);
 - the accountable body for a City Region single capital pot of £400m for economic infrastructure which, because they are not statutory bodies, neither the Leaders Board nor the LEP could take on this role; and
 - in the longer term, to be accountable for an agreed share of the fiscal uplift created by locally driven economic growth.
72. It would significantly reduce the negative impact on growth stemming from role ambiguity and fragmentation in relation to strategic transport and economic investment. An effective CA would create the opportunity for various types of collaborative effort:
- as WY represents a significant (and as the evidence shows in Section 2, an economically self-contained) part of the

Leeds City Region, a CA for the area would bring a much more authoritative position on transport and the economy to the table for debate and agreement with the LCR Leaders Board and LEP and drive delivery of the LCR Plan;

- fostering a stronger shared sense of purpose which would bring a clearer focus on key regional issues, such as on improving the flow of freight in conjunction with national agencies City Regions/LEPs; and
 - with other northern Combined Authorities, putting in place a much needed counter-balance to London and to Scotland, to drive forward a long term rail strategy for the north and to take on the devolved administration of northern rail franchises, which would otherwise be managed by DfT.
73. By combining the role of strategic transport planning with an equivalent role for economic investment, a CA for the area would have the power to directly implement decisions to target the £1bn WY plus York Transport Fund at maximising jobs and GVA, without going back to the local authorities to, in effect, ratify those same decisions again.
74. Practically, this would enable the city of York to have greater opportunity for securing investment and policy decisions to invest in enabling infrastructure for sites like York Central, greater influence over rail franchising, and other key strategic priorities.

Costs

75. There are costs associated with this option, not least the challenge of achieving the primary legislation required to actually establish a CA with non-contiguous boundaries. However, this is a cost that could be overcome potentially with a clear case made on the back of this review and appropriate level of engagement with Government Ministers and Departments.
76. There are other costs to be considered, including the transfer of transport planning powers to a CA, and of course, the power that the CA will gain in setting precepts for the raising of transport funding – which will mean a step change in the way that transport finance is raised from the local tax base.
77. Further, responsibilities for transport strategy/LTP and day to day public transport operations would rest with the Combined

Authority. New funding bids (such as LSTF in the recent past) and transport capital allocations from DfT would also rest with the new Combined Authority. Delegated arrangements may be possible to manage this.

Assessment of options

78. It can be concluded that **Option 1 is sub optimal** because relevant transport and economic development functions and roles are currently fragmented and there is no single accountable body to take strategic decisions, therefore opportunities will almost certainly continue to be missed across the whole area and beyond for:

- investment in major improvements to transport and economic infrastructure;
- securing business investment; and
- drawing down funding and devolved powers to enhance the economy which would otherwise be controlled by Whitehall.

79. Option 2, whilst offering a strengthening of existing arrangements for collaboration, it does not serve a step change that is required in delivery of transport connectivity.

80. Option 3, involving the creation of a CA with the full ability to take on the devolved transport agenda as set out in the Leeds City Region City Deal is considered to be necessary to achieve the outcomes set out in paras 70 to 74.

81. The above overall assessment strongly suggests that full membership of a CA would present the optimal option for WY and the wider City Region, subject to the key issues of CA representation, scope and support structures being explicitly considered as part its detailed design and constitution.

82. However, the current complexity of the legislative challenges associated with full membership of any proposed CA for CYC is acknowledged. As such, further work with the West Yorkshire authorities and Government officials and Ministers will be required to overcome the primary legislative barriers to city of York becoming a full and constituent member of the CA.

Overcoming the legislative issues

83. As an interim measure toward achieving a full CA or as a middle ground option, CYC could seek to join the CA as an Associate Member or form a Joint Committee with the CA.

Interim option : Associate membership of a CA

84. Associate membership of a CA provides some level of decision making power and responsibilities, although would preclude full powers and responsibilities of being a full member.
85. The focus of joint transport working could be restricted to matters of strategic importance to the whole combined area. The West Yorkshire Transport Fund, rail devolution, planning and investment and other strategic connectivity issues could be made the focus for joint working between West Yorkshire and York, as opposed to the transfer of powers outlined under option 3.
86. The benefit of this option is that it provides the city of York a voting role in the Combined Authority, although it precludes the full transfer of transport authorities to the CA from CYC. The focus of joint working with York would likely focus on strategic transport, funding and connectivity issues but there would be scope to establish what the scope of joint working could be.
87. However, the main cost associated with this option is that it is a halfway house, which could see the city of York in particular coming out of step with the WY CA in terms of raising finance to invest in the WYYTF. Not have a levy but could still contribute funding
88. The city would, as a result, have less scope to achieve economies of scale and efficiencies as less likely to include more operational matters. There would also be less opportunity to explore sharing of capacity and/or shared services in the delivery of priorities.
89. The option of forming a joint committee with the CA is an option that would follow the existing model established in Greater Manchester by which the Transport for Greater Manchester Committee (TfGMC)

90. TfGMC and its sub committees are formed from a nominated pool of 33 councillors to manage the TfGM and create transport policy on behalf of the GMCA, TfGMC also elects its own Chair and Vice-Chair.
91. The committee assumed the roles of the previous Greater Manchester Integrated Transport Agency (GMITA) as well as the newly devolved transport powers and responsibilities from Government and the Councils. These councillors have voting rights on most transport issues despite not being members of the GMCA; however, some decisions still require approval by the GMCA, the functions which are referred (but not delegated) to the TfGMC would include making recommendations in relation to
- The budget and transport levy
 - Borrowing limits
 - Major and strategic transport policies
 - The local transport plan
 - Operation of Greater Manchester Transport Fund and approval of new schemes
 - Appointment of Director General/Chief Executive of TfGM
92. Such arrangement means that the joint committee option offers less of a voice in decision-making for the city of York in the emerging city deal powers and funding for transport.

Conclusions

93. The following can be drawn from the above options assessment:
- There is no single strategic transport and economic development decision making body at the West Yorkshire and York level.
 - There is evidence of fragmentation and lack of integration in decision making which will be an impediment to delivering proposals to establish a £1bn West Yorkshire Plus York Transport Fund.
 - Current governance arrangements not being optimal is one of the reasons why the York economy, as well as West Yorkshire and wider City Region economy is underperforming.
 - The existing governance arrangements for transport decision making and investment for the city of York can be improved upon.

- Various options have been considered, including leaving arrangements unchanged, strengthening or restructuring existing governance arrangements, and establishing a CA.
- A Combined Authority would be able to bring together key decision making powers into a single body.
- A strong Combined Authority, exercising appropriate strategic transport and economic functions, would provide a visible, stable and statutory body and could for example act as the accountable body for the LCR Single Capital Pot proposed in the Heseltine Review, as part of the proposed LCR £400m Economic Investment Fund.
- Such a body will attract greater devolved powers and funding, which would otherwise be controlled by Whitehall.
- A WY plus York Combined Authority would also streamline the relationship between the individual authorities and the LEP and Leaders Board.
- A strong CA would help in engagement with national agencies and create the opportunity for various types of collaborative effort with adjoining and other northern Combined Authorities to put in place a much needed counter-balance to London and to Scotland e.g. for devolving the power to let rail franchises at the pan regional level.
- The economic conditions of WY and the wider City Region would as a result likely be improved by putting in place a CA.

94. It can therefore be concluded that for the City of York, full membership of a CA to be created with West Yorkshire authorities is the best option for the area and because it would be likely to improve:

- the physical connectivity of the York and West Yorkshire economic areas, bringing the benefits outlined in 70 to 74;
- the effectiveness and efficiency of transport;
- the effective exercise of statutory functions relating to economic development, regeneration and transport in the area; and
- by extension, the economic conditions in the area.

95. However, as an interim measure, the option of creating a West Yorkshire CA with CYC taking Associate membership would provide a suitable alternative, which would then enable the city of York to work with West Yorkshire authorities and the necessary

Government departments on overcoming the issues presented by the current primary legislation restricting York's full membership.

Recommendations

96. Members are recommended to:

- Agree Option 3, subject to resolution of primary legislation
- Agree to Associate membership in the interim.

Reason: This provides the best option for delivering the benefits listed in paragraph 94.

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Cabinet**7th May 2013**

Report of the Cabinet Leader

Economic Infrastructure Fund – Proposals**Purpose**

1. This report sets out three proposals for Economic Infrastructure Fund (EIF) allocations: (1) LCR Revolving Investment Fund (RIF); (2) LCR transport infrastructure proposals; and (3) Economic Inclusion.

(1) LCR Revolving Infrastructure Fund (RIF)**Background**

2. As set out in the Cabinet report, Growing the York economy – working with the Leeds City Region Partnership, the city of York is a signatory authority for the Leeds City Region City Deal.
3. The City Deal includes a proposal to create a Leeds City Region economic investment fund, which will be created by local authority contributions and ultimately matched by Government, with the further potential to leverage private sector funding additionally.
4. The Leeds City Region's aspiration is to create a Fund of up to £500 million that could be invested in projects that support economic growth, with financial returns being reinvested on a revolving basis. Based on the impact of investments made by the Regional Development Agencies, such a Fund might be expected to support regional Gross Value Add growth, over time, of up to £3billion.¹
5. The Fund will enable the city region to invest in the city region's economic infrastructure, ultimately giving the investing local

¹ Based on Pricewaterhouse Coopers analysis of £500m Fund, attracting leverage at a ratio of 1:3 from the private sector – creating £2bn initial investment capacity. Assumes Fund is “revolved” three times to deliver investment of £6bn. Estimated impact of £6bn investment, increase in GVA of up to £3bn.

authorities an opportunity to both experience the growth that will result from the investments made by the fund, and a commercial return on their investment.

6. The Fund will only invest in projects that can offer a commercial return. As a “revolving investment fund”, the Fund will recycle return on investment back into the Fund. Public sector returns from the Fund will be recycled within the wider Investment Fund for the benefit of the City Region economy. This approach, supported by the governance arrangements outlined, allows all public sector investors to gain local benefit over time.
7. The Revolving Investment Fund will focus on investment opportunities that can create or accelerate economic growth and offer a commercial return. Its purpose will include:
 - Developing and offering a range of finance products (e.g. debt, equity, guarantees) to meet identified market need and accelerate economic development;
 - Providing finance on a commercial basis for investments that are aligned to the delivery of the LCR strategic economic priorities;
 - Making investments which complement – and are additional to - other local and national funding initiatives available in the LCR (including, for example, “West Yorkshire Plus” Transport Fund and UK-wide
 - Central Government supported funds such as UKGI) to ensure limited resources are targeted at activities that are truly additional;
 - Encouraging private sector investment into LCR; and,
 - Providing skills and /or capacity to support a more commercial approach to investment within the City Region (potentially working alongside in house public sector teams to share skills, knowledge and networks).
8. The Revolving Investment Fund will therefore operate alongside a wider range of funding mechanisms (including the Transport Fund) that can support other investments needed to grow the economy which cannot be funded on a commercial basis.

9. There are currently six of the LCR authorities agreed to co-invest in the Fund - York, Leeds, Bradford, Wakefield, Kirklees and Harrogate – each of which is contributing a share to the initial pot of funding, which will be used to kick start the Fund and enable it to start investing in projects. The initial commitment proposed from the local authorities is £18.454m, with York's proportion of this set at 8.84% of the total – or £1.632m.

Proposal

10. The proposal is for City of York Council to invest **£1.672m** from the EIF in the LCR Revolving Infrastructure Fund. This cost includes the capital investment of £1.632m and £39.82K of revenue funding required to support the development of the project. Any commitment by the Cabinet would be subject to approval of the strategic appraisal framework (SAF) and robust governance arrangements. A further report on the final governance arrangements, and management of the fund, and risk assessment, will be brought back in the future. Regular monitoring reports will also be provided once the fund is established.
11. This commitment will ensure that York benefits from the return on investment generated by the fund.

Rationale

12. The rationale for the investment is that in the current economic climate, investment in infrastructure will not happen without some degree of co-investment from the public sector.
13. The investment priorities of the fund will enable greater integration of the city of York's labour market and supply chains with the Leeds City Region and wider national and international markets. The investment made by the fund will ensure that the city's offer to both indigenous business and inward investing business is as attractive as possible.

Analysis

14. The Fund itself, with its potential to leverage further public and private sector investment is likely to produce up to £3billion in economic impact, based on PwC analysis (2012). The funding will enable the city region authorities to maximum value generated by each pound invested to priorities set by the city region authorities.

15. Not investing in the Fund would mean that York will lose potential benefits generated by the Fund, and the returns that might otherwise accrue to the city's investment.

(2) York – LCR Transport Package

Background

16. As part of the York Economic Strategy and the Council's Creating Jobs, Growing the Economy and Get York Moving priorities, there are several emerging priorities for transport infrastructure to better connect the city of York with the Leeds City Region as its natural or "functional economic market area."
17. To this end, City of York Council has been a proactive partner within the Leeds City Region City Deal, which is set to draw down devolved responsibilities and funding for transport schemes to the city region authorities taking part. The City of York Council is working through Leeds City Region Partnership structures and through the city's associate membership of the Association of West Yorkshire Authorities to create a new West Yorkshire plus York Transport Fund (WYYTF) of up to £1bn, and to prepare the city's investment priorities for appraisal for the WYYTF programme.
18. As in the case of the LCR RIF, there is a need for City of York Council to contribute alongside the other participating local authorities to enable the Government to then devolve funding to the local areas of West Yorkshire and York. As such, there is a necessary investment by CYC in the Fund of £500K, which contributes to the overall pot of funding, to which there are six total contributing authorities. The other five authorities are the five West Yorkshire authorities of Leeds, Bradford, Wakefield, Calderdale and Kirklees.
19. As part of this work to ensure that York is playing a proactive part in the development of this new deal for the city region in transport, and accessing its share of this deal, the city needs to look at kick-starting and developing the case for key schemes that could in future draw down from the city region deal.
20. It is estimated that a budget of £50K will be needed to provided capacity and for the preparation of business cases and investment propositions for the city's investment priorities to the Fund. Projects

to be included in this package will include commissioning of feasibility and business case preparation for the rail line from Leeds – Harrogate – York line and the potential for this to be extended to Leeds Bradford International Airport (LBIA), as well as in the near future, the provision of funding to kick start the city's investment in the WYYTF and the potential for piloting the reinstatement of the bus from York city centre to LBIA (previously run as Yorcoach).

Proposal

21. The proposal is for Cabinet to approve **£550K** for this package of projects. This includes investment in the WYYTF of £500K and £50K for revenue costs for feasibility work required to prepare business cases for the city's key transport investment priorities as outlined.

Rationale

22. The rationale for the proposed investment is rooted in the rationale for the city's involvement in the Leeds City Region LEP and working to achieve greater links with the Leeds City Region market area. This rationale is covered in more detail in the previous report on **Growing the York Economy – working with Leeds City Region Partnership**.

Analysis

23. The project enables the city to progress the development of further connectivity with the functioning economic market area in the Leeds City Region, identified in the prior report on progress made by the City of York in working with Leeds City Region authorities on the delivery of one of the country's first City Deals.
24. In the current political and economic climate, the mechanism for leveraging both public and private investment into transport is based on a model of co-investment – so for the Government to devolve powers and funding pots, it needs to see that the local authorities in an area can work together to create a fund of critical mass, against which it will match devolved pots of funding. Further, the attraction of private investment into the city requires that sufficient infrastructure is in place to enable development and business growth to be possible.

25. As such, this funding will provide a significant boost to the city's efforts to fund the infrastructure required to unlock sites like York Central, and will better enable the city's ability to attract funding to other critical priorities like road and rail improvements – without which the city will be constrained in future growth prospects.
26. Without the investment proposed, the city stands to lose out on the potentially significant devolution of major scheme transport funding and decisions on offer via the Leeds City Region City Deal. Without the opportunities thus presented, the city stands to be constrained from further economic growth.

(3) Economic Inclusion Programme

Background

27. One of the core themes of the EIF is Economic Inclusion (Connecting People to Jobs and Opportunities), and work has been undertaken to assess current levels of activity to address economic inclusion as a priority, as well as identifying those groups of residents that still find it difficult to engage and progress through the labour market, gaps in support – and where EIF funding could be used to intervene. Appendix A to this report is the Economic Inclusion Policy paper presented to Creating Jobs Growing the Economy Board in December 2012 that outlines this detail.
28. Considerable analysis of the needs of employers and the workforce have also been undertaken in an attempt to ensure the latter have the appropriate skills, knowledge and support to access opportunities in employment or self-employment. The full report of this analysis is available in the full Employment and Skills Assessment of Need undertaken recently.
29. This Assessment has been mapped against existing mainstream nationally funded programmes of activity to identify where there are gaps and where intervention is needed to maximise the potential that exists to connect residents to existing jobs and opportunities. This mapping of priority needs against existing activity is set out in **Appendix A**.

Proposal

30. The proposal is to allocate **£200,000** from EIF to fund a **3-year programme of activity** targeted at 3 themed strategic priorities, based on gap analysis of York's Employment and Skills Assessment of Need. The programme will assemble a series of smaller, targeted interventions and activities which will specifically be aimed at connecting residents to jobs and opportunities.

31. Project proposals are being sought from city-wide partners (including City of York Council in its own right) to cover activity over the next 3 years:

i. **Transitional Support**

For residents who are seeking work and / or facing redundancy, with a focus on:

- **Jobs Fairs**
- **Work Experience opportunities**
- **Simplifying access to Information, Advice and Guidance** – for jobs, training, careers and self-employment / business start-up
- **Removing financial barriers** (measures will be supported via the Financial Inclusion Policy and action plan)

ii. **Routes to Employment and Self-employment**

Targeted programmes to equip residents with the right skills, knowledge, attitudes and experience to support their route to sustainable employment / self-employment, including matching residents to unfilled vacancies, with a focus on:

- Young People (18-24)
- Lone Parents
- Older People (over 50)
- Adults with Learning Difficulties and Disabilities (including mental health)
- Those who are socially excluded, such as ex-offenders
- Basic skills (literacy, numeracy and IT/ digital literacy)

iii. **Creating Employment Opportunities**

Targeted activities that promote the business case for a diverse workforce and that maximize local recruitment and training opportunities, with a focus on:

- City of York Council, in its own right (linking to actions identified within CYCs Single Equalities Scheme)
 - CYC's Procurement and Commissioning Framework to influence the employment and recruitment practices of suppliers and commissioned services
 - Aligning opportunities to transformational capital projects such as those supported by City of York Council's Economic Infrastructure Fund, the regional growth fund, as well as other major capital projects approved across the city
 - The wider business community
32. Rather than bringing each small project back to Cabinet for sign off, it is intended that Cabinet delegate authority for the approval of projects within the programme to the internal Creating Jobs, Growing the Economy Board, chaired by the Chief Executive, and attended by senior managers with portfolios relevant to this Council Priority on a monthly basis. Such delegated authority will enable the Council to move forward projects in a flexible and responsive way as the market develops over the three year period.

Rationale

33. The rationale for the investment is the potential for employment creation by connecting residents to jobs and opportunities.
34. Activity supported will also contribute towards a positive social return on investment by moving residents off benefits into paid employment and increasing the circular flow of income at a neighbourhood level.

Analysis

35. Investment approved will support projects that engage with priority groups, deliver tailored interventions to support progression to the labour market and achieve job outcomes which could include self-employment.
36. Projects supported will fill the gaps locally for priority groups, adding value to existing mainstream provision offered by the Department for

Work and Pensions, Job Centre Plus, the Skills Funding Agency and European Social Funding.

37. This investment could leverage additional funding through the regional Job CentrePlus Flexible Support Fund.

EIF Spend to Date

38. The EIF spend proposed in this report totals £2.387m.
39. The EIF total commitment to date is £13.372; £2.651.5m of this is revenue and £10.720m of this is capital.
40. If the Cabinet approves those projects under consideration, that total will increase to £15.759m. This leaves £12.74m left of the total EIF budget.
41. **Appendix B** to this report provides a breakdown of this spend in detail and summary tables showing commitments against funds available.

Council Plan

42. The proposals will support the delivery of Council Plan Priority 1: Create Jobs Grow the Economy directly through the following mechanisms:
- **LCR Revolving Investment Fund** – will generate potential investment above and beyond the city’s initial investment which has the significant potential to support both indigenous business investment in the city as well as help the city to attract new inward investment to the city
 - **York - LCR Transport package** – will provide greater connectivity which will enable a greater number of both leisure visitors, business visitors and commuters to access and depart from the city of York from regional, UK and international markets
 - **Economic inclusion programme** – will safeguard and connect individuals to jobs and opportunities, thereby providing an increase in employment for city residents

Implications

Financial

43. The EIF has already been approved by Cabinet in April 2012, and the funding will come out of this established Fund.

Human Resources

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

Equalities

45. There are no equalities implications arising from this report.

Legal

46. There are no legal implications arising from this report

Crime and disorder

47. There are no crime and disorder implications arising from this report.

Information Technology

48. There are no information technology implications arising from this report.

Property

49. There are no property implications arising from this report.

Other

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

Risk Management

51. There are no known risks arising from the report.

Recommendations

52. Cabinet is recommended to:

- Approve the EIF allocations of:
 - £1.672m for CYC to invest in the LCR Revolving Investment Fund (RIF), subject to SAF and governance arrangements approval which will be brought back to a further Cabinet meeting;
 - £200K required to fund the Economic Inclusion Programme; and
 - £550k required to fund the first project in the emerging Transport Package

Reason: To support the Council Plan priorities of creating jobs, growing the economy and investing in the city's economic future.

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Wards affected: All

For further information please contact the author of the report

Appendix 1 - Report on City of York Council Approach to Economic Inclusion: Connecting People to Jobs and Opportunities

Appendix 2 – EIF Fund Control

APPENDIX 1. Report on City of York Council Approach to Economic Inclusion: Connecting People to Jobs and Opportunities

1. Summary

This report is set within the context of the Council Plan Priority 1, Creating Jobs and Growing the Economy and also the opportunity to access revenue funding from the Economic Infrastructure Fund. This paper sets out the following:

1. What is Economic Inclusion (including its links with Financial Inclusion)
2. Why we need to respond in York
3. Current Economic Inclusion landscape
 - Employment, enterprise and support services available
 - Those residents finding it hard to connect with jobs and opportunities
4. City Response, Strategic Priorities and Funding Sought
5. Proposed Governance arrangements for bringing forward proposals to EIF
6. Approval requested from the Project Board

Section 1: What is Economic Inclusion?

Economic Inclusion is the term used to describe policies, programmes and interventions targeted at groups of people or places who /which are not fully able to participate in economic life either as a consumer, producer or both.

Economic Inclusion is important to:

- supporting a healthy, dynamic and diverse business base,
- improving a place in which all types of business and people can thrive and
- developing opportunities for people to create wealth and employment.

From a 'people' perspective, economic inclusion is not just about being in employment or self-employment. York's resident base can be excluded from other elements of the economy such as access to financial services. For the purpose of this paper, however, the focus is on how we collectively support the theme of Connecting People to Jobs and Opportunities that sits within Economic Inclusion.

Connecting People to Jobs and Opportunities is intrinsically linked to individuals' qualifications, skills, knowledge, aptitude and experience to compete for and sustain jobs or run a business, as well as transitional barriers that make it difficult for people to connect with opportunities, such as finance, childcare and transport.

The Economic Inclusion (Connecting People to Jobs and Opportunities) policy and resulting action plan is an integral part of the new Learning City multi-agency ***York Employment and Skills Strategy*** (to be published end January 2013), which helps to underpin ***York's Economic Strategy*** and the ***Council's Plan Ambition 1*** - with its focus on economic growth and job creation, as well as the ***City of York Council Fairness Commission Report*** – with its focus on ensuring that the city's economic growth and prosperity can benefit **all** residents.

The ambitions of business growth and job creation is in many ways the key driver of Economic Inclusion, while the specific Economic Inclusion policy acts as an enabler to bring partners together from across the public, private and voluntary sector to find new and innovative ways to better connect **all** local people to these jobs and opportunities. It seeks to reduce the devastating personal impact and economic costs of unemployment, under-employment and worklessness, whilst at the same time supporting the city's drive towards growth and greater social equality for all.

Section 2: Why do we need to respond in York?

York's economy has been described as 'resilient' during the recession, with some of the highest levels of employment in the country and lowest levels of benefit claimants, youth unemployment (18-24) and young people (16-18) not in education, employment or training (NEET).

In common with other 'resilient' cities and towns, however, whilst we still have job vacancies there are large numbers of local people who continue to find it difficult to connect with jobs or become self-employed and progress through the labour market. These people tend to have low qualification levels, more often live in areas of deprivation, where inter-generational worklessness and single parent families is more common and for those who have found jobs during the recession, many have suffered employment 'churn' (in and out of jobs). Many also have significant health problems and need long-term, personalised support before they are in a position to enter or re-enter the labour market.

In addition, despite the high level education and knowledge assets of the universities and colleges, the city has a lower than average proportion of employment in private sector knowledge businesses and many of our most skilled graduates who do decide to stay in the city, frequently find it difficult to find jobs that fully use their high skills. This can result in graduates being under-employed, taking lower level jobs that would otherwise be suitable entry level jobs for local, indigenous residents.

Experience suggests that increasing the supply of jobs is not enough if local people are either unable or unwilling to access them. Unless local people are equipped to compete for these jobs and jobs are generated at different levels, with employers who embrace a 'diverse workforce', there is unlikely to be a reduction in worklessness, many graduates will remain under-employed, and good quality jobs will be filled by mobile residents from elsewhere.

Furthermore, increasing the number of residents in work is not the same as increasing the number of jobs in the city. We know, from the recent Ekosgen LEP research (July 2012) that significant numbers of York residents commute out of the city and large numbers of workers commute in. The 'travel to work' area is increasing and even for lower skilled jobs travel distances, though generally less, can still be significant. Both young people moving into the labour market and older adult residents, seeking to return to work, will need to consider opportunities over a much wider geographic area than just York.

Not only can economic exclusion have devastating effects on individual's lives and children's life chances, but it also inflicts huge costs on the city's economy and society, including:

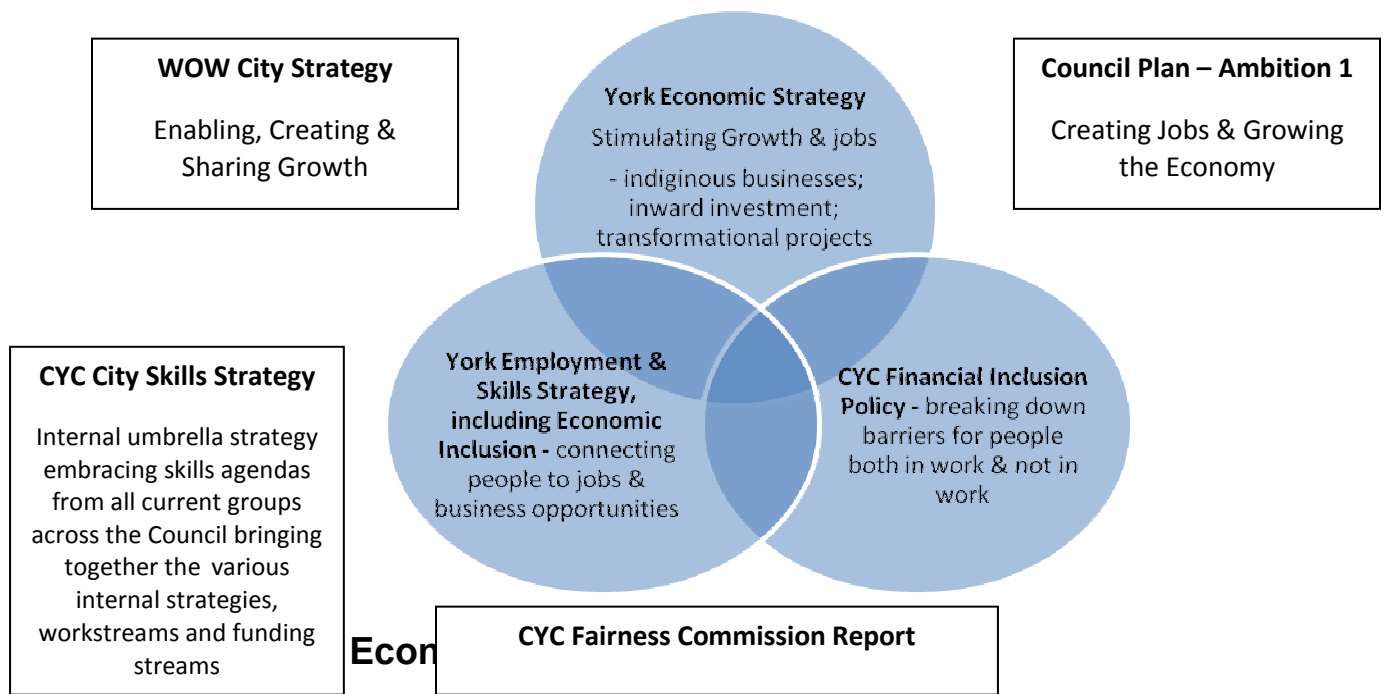
- **Higher risks of unemployment** - Adults with poor basic literacy and numeracy skills are up to five times more likely to be unemployed or out of the labour market than those with adequate skills
- **A lack of appropriately skilled workers that impedes productivity** – Educational underachievement and shortages in relevant skills and competencies have a direct impact on the supply of talented individuals in the workforce. This in turn contributes to the productivity gap between York and other UK and international competitors, that we are seeking to address in order to increase the competitiveness and growth of our city's businesses.

- **Lack of customers** – low income or benefit dependency can reduce the City's spending power
- **Inefficient use of human resources** - with employers not making best use of the talent available, particularly in terms of under-employed Graduates

Whilst local people have no absolute right to fill jobs that are created in the city, it is arguably the responsibility of local agencies to assist them to do so and to access appropriate opportunities in the wider travel to work area beyond the city.

In partnership, we need to:

- Ensure that there is the right range of jobs in the city, so that people with different skill levels and personal circumstances can enter and progress through the labour market and that employers are supportive of a diverse workforce to enable opportunities for all; **(Economic Strategy, York Economic Partnership lead)**
- Address 'supply side' barriers to work and self-employment, including equipping people with the right skills, knowledge, attitudes and experience to enable them to compete effectively; **(York's Employment and Skills Strategy, Learning City York lead)** and
- Remove transitional barriers that make it difficult for people to compete for jobs or start up a business, addressing transport, benefit and childcare barriers, ensuring that there is a good supply of high quality information, advice and guidance (IAG) about the job opportunities and business start-up support that are available **(overlap between York's Employment and Skills Strategy and CYC Financial Inclusion Strategy, Financial Inclusion Network lead)**



3.1 Support Services Available to Residents and Employers

In the preparation of this policy document a comprehensive mapping exercise was undertaken by Learning City York in partnership with Job Centre Plus, as part of the *York Employment and Skills Strategy*. This exercise has captured the current landscape of employment, enterprise and transitional support services available to residents across the city delivered by City of York Council, in its own right, and wider City partners.

Despite the plethora of programmes available to support people connect with jobs and opportunities, there are still areas of York and particularly groups of adults that find it difficult to engage and progress through the labour and enterprise market, at the level that best fits their individual circumstances and aspirations (see section 3.2).

Whilst Job Centre Plus (JCP) hold the statutory responsibility to provide support for all ages of Benefit claimants to get back into work, employability, training and advice programmes operate within a fragmented funding landscape which currently creates gaps for particular residents not only in their understanding of the offer and how and where to access the support, but also the lack of coherent provision that meets their specific needs.

The market place also creates challenges for employers, particularly SMEs, in terms of navigating the different recruitment options and services

available, as well as accessing public funded training and wage incentive opportunities.

3.2 Where Additional Support is Needed

This section focuses on which residents are finding it hard to access employment and / or self-employment through the support that is already available in York and where it seems that additional support is most likely to be needed to improve the prospects of **all** local people.

3.2.1 York's Profile for Residents on Out-of-Work Benefits

Whilst there are out-of-work claimants across all ages and living in all parts of York, through the Assessment of Need within the *York Employment and Skills Strategy* we know that there are particular disparities in different neighbourhoods, as well as disparities and inequalities in employment and economic activity rates among certain groups. By tracking these trends and characteristics of benefit claimants, we are able to adopt a more consistent and evidence-based approach to policy development on tackling worklessness, under-employment and economic exclusion.

	Feb 2007 (pre-recession)	Feb 2012	Share of Workless Claimants 2012
Job Seeker Number and % of working age population	1,853 : 1.5%	3,682 : 2.7%	36% (^)
ESA & Incapacity Benefits	5,530 : 4.2%	5,020 : 3.6%	50%
Lone Parent Income Support	1,530 : 1.2%	1,100 : 0.8%	11%
Other on income related benefits	367	328	3%
Total Key Out-of- work benefits	9,280 : 7.1%	10,130 : 7.3%	100%

Source: DWP Out of Work Benefit Claimants via NOMISWEB

3.2.2 Key facts and stats about Worklessness / Unemployment / Under-employment:

Top 5 increases in Jobs Seekers Allowance April 2011 – 12 (by age, gender, duration)

- 18-24 year olds claiming 6-12 months + = 65% from 185 to 305
- 25-49 year olds claiming 2 years+ = 56.7% from 150 to 235
- 50+ year olds claiming 6 months+ = 43.6% from 195 to 280
- Longer-term claimants (all ages) 12 months+ = 43.6% from xxx to 725
- Female claimants – whilst male claimants still account for the majority (~70%) of all claimants, there have been higher % increases seen from female claimants at every age and duration of unemployment. The highest female proportion of long term JSA is in the Aged 24 and under, claiming for over 6 months category.

Youth Unemployment (18-24, including Graduates)

- Overall figures for youth unemployment (18-24) could be perceived as being relatively positive. The 4th lowest of 64 UK comparator cities, with claimant figures remaining fairly constant since 2010 (~850-1000 per month).
- However, whilst short term unemployment within this age group ie: unemployed for less than 6 months has been reducing, there has been a significant increase in those claiming benefits for 6 or 12 months+ in the last year. Of the 920 unemployed 18-24 year olds (as at April 2012) there were 205 that had been out of employment for more than six months, with 100 of these being without employment for over 12 months (compared to only 30 in April 2011).
- In September 2012, Graduates accounted for 19% (164) of total youth unemployment (860); in November 2012 this figure, whilst reduced to 100, still accounted for 11% of total youth unemployment

By Neighbourhood

- Worklessness is concentrated and has risen in particular neighbourhoods with 50% of Job Seeker claimants living in the city's 5 most deprived wards of Westfield, Clifton, Tang Hall, Acomb and Hull Road.

- There is an unemployment rate of 30% within the 8 most deprived 'lower super output areas' in York which are home to around 13,000 people, just under 7% of the York's population

Lone Parents (claiming Income Support)

- 44% of all lone parents in York are not working
- Through the needs assessment for *York's Child Poverty Strategy*, we know that 12.8% of children and young people in York (4450) live in poverty and in terms of family characteristics, we know that for every 100 children in poverty 73 belong to a Lone Parent household (9 higher than the region)

Adults with Learning Disabilities

- The number of adults with learning disabilities with employment in York fell in 2009/10 to 4.3% from 5.8% which is a higher fall in % terms than the regional rate.

General Characteristics and Barriers for Residents

Local intelligence gathered through JCP, City of York Council Family Learning and Future Prospects identifies the following characteristics and barriers to work for many residents:

- Literacy, including digital literacy (36% of those on JSA have below L2 qualifications)
- Lack of recent work experience
- Health problems (less prevalent in lone parent families)
- Lack of self-confidence and self-esteem
- Recognising the length of the journey to work varies considerably
- Addressing financial and 'better-off' concerns
- Raising motivation and linking it to the positive impact and benefits that 'work' can have on children within the family

3.2.3 Key facts and stats about Jobs and Opportunities

- In the last year, there have been an average of 1800 job vacancies advertised by JCP every month

- There is often a mis-match between jobs sought and jobs available, particularly in terms of unfilled vacancies for care assistant and home care, telesales, cheffing and over demand for general office work
- Most jobs, through JCP, are entry level and lower paid
- Some low paid, entry level are being taken by Graduates, who are unable to access Graduate level jobs

Section 4: City Response, Strategic Priorities and Funding Sought

4.1 City Response

Whilst the statutory responsibility for supporting all ages of benefit claimants lies with Job Centre Plus, Learning City York (City of York Council) has set up two multi-agency groups to bring stakeholders together to better plan and cohere activities to support residents in York:

- **the strategic ‘Economic Inclusion Group’** which brings together the LA (Economic Development, Education and Skills, Employment and Skills delivery services) with JCP, Skills Funding Agency, National Careers Service, Higher York, Your Consortium (voluntary / community sector), York College and Citizens Advice Bureau to review local evidence, set strategic priorities against city ambitions and agree a development plan to target activity and maximise the alignment of funding streams to tackle local priorities
- **the operational ‘Connecting People to Jobs and Opportunities Network’** – a wider operational and implementation network that currently brings together core employment support providers and agencies, including Future Prospects, JCP, Work Programme Providers, York CVS, National Careers Service, CAB, Youth Support Services and other training providers. The group meets to share good practice and keep up-to-date with local, regional and national developments in terms of all aspects of employment, training and support services for **working age adults seeking work, self-employment or facing redundancy**. The network enables partners to share information about their respective offers for residents and employers and to continue to build effective working relationships with other providers and intermediary agencies in developing a quality offer to support ‘Connecting People to Jobs and Opportunities’ and the key strategic priorities and outcomes identified within the wider Learning City ‘*York Employment and Skills Strategy*’.

In addition, Learning City is currently supporting a Scrutiny Committee that is focusing on Youth Unemployment, ensuring that both the research and consultation of the Committee and resulting recommendations are aligned with the work of the two groups above.

4.2 Strategic Priorities for the City & Funding Support

In the current economic environment, it is difficult to know whether the overall number of people on out of-work benefits or those that are under-employed in York can realistically be reduced by 2015. Much will depend on the ability of the private sector to grow and create new jobs, as well as the stimulus brought about by realizing inward investment opportunities and transformational capital projects in the city. It will also depend, in part, on the impact of the Government's welfare reform programme.

In the meantime, however, there continues to be unfilled job vacancies in the city.

Based on gap analysis in provision and employment services identified in Learning City's Employment and Skills Assessment of Need, the **Economic Inclusion Group** has identified 3 themed priorities against which it is seeking to work with partners to generate a range of activity, programmes and initiatives to add value to the market place and better connect **all** residents with existing and future jobs and opportunities over the next 3 years:

1. Transitional support
2. Routes to Employment
3. Creating Employment Opportunities

New skills and labour market interventions will wrap around the mainstream provision offered by the Department for Work and Pensions, Job Centre Plus, the Skills Funding Agency, National Careers Service and Higher Education for Funding Council.

It is intended that where programmes, activities and initiatives require additional resources, project proposals will be submitted to access funding from the:

- Economic Inclusion strand of City of York's Council Economic Infrastructure Fund,
- Regional Flexible Support Fund available through Job Centre Plus or
- Financial Inclusion strand of CYC's Economic Infrastructure Fund

Funding is will be used across the following range of strategic priorities:

1. Transitional Support

For residents who are seeking work and / or facing redundancy, with a focus on:

- **Jobs Fairs** - building on the success of the October 2012 York Jobs Fair², EIF funding is sought to support two high profile York Jobs Fairs annually to 2015, enabling job seekers and those facing redundancy to meet face to face with recruiting employers, as well as employment support agencies and training providers, moving to a sustainable co-financed model with partners if practicable.
- **Work Experience opportunities** – we need to develop and extend work placements and volunteering opportunities for people outside the labour market, to enable them to gain recent experience, build personal confidence and an employer reference. From the experience of York's local JCP team, 50% of clients who benefit from a 25-30 hour placement opportunity of between 2 and 8 weeks, whilst still on benefits, move into sustainable employment. Some of the larger voluntary and community sector organizations are well placed to support the requirements for JCP, but would need additional volunteer co-ordinator capacity to support this development.
- **Simplifying access to Information, Advice and Guidance** – for jobs, training, careers and self-employment / business start-up; which could include the co-location of multi-agency services available to residents
- **Removing financial barriers** – debt advice and better-offer measures can be supported via the Financial Inclusion Policy and action plan

² funded by Learning City York and CYC Economic Development Unit and co-ordinated by Future Prospects in partnership with Job Centre Plus

- **Transport barriers** – a recommendation from the Scrutiny Committee to support young unemployed 18-24 year olds is currently being scoped and clarification is being sought regarding recent national announcements about travel support to be made available through JCP for 1st jobbers.

2. Routes to Employment and Self-employment

Targeted programmes to equip residents with the right skills, knowledge, attitudes and experience to support their route to sustainable employment / self-employment and match them to current and future vacancies. With a focus on:

- Young People (18-24), including Graduates and those requiring pre-employment / pre-Apprenticeship training
- Lone Parents & workless parents receiving the new free childcare entitlement for 2 year olds
- Older People (over 50)
- Adults with Disabilities (including mental health)
- Those who are socially excluded
- Addressing the basic skills deficit of adults on out-of-work benefits (literacy, numeracy and IT/ digital literacy)

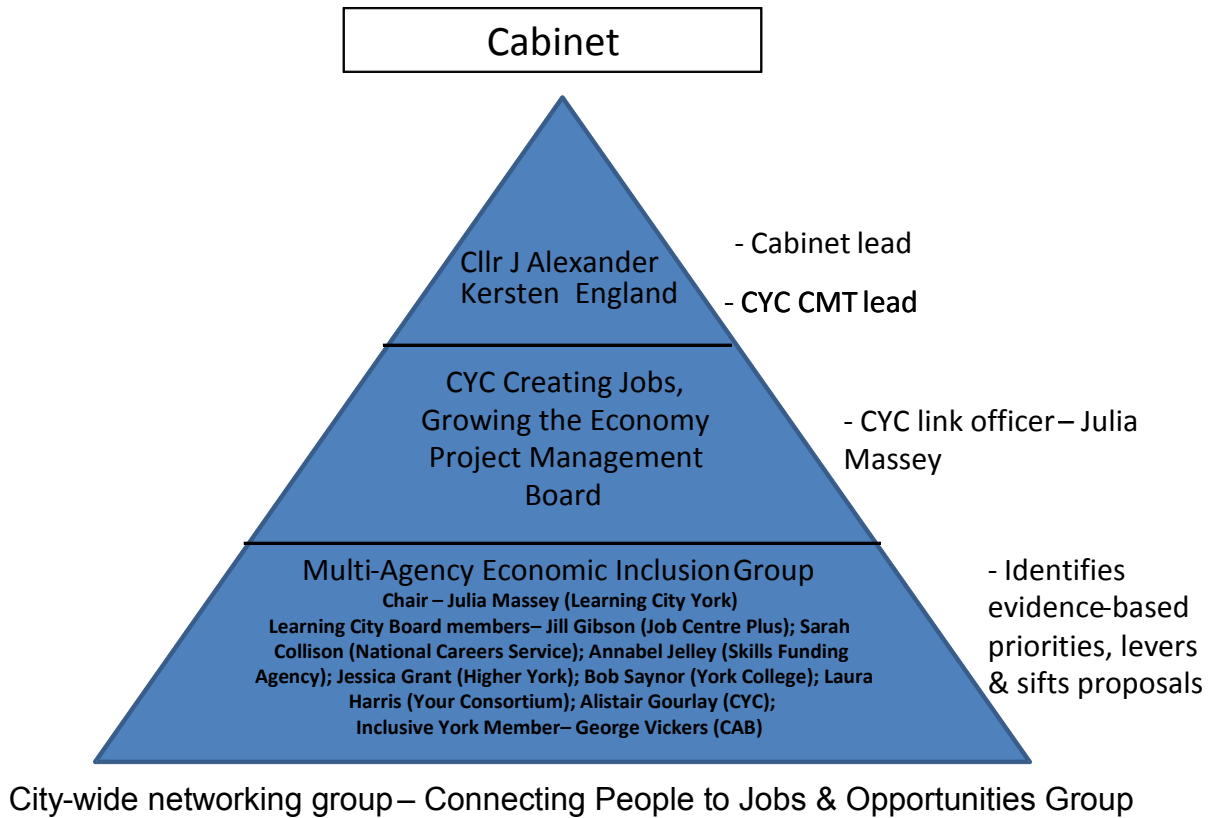
3. Creating Employment Opportunities

Targeted activities that promote the business case for a diverse workforce and that maximize local recruitment and training opportunities, with a focus on:

- City of York Council, in its own right (linking to actions identified within *CYCs Single Equalities Scheme*)
- CYC's Procurement and Commissioning Framework to influence the employment and recruitment practices of suppliers and commissioned services
- Working alongside transformational capital projects such as those supported by City of York Council's Economic Infrastructure Fund, the regional growth fund, as well as other major capital projects approved across the city and inward investment developments
- The wider business community

Section 5: Governance Arrangements for EIF

Economic Inclusion Governance



Julia Massey
Learning City York
11.12.12

Economic Infrastructure Fund Control

TABLE 1 Funding Sources

	Funding type req	Prior Year £000	12/13 £000	13/14 £000	14/15 £000	15/16 £000	16/17 £000	Total £000
New Homes Bonus	Revenue		1,300	1,800	1,800	1,800	1,800	8,500
Prudential Borrowing	Capital (PB)		2,000	4,000	5,000	5,000	4,000	20,000
Total Fund Value CYC		0	3,300	5,800	6,800	6,800	5,800	28,500

TABLE 2 Projected Allocations by Theme & Scheme - detail

	Funding type req	Prior Year	12/13 £000	13/14 £000	14/15 £000	15/16 £000	16/17 £000	Total £000
Get York Moving - Expenditure		395	5,085	17,150	3,468	0	0	26,098
- Park & Ride		395	3,715	14,735	3,468			22,313
Funded by:								
Gvt Grant - DFT			3,369	10,209	2,938			16,516
S106			213	704	183			1,100
CYC - Other		395		1,052				1,447
CYC - EIF	approved		133	2,020	347			2,500
CYC - EIF	approved			750				750
		395	3,715	14,735	3,468	0	0	22,313
- Better Bus Fund			1,370	1,865				3,235
Funded by:								
Gvt Grant - DFT			670	1,095				1,765
External Contributions								0
CYC - EIF	approved		700	770				1,470
		0	1,370	1,865	0	0	0	3,235
- Transport Package				550				550
Funded by:								
Gvt Grant - DFT								0
External Contributions								0
CYC - EIF	requesting approval			50				50
CYC - EIF	requesting approval			500				500
		0	0	50	0	0	0	550
Get York Moving - Funding		395	5,085	16,650	3,468	0	0	26,098
Digital York - Expenditure		0	0	0	0	0	0	0
Digital York - Funding		0	0	0	0	0	0	0
Reinvigorate York - Expenditure		0	835	2,914	1,500	0	0	5,249
- Reinvigorate York - All			700	1,300	1,500			3,500
Funded by:								
External funding								0
External Contributions								0
CYC - EIF	approved		200					200
CYC - EIF	approved		50	110	140			300
CYC - EIF	approved		450	1,190	1,360	0	0	3,000
		0	700	1,300	1,500	0	0	3,500
- Newgate Market Refurbishment			100	1,514				1,614
Funded by:								
External funding								0
External Contributions								0
CYC - EIF	approved			114				114
CYC - EIF	approved		100	1,400				1,500
		0	100	1,514	0	0	0	1,614
- Xmas Stimulus Package			34.5	0	0	0	0	34.5
Funded by:								
External funding								0
External Contributions								0
CYC - EIF	approved		34.5					34.5
		0	35	0	0	0	0	34.5
- Arts Barge Project			0	100	0	0	0	100
Funded by:								
External funding								0
External Contributions								0
CYC - EIF	approved		0	0				0
CYC - EIF			0	100				100
		0	0	100	0	0	0	100
Reinvigorate York - Funding		0	835	2,914	1,500	0	0	5,249
Economic Inclusion York - Expenditure		0	50	538	250	0	0	838
- Financial Inclusion Policy and Action Plan			50	100	150			300
Funded by:								
External funding								0
External Contributions (in kind)								0
CYC - EIF	approved		50	100	150			300
		0	50	100	150	0	0	300
- Living Wage				338				338
Funded by:								
External funding								0
External Contributions (in kind)								0
CYC - EIF	approved			338				338
		0	0	338	0	0	0	338
- Economic Inclusion Programme				100	100			200
Funded by:								
External funding								0
External Contributions (in kind)								0
CYC - EIF	requesting approval			100	100			200
		0	0	100	100	0	0	200
Economic Inclusion York		0	50	538	250	0	0	838

Funding type req	Prior Year	12/13	13/14	14/15	15/16	16/17	Total
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TOTAL	395	6,139.5	26,254	5,268	50	50	38,586.5		
TABLE 7 - EIF element summary by project									
Approved									
- Park & Ride		inc +£750k	133	2,770	347	0	0	3,250	
- Better Bus Fund			700	770	0	0	0	1,470	
- Reinigerate York - All			700	1,300	1,500	0	0	3,500	
- Newgate Market Refurbishment			100	1,514	0	0	0	1,614	
- Targeting Growth in Key Sectors			40	40	0	0	0	80	
- Tour de France - Campaign			25	525	0	0	0	550	
- Growth Analysis			30	0	0	0	0	30	
- Officer delivery team			86	86	86	86	86	430	
- Financial Inclusion Policy and Action Plan			50	100	150	0	0	300	
- Promoting York			50	50	50	50	50	250	
- MIPIM 2013			25	0	0	0	0	25	
- Xmas Stimulus Package			34.5	0	0	0	0	34.5	
- Arts Barge Project			0	100	0	0	0	100	
- Living Wage			0	338	0	0	0	338	
		Total Approved	0	1,974	7,593	2,133	136	136	11,972
Subject to Business Case/ Cabinet Approval									
- Digital and Media Arts Hub			0	0	1,400	0	0	0	1,400
- Transport Package			0	0	550	0	0	0	550
- LCR Revolving Investment Fund			0	0	1,637	0	0	0	1,637
- Economic Inclusion Programme			0	0	100	100	0	0	200
		Total STBC/for Apprval	0	0.0	3,687	100	0	0	3,787.0
Approved (All)		Total	0	1,973.5	11,280	2,233	136	136	15,758.5

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Cabinet

7th May 2013

Report of the Chair of the Youth Unemployment Scrutiny Review

Scrutiny Review of Youth Unemployment

Summary

1. This report sets out the recommendations arising from the Scrutiny Review into Youth Unemployment. A copy of the full final report is at **Appendix 1** to this report and Councillor D'Agorne, the Chair of the Task Group who undertook the work around this topic, will be in attendance at the May Cabinet meeting to present the report.
2. Cabinet are asked to consider the recommendations arising from this review.

Background to the Review

3. At a meeting of Economic and City Development Overview and Scrutiny Committee held on 27th March 2012 it was agreed that during the 2012/13 municipal year, they would carry out a review around youth unemployment. At a meeting held on 20th June 2012 It was subsequently agreed that the review would be carried out by a Task Group¹ working to the following remit:

Aim

4. With a particular focus on vacancies within the care sector and business administration, to look at ways City of York Council can help young people to navigate the employment economy.

Key Objectives

- i. Investigate what the barriers are for young people (ages 16-24) getting work

¹ The Task Group was comprised of Councillors D'Agorne, Riches and Semlyen

- ii. Investigate whether all agencies are playing their part in supporting young people into work
- iii. To investigate whether there are any gaps and/or overlaps in provision and if so make recommendation to address them

Recommendations

- 5. Over a series of informal meetings the Task Group gathered the evidence set out in **Appendix 1** and its associated annexes. This led to the following recommendations being made:
- 6. **Recommendation 1** - That the Learning City York Partnership Manager, via the 'Connecting People to Jobs and Opportunities' partnership network and the Learning City Strategic Board, take overall responsibility for setting an achievable target with key partners within the city to reduce longer term unemployment in the 18-24 year old bracket.
- 7. **Recommendation 2** – That City of York Council continue to offer apprenticeships to young people under the age of 24 and evaluate the success of this by collecting information on how many of those that have completed an apprenticeship at the Local Authority are still in work or further training 6 – 12 months later and that the Learning City York Partnership Manager lead on a programme with the Head of Adult Services to develop a programme that better supports unemployed 18-24 year olds into unfilled apprenticeship vacancies.
- 8. **Recommendation 3** - That City of York Council continue to offer work experience placements to under 16's (whilst still at school) and under 18s not yet ready for an apprenticeship. And in addition to this:
 - i. That the Head of Strategic Workforce Development and Resourcing, in conjunction with the Learning City York Partnership Manager, offer a discrete, managed, matched pilot, of work experience placement opportunities for unemployed 18 to 24 year olds, who have been unemployed in excess of three months
 - ii. That the Head of Strategic Workforce Development and Resourcing ensures that there is a robust Graduate and Student Internship Programme in place within the authority.
- 9. **Recommendation 4** - That the Head of Adult Services at City of York Council ensures that Future Prospects works in partnership with Jobcentre Plus and leads on the co-ordinating of twice yearly job fairs.

10. **Recommendation 5** - That the Head of Adult Services at City of York Council ensures that the Future Prospects team continue to work in conjunction with Jobcentre Plus, to offer sector specific workshops and that both Work Programme providers and their clients* are made aware of the sector specific workshops on offer.

*in this instance clients means unemployed 18 to 24 year olds, including those on the Work Programme

11. **Recommendation 6** - That the Learning City York Partnership Manager continue to facilitate quarterly networking meetings of 'Connecting People to Jobs and Opportunities' to support residents on out of work benefits and seeking employment. This networking meeting should include a standing item on looking at potential solutions to enable currently unemployed 18-24 year olds back into work.
12. **Recommendation 7** - That the Council's Head of Communications lead on a branded campaign that effectively markets:
- i. success stories and inspiring cases about York's young people finding jobs/self employment and those that have overcome barriers to gain employment
 - ii. apprentices and interns
 - iii. a video of the next job fair
 - iv. wage incentives and support available to employers
13. **Recommendation 8** - That the Learning City York Partnership Manager continue to promote the range of support available to employers.
14. **Recommendation 9** - That the Assistant Director for Strategic Planning and Transport explore potential ways and investigate the feasibility of funding/providing sustainable subsidised travel that fits shift patterns and would help young people to access entry level jobs outside of the city centre (e.g. bicycles, public transport, car share)
15. **Recommendation 10** - That the Work Programme providers, working with the Learning City York Partnership Manager and the Head of Adult Services at City of York Council, develop a plan for improving the skills of those clients without basic literacy and numeracy. This should happen in the first year of the Work Programme's two year cycle.
16. Further details on how Members arrived at these recommendations are contained within **Appendix 1** to this report.

Consultation

17. Consultation took place throughout the review and Members have taken guidance from officers within the Council. In addition to this they met with representatives from Jobcentre Plus and both the Work Programme prime contract holders and the sub-contracted providers. Further details of the consultation that took place are contained within **Appendix 1** to this report.

Options

18. Having considered the final report at **Appendix 1** and its associated annexes, Cabinet may choose to amend and/or approve or reject the recommendations arising from this review as set out in **paragraphs 6-15** of this report.

Analysis

19. Analysis of the evidence gathered is contained within the body and the analysis sections of the full final report at **Appendix 1** to this report.

Council Plan 2011-15

20. This Scrutiny Review was directly linked to the 'Create Jobs and Grow the Economy' priority of the Council Plan 2011-15. The aim of the priority is for all of the city's residents to enjoy the opportunity to achieve their potential within York's economy. A strong and growing economy will provide new job opportunities and the ability for residents to achieve a high quality of life for themselves and their families.

Implications

21. Implications are set out within the full final report at **Appendix 1** to this report.

Risk Management

22. In order to meet the priority in the Council Plan 2011-15 around creating jobs and growing the economy there is a need to address what opportunities there are for young people to become gainfully employed. There is a danger that if we do not introduce some or all of the measures set out in this report the Council would not meet some of the ambitions contained within the Council Plan.

Recommendations

23. The Economic and City Development Overview and Scrutiny Committee ask the Cabinet to:
- (i). Note the contents of the final report attached
 - (ii). Consider the recommendations as shown at **Paragraphs 6-15** of this cover report

Reason: To fully inform the Cabinet of the outcome of this scrutiny review.

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Report
Approved



Date 18.04.2013

Specialist Implications Officer(s) None

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

All

For further information please contact the author of the report

Background Papers:

None

Annexes

Appendix 1 Final report & associated annexes

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Economic and City Development Overview and Scrutiny Committee 7th May 2013

Report of the Economic and City Development Overview and Scrutiny Committee

Final Report – Youth Unemployment Scrutiny Review

Summary

1. This is the final report arising from the Youth Unemployment Scrutiny Review.

Background

2. At a meeting of the Economic and City Development Overview and Scrutiny Committee held on 27th March 2012 it was agreed that, in the 2012/13 municipal year, they would carry out a review around Youth Unemployment. They considered this topic further at a meeting held on 20th June 2012 and after consideration of an introductory paper (**Annex A refers**) covering the following:

- key statistics and trends
- Initiatives and agencies supporting young people into jobs and opportunities
- Support for 16 to 18 year olds and 18-24 year olds
- Opportunities for the Scrutiny Committee to consider

agreed that the work should be carried out by a Task Group comprised of three Members of the Committee¹ working to the following remit:

Aim

3. With a particular focus on vacancies within the care sector and business administration, to look at ways City of York Council can help young people to navigate the employment economy.

¹ The Task Group was comprised of Councillors D'Agorne, Riches and Semlyen

Key Objectives

- i. Investigate what the barriers are for young people (ages 16-24) getting work
- ii. Investigate whether all agencies are playing their part in supporting young people into work
- iii. To investigate whether there are any gaps and/or overlaps in provision and if so make recommendation to address them.

Consultation

4. Consultation has taken place throughout the review and Members have taken guidance from officers within the Council. In addition to this they have met with representatives from Jobcentre Plus, the Work Programme providers and prime contract holders, young people and other stakeholders and agencies who provide support for young unemployed residents². They also received responses to a question around Youth Unemployment that they had posted on the GeniUS website.

Setting the Scene

5. Prior to the first meeting of the Task Group Councillors D'Agorne and Semlyen attended the York Skills Summit on 9th July 2012 in connection with this review to gain a wider understanding of the skills and employment landscape and priorities for all employment sectors and residents of all ages.
6. The Task Group met for the first time on 18th July with the Youth Support Service Manager and the Learning City York Partnership Manager. At this meeting the information at **Annex A** to this report was further discussed alongside a paper that had been presented to the YorOK Board in January 2012 entitled 'Apprenticeship Developments in York and Programmes Supporting Young People 16-24 into Work' (**Annex B refers**). The following paragraphs set out the discussions that ensued.

The 16 to 18 year old age group

7. Local Authorities have a statutory responsibility to secure education and training in their areas for young people aged 16 to 18 (up to their 19th

² Via the Learning City 'Connecting People to Jobs & Opportunities' network – including Higher York (who have a particular focus on unemployed and under-employed Graduates); National Careers Service; Castlegate (focus on 16-18 year old NEETs);

birthday), for young people up to the age of 25 subject to a learning difficulty and disability assessment and for up to 21 years of age for care leavers. As of January 2012 there were approximately 286 young people in this age group who were considered to be NEET (not in education, employment or training). Jobcentre Plus has a statutory responsibility to provide support for all ages of benefit claimants to find work. In York, this support tends to be from age 18 upwards (there are very few 16-17 year olds on out-of-work benefits, with only twenty 16-17 year olds falling into this category as of April 2012, and 19 as of December 2012).

8. The Task Group learned that City of York Council already had a good understanding of the 16-18 NEET group and a multi-agency partnership infrastructure that brought providers together to ensure that there were programmes in place to support the progression of these young people into work, further training at College or an Apprenticeship. Many of this NEET group lacked the qualifications, skills, aptitude and confidence to meet the entry requirements for an apprenticeship or for a job and often needed further training at college or through a training provider to progress into employment, to fulfil their aspiration. The majority of these young people are what are referred to as Foundation Learners i.e. below Level 2, with the entry requirements for Apprenticeships being Level 2 (Level 2 is the equivalent of five GCSEs at Grade C or above).
9. City of York Council (Youth Support Services) runs the Castlegate Centre which provides a range of information, advice and guidance services and signposting to education, training and employment programmes for those under 19 years of age (and up to 25 years of age if they have learning difficulties or disabilities).
10. It was acknowledged by officers and the Task Group that there were still insufficient training/employment opportunities for young people with learning difficulties and disabilities and these accounted for 31% of young people aged 16 to 18 in York who were NEET. However, progress was being made in this area but there was still more to do. It was also understood that there was an ongoing business review of the CYC service arm Yorkcraft³ currently taking place and once the outcomes of this were known, a potential to provide placement opportunities for younger people with learning difficulties and disabilities might be possible.

³ YorkCraft provides supported employment opportunities for adults with learning difficulties and disabilities

11. It was also acknowledged that with the raising of participation age from September 2013, which would require all school leavers to be in full time education, training or employment with training at least until their seventeenth birthday, greater effort would be made by schools, colleges and the local authority to carry out ongoing tracking of the destinations of all school leavers up to their seventeenth birthday. This could lead to an increase in recorded NEETs as those who are currently incorrectly assumed to be in employment or college provision are more closely tracked and recorded.
12. As City of York Council already had a reasonably good understanding of and a statutory responsibility towards 16 to 18 year olds it was suggested by the Learning City York Partnership Manager and agreed by the Task Group to concentrate their focus for the purposes of this review around unemployed 18 to 24 year olds.

Length of time unemployed

13. On looking at the statistics/trends presented to them in **Annex A** the Task Group learned that there were approximately 1000 18-24 year olds unemployed as of February 2012 and this had been roughly the same since 2010 but was not reducing. However whilst the level of short term unemployment within this age group i.e. unemployed for less than 6 months was reducing, there had been an increase in those that had been unemployed for more than 6 and 12 months. It was understood that York has a statistically lower level of Job Seeker Allowance (JSA) claimants than regional and national averages. However it was acknowledged that there were some issues with the proportion of long-term and youth claimants within its figures with long-term youth claimants still being higher than one year ago. The Task Group expressed some concern around this increase and those remaining unemployed for the longer term.
14. Of the approximate 920 unemployed 18-24 year olds (as at April 2012) there were 205 that had been out of employment for more than six months with 100 of these being without employment for over 12 months (compared to only 30 in April 2011). In March 2013, the latest figures received by the Task Group, this stood at 110.

Mismatch of opportunities to wishes

15. It was also understood that the vacancies advertised at Jobcentre Plus and those more generally advertised, were not matching the wishes of the young people who were unemployed. There was a mismatch

between what was available and what the young people were asking for. However it was acknowledged to be better in York than in other parts of the country, York having the fourth lowest youth unemployment figures for 18-24 year olds of 64 UK comparator cities and the third lowest for NEET (16-18 year olds). However the Task Group still identified a requirement to do more around matching needs with opportunities.

16. The Task Group also learned that York, despite its number 7 ranking for high level skills in the 64 cities ranked by Centre for Cities, only ranked 26 in the same groups of cities when it came to Gross Value Added (GVA) per capita which was below the UK average.⁴ This mismatch of skills and productivity suggests that although the city has a significant high value skills base, it was not maximising the utilisation of these skills in appropriately high skilled jobs. In part, this was because York had a wealth of part time employment opportunities that many people took advantage of. This meant that they were not claiming benefits but could well be under-employed, meaning that they were qualified to do more skilled work than they were actually doing.
17. The Task Group, when setting its remit, had agreed to focus on vacancies within the care sector and business administration. It was understood that there were vacancies within both of these sectors that were not being filled. Officers advised the Task Group that there may be a misconception amongst younger people as to what employment in the care sector could offer them in terms of wages, training, future prospects, transferable skills and shift working. There was also a perceived intergenerational barrier (younger people working with older, for instance).
18. Officers indicated that there appeared to be a preference amongst younger people to work in certain fields rather than others (construction and retail being very popular). The Task Group appreciated that it was not every young person's aspiration to go to University and felt that there should be greater opportunities for those that didn't want to take this route. If jobs in the construction industry were the ones that were being requested by young people then it was understood that potentially there were several major development projects that could start within the city in the next two or three years and the Task Group were keen that any construction jobs associated with these should go to local people. As training in this field could take 2 to 3 years there was a need to look at whether it would be pertinent to start training young people now. There

⁴ http://www.centreforcities.org/assets/files/2012/12-03_GVA.pdf

was also work to be done around encouraging developers to employ locally rather than bringing workers in.

Welfare Reforms

19. The Government's recent Welfare Reforms had included the introduction of Get Britain Working Measures facilitated by Jobcentre Plus and the Work Programme commissioned through the Department for Work and Pensions (DWP). It was explained that the Work Programme commenced when someone had been unemployed and claiming Job Seekers Allowance (JSA) for circa 9 months; therefore it was effectively open to referrals from JCP for longer term unemployed residents, including young people from the age of 18.⁵ However if a young person had been NEET previously, they were referred to the Work Programme at 3 months of claiming benefits i.e. an earlier referral point than those young people that had not previously been NEET. Referrals from Jobcentre Plus to the Work Programme were dependent on the type of claimant and could be made at any point from 3 to 12 months of their claim. In general, if a young person had previously been NEET, they were referred to the Work Programme at 3 months of claiming benefits and all other young unemployed people were referred at 9 months.
20. In York the Work Programme prime contract holders are G4S and In-Training who have sub-contracted delivery to Pertemps and Prospect Training/Barnardos respectively. They were financed nationally through the DWP and the contracts were tendered and awarded to commence from June 2011. The Prime Contractors covered a huge JCP geographic area (York, North Yorkshire, East Riding and The Humber) and were not solely York focussed; however both sub-contracted delivery organisations had permanent offices in York.
21. Pertemps and Prospect Training/Barnardos had contracts to provide and deliver pre-employment training and support for people of all ages seeking a return to work; the support was tailored to meet customer needs. As such both organisations had developed a positive relationship with their customers. They were there to implement the Work Programme for the over 18 age group that had been unemployed for over nine months or 3 months if previously NEET.
22. On hearing about the Work Programme and the providers in York, the Task Group decided that it would help to progress this scrutiny review if they met with staff and customers at both Pertemps and Prospect

⁵ The majority of Job Seeker Allowance claimants in York are aged 19 and over

Training, along with Jobcentre Plus in order to understand the role all three organisations played in getting young people back to work.

Other issues identified at this stage in the review

23. Churning - One of the challenges highlighted by officers was 'churning' (where young people were in and out of employment frequently), one of the main reasons for churn being that many young people still did not have the right skills and aptitude to sustain a job. More opportunities to upskill young people needed to be developed before they applied for jobs so that they had the best opportunity to sustain employment.
24. Mentoring - Officers informed the Task Group that one of the best interventions for many young people was mentoring with evidence proving that mentoring really improved the success rate for moving young unemployed people into work and on-going mentoring also improving sustainability in work.
25. Vulnerable groups - It was acknowledged that it was difficult to make progress with some of the more vulnerable groups of young people, such as those with learning difficulties and it was hard to find sustainable employment for them. Both officers and the Task Group thought that the local authority could do more to employ these groups of people but realised this was challenging, especially during a time when others within local authorities were facing redundancy. It was also acknowledged that there was a need to encourage other employers, across the city, to look positively at 'diverse workforce' opportunities. This could include 'job carving' which is where one job is divided into two to enable two young people with learning difficulties and disabilities to perform that job.
26. In addition to the above the Chair of the Task Group mentioned a recent presentation given by the Director of Research at the Institute for Employment Studies (IES) entitled 'The labour market for school leavers and HE6 graduates: today and tomorrow'⁷ which set out information including the current state of the UK labour market, what it is like for school leavers and graduates, what employers are looking for and competition in the labour market. One part of this presentation indicated that qualification levels were expected to rise and there was some evidence of under-employment. High growth occupations for young people were:

⁶ Higher Education

⁷ This is referenced here as it reinforces what unemployed 18-24 year olds need to develop in order to be successful in sustainable employment. However it should be noted that there is also a separate Scrutiny Review being undertaken around Careers Education.

- *customer service (retail and hospitality)*
- *caring and personal service jobs*
- *technicians (in manufacturing and energy)*
- *creative and digital occupations*

27. Most of these jobs would require Level 2/3 qualifications. Attitudes and behaviour were important such as enthusiasm, understanding the business context, attention to detail, reliability etc coupled with generic (and some technical) competencies such as communication, problem solving, production related technical skills in manufacturing and project management.

Meeting with Key People

Visit to Jobcentre Plus

28. In advance of visiting Jobcentre Plus (JCP) The Task Group met again on 21st August 2012 to specifically look at information on how JCP referred claimants to the Work Programme. This is summarised in the bullet points below:
- Short term youth unemployed (i.e. under 9 months) are served by JCP at their Stonebow office and supported by different strands of the 'Get Britain Working' campaign including work experience opportunities (insufficient opportunities across the city to meet demand) and training programmes delivered by organisations such as York College, YH Training and City of York Council (through adult education programmes, Future Prospects and York Training Centre, which is a training arm of the Council and is funded through a contract with the Skills Funding Agency)
 - Once a young person becomes longer term unemployed (i.e. nine months or over) they are referred to the Work Programme and hence to Pertemps or Prospect Training or Barnardos (if 18-24)
 - If, however, an 18-24 year old has already been NEET they get referred to the Work Programme at 3 months.
29. On Wednesday 19th September 2012 two members of the Task Group and the Scrutiny Officer visited JCP and met with the District Manager and two members of staff from the Stonebow branch of JCP. Outcomes of the discussions are set out in the paragraphs below:

- Of those going onto Job Seekers Allowance (JSA) 60% are in work after 13 weeks⁸
- Longer term unemployed always used to be defined as 6 months + but this has now been re-defined to the point where JCP refer customers to the Work Programme at 9 months for 18-24 year olds and after 1 year for those aged 25+
- York had 920 18-24 year olds on the JSA unemployment register with 164⁹ of these being graduates (figures as of August 2012 which was when the Task Group visited JCP)
- It was hard to claim JSA benefits if you were under 18 (there were fewer than 20 claimants in York fitting this description)
- There were 30,000 vacancies in the care sector across the Yorkshire and Humber region; however there was a known skills mismatch and an employability mismatch.

30. Barriers to employment – these can be anything from a lack of confidence, difficulties in finding/affording childcare, a poor CV, lack of references, lack of work experience, the need for a bank account, no access to the internet and no e-mail address. Literacy and numeracy were also an issue with 36% of 18-24 year olds currently unemployed in York not having achieved Level 2. The Task Group felt that addressing this low basic skill level was critical in improving a young person's chances of obtaining and sustaining employment. It was, therefore, important, to address low skills levels through the provision of further training.

31. Transport was felt to be one of the major barriers to finding employment; many young people did not have access to a car and found public transport costly. JCP could help in some circumstances with costs associated with attending interviews.

32. In addition to this some jobs were in places not easily accessible by public transport and some shift work meant that public transport was not available at an appropriate time.

33. The District Manager at JCP cited an example of an industrial estate in Sherburn in Elmet that was difficult to get to without a car and where there were frequently vacancies as several major companies had

⁸ The latest figure (December 2012) is 65.85 % for all people combined (not just 18-24 year olds). However JCP do not keep statistics on the sustainability of this work so are unable to say whether they are still in employment after 3 to 6 months

⁹ JCP have since provided an updated figure as of October 2012 which shows that there were 100 graduates (18-24) claiming Job Seeker's Allowance. This equates to 11% of all claimants aged 18 to 24

warehouses there. Selby Council had worked with the local bus companies to ensure that there was a bus service at appropriate times (to fit in with shift patterns) to make it easier for people to secure and sustain employment there.

34. Enterprise Allowance Scheme – this was a new scheme set up to provide flexible support to help people of all ages (who had been claiming JSA for 6 months+) to become self-employed and start their own businesses. The scheme provided mentoring and support to set a business plan and also provided a loan of £1000, an allowance of £65 for 13 weeks and £33 for a further 13 weeks. Two people aged between 18 and 24 had entered this scheme¹⁰. However some had also accessed support via Future Prospects to set up market stalls.
35. Partnership working and raising awareness of success stories– it was acknowledged that there were some really good success stories about young people gaining employment and/or setting up their own businesses; however it had not always been easy or possible to get publicity for these in York. There was still work to be done. The Task Group suggested that JCP could make contact with the Council’s Media and Communications Department to see if they could assist in any way and the Task Group would also talk to them as well. Discussions were had around working more proactively with the media in York to advertise success stories, including working with City of York Council’s Media and Communications Department. There was further discussion about possible links with the York Means Business website and York Press.
36. The above discussions have already led to the District Manager at JCP proactively looking at current partnership arrangements in place within the City. In addition to this the Head of Economic Development at City of York Council intended to contact the District Manager at JCP to instigate further discussions around how they might potentially use the York Means Business web-portal to promote success stories.
37. In York there were already a number of multi-agency meetings/networks that brought key partners together; namely the Learning City Board which leads on the strategic development of a refreshed Skills and Employment Strategy to underpin the Economic Strategy and JCP attended this. There was also a Connecting People to Jobs and Opportunities Network (also facilitated by the Learning City Partnership Manager - an officer of CYC) which was an operational group bringing all

¹⁰ Information correct as of December 2012

the delivery partners and agencies supporting unemployed people together.

38. Both the Task Group and representatives from JCP believed that partnership working was a key factor to tackling youth unemployment. There needed to be a more collective approach to providing solutions to youth unemployment. Good partnership working could positively help advertise some of the success stories but there were other ways that partnership working could help as well. City of York Council already had many of the right partnership infrastructures in place but was currently seeking ways of maximising working with these groups.
39. JCP also worked with organisations such as National Careers Service (delivered by Babcock Enterprise in York) who provide information, advice and guidance support to JCP clients to help get people back to work, as well as with Pertemps and Prospect Training and a range of other training providers.
40. The District Manager at JCP thought there had been problems in York getting key partners together for a round table discussion to talk about youth unemployment. However, (as identified in **paragraph 37**) there was a Learning City partnership network group entitled 'Connecting People to Jobs and Opportunities in York' scheduled for 9th October 2012 and the Task Group suggested that the District Manager at JCP be invited to attend this to take part in discussions. The network was still relatively new and it was acknowledged that key to this group would be engagement with the Work Programme providers and JCP and this needed to be built upon.
41. Jobs in the care sector – As mentioned above (**paragraph 29 refers**) there were many vacancies within the care sector, however jobs in this field ranked tenth in the list of what jobs people were looking for. Many jobs in this sector required people to visit people in their own homes which often meant that a person required their own transport. Many jobs of this nature did not pay the employee for their time spent travelling between shifts. Shift work and travelling between shifts/split shifts i.e. to put a client to bed as part of care work was difficult and often required the employee to travel at unsociable hours and when public transport was not available. In addition to this it was felt that dealing with personal care required patience and sensitivity and not all young people had the aptitude to do this kind of work in a way that maintained a good relationship with the person being cared for; who could be confused, forgetful or argumentative for instance.

42. In summary partnership working and better promotion of success stories were the two major themes that emerged from this visit. However, it was also realised that collectively there was a need to strive towards lowering the number of 18-24 year olds currently unemployed. York had a relatively buoyant employment market, in comparison to many other areas of the country, so there was scope to make improvement. The number of unemployed 18-24 year olds in York was comparatively low however there were fewer easily placed persons now on the register. It was believed that everyone was ultimately employable but significant barriers would need to be overcome for some clients to get a sustainable paid job or become self employed.
43. Other – In addition to this an update was received from JCP in December 2012 informing the Task Group that they currently only had 17 work experience opportunities available in York (for all ages of benefit claimants) and these were run on a rolling programme of between 4 and 8 weeks in various occupations – 50% of customers undertaking work experience move into work, either with the host employer or with another employer, within 13 weeks of completing the work experience opportunity. These opportunities ranged from retail to logistics – however there was a shortage of business administration roles.

Visit to Pertemps

44. On Thursday 20th September 2012 the Task Group and the Scrutiny Officer visited Pertemps, based in Eboracum Way which is located off the Malton Road. The Task Group sat in on a CV workshop for 18 to 24 year olds and was impressed with the way the trainer built a good rapport with the young people present and how he engaged them in the workshop, encouraging them to involve themselves in the discussions.
45. During the break in the workshop the Task Group had the opportunity to talk to some of the group and found that all present had either previously been in paid employment or had some work experience. Further conversation highlighted the following:
- One person had got work experience at a charity shop through Pertemps and another had organised her own retail work experience in a charity shop
 - Both of the above thought that the Council offering work experience opportunities would help them to get paid work in the future

- Two members of the group said one advantage of Pertemps over JCP was in the amount of support time offered. JCP tended to offer less support time than Pertemps and Pertemps also offered more 1 to 1 and in-depth support
 - Some members of the group had a clear idea of what kind of work they were looking for whilst others didn't. Pertemps helped those that didn't know to narrow their options.
 - One person would have appreciated being targeted towards where the job vacancies were and was glad to know that there were vacancies in both the care sector and in administration and business support.
 - One person in the group was not interested in doing work experience or gaining further qualifications if it meant he wasn't going to be paid at the same time.
46. However these comments were anecdotal and were not necessarily representative of all 18-24 year olds as they were from a very small sample of young people.

Visit to Prospect Training

47. On Friday 21st September 2012 the Chair of Economic and City Development Overview and Scrutiny Committee and the Scrutiny Officer visited Prospect Training where they met with the Regional Manager and the Employer Engagement and York Specialist (who has subsequently left Prospect Training).
48. Prospect are the Work Programme sub-contract providers for the Prime Contractors, In-Training and have been delivering the contract since June 2011. They are centrally located in Piccadilly, close to bus transport links. They have a client list of approximately 1100 people (not just 18 – 24 year olds), but longer-term unemployed York residents of all working ages.
49. A client is referred to them by JCP and a small fee of £240 is attached to this referral. This attachment fee is to cover office and staff costs, plus reimbursing client travel costs, postage, phone calls, resources and contributions to appropriate clothing for interviews etc. Clients attract additional success related funding to Prospect Training once they have been in a job for 13 weeks or 26 weeks (depending on assessed employability).

50. It was understood that 50% of Work Programme clients were allocated to G4S (Pertemps) and 50% to In-Training (which included Prospect Training and Barnados for 18-24 year olds).

51. Prospect Training can offer courses/training in:

- Telephone skills
- English, Maths and ICT
- Employability (CV preparation, presenting yourself in a positive manner)
- Completing application forms
- Interview skills

Many of these are certified courses with the telephone skills course being a documented course rather than a certified one.

52. Prospect Training identified what they felt to be the five key steps to obtaining employment:

- A relevant CV – the CV and the Personal Profile within the CV should reflect the sector and role being applied for
- The ability to complete an application form (neat handwriting, good grammar)
- A clear covering letter stating why you are applying for the role and what you can bring to it
- Good telephone skills
- Interview techniques – including dressing appropriately and being prepared

53. The Chair of Economic and City Development Overview and Scrutiny Committee asked the Employer Engagement and York Specialist at Prospect Training what City of York Council could do to help partner organisations reduce levels of youth unemployment? Networking with City of York Council colleagues was seen as key as was networking with employers in the city. The Employer Engagement and York Specialist was also keen to build relationships with the Universities in the city.

54. Working with employers and partners - working with the major supermarkets was also seen as beneficial (by Prospect Training) as they were a major employer within the city; there was still work to be done to improve relationships with them as they could potentially generate a significant number of jobs for unemployed residents within the city. The Employer Engagement and York Specialist said that currently most

supermarket vacancies (and those in the hospitality industry) required the candidate to complete an on-line application form. He felt that often those applying for entry level jobs found this difficult and Prospect Training could potentially save time by working with the supermarkets (and other employers) to pre-interview and then ask those candidates that they liked to fill in application forms. If it was possible to gain agreement with the head offices of some of these organisations work could begin to develop local recruitment solutions.

55. When told more about the focus of this review, he said that in his experience many 18 to 24 year olds looking for entry level jobs were more suited to working in supermarkets and the hospitality industry rather than working in the care sector or business administration. In addition to this if a young person wanted to stay in that type of work the supermarkets tended to promote and train young people very well.
56. The Employer Engagement and York Specialist was very keen to build relationships and networks with supermarkets, key players (both locally and nationally) in the hospitality industry (such as Wetherspoons) and retail. He specifically thought that a meeting with the Chair of York Hospitality Network and the Chair of York Retail Network would be beneficial. In addition to this he acknowledged that the NHS and the Dean and Chapter were other employers within the city that it would be useful to work with on a closer basis as they offered entry level jobs.
57. Further discussion around jobs fairs ensued and the Employer Engagement and York Specialist felt that job fairs offered a useful networking opportunity for employers to meet not only with those seeking employment but other employers as well. The representative of Prospect Training felt that employer senior decision makers should be attending future job fairs.
58. Employment within the care sector – the Chair and Scrutiny Officer further discussed vacancies within the care sector with the Employer Engagement and York Specialist; in particular why these did not seem to appeal to 18 to 24 year olds. The Employer Engagement and York Specialist agreed that there were many vacancies in this sector but believed that these were not suited to 18 to 24 year olds in part due to the generation gap and partly because personal care wasn't something that very many young people saw themselves doing. He mentioned that the work was often low paid, young people did not see it as having any prospects for promotion and hours were often unsociable. He also mentioned that it could be difficult for care providers to get insurance for those under 25 years of age. There were also entry barriers to this

sector, with a need to have a CRB check; this meant that it was difficult to gain any work experience in this area prior to applying for a job¹¹.

59. However, if enough young people were interested in working in this sector then Prospect Training could use some funding they had from the Skills Funding Agency to put on an 'introduction to care' course.
60. Employment within the business administration sector – the Employer Engagement and York Specialist said that this was a very competitive area and often very specialised (i.e. legal or medical secretarial work); any knowledge that a candidate had needed to be very up to date and there were very few vacancies that suited those looking for entry level jobs.
61. The Wage Incentive Scheme – employers can get £2275 if they employ an 18-24 year old client from the Work Programme for 30+ hours a week for 24 weeks, or £1137.50 if they employ them for 13 weeks. There is a limited pot of funding but there hasn't been a great take-up yet and it needed to be better advertised as it could potentially go some way to helping companies with cash flow (especially as apprenticeship wages were low). The Employer Engagement and York Specialist offered to give a presentation to employers outlining the assistance available to them when employing currently unemployed young people. The Chair thought that Science City York might be interested in publishing an article on this or adding it to one of their programmes and suggested that the Employer Engagement and York Specialist at Prospect Training contact them. She also thought that there may be a demand for a presentation like this at the York Business Conference, next due to take place in November 2013.
62. Transport as a barrier to employment - Further discussions were had with Prospect Training around transport, which again was identified as a barrier. Public transport needed to be available to fit shift patterns. It was again mentioned that there was warehouse work available in Sherburn in Elmet but that it was difficult for many currently unemployed 18 to 24 year olds in York to access this. The Chair of Economic and City Development Overview and Scrutiny Committee thought there might be

¹¹ In response to the comments made by the Work Programme provider a representative of JCP had made the following comment: 'JCP and Future Prospects have been working together with the North Yorkshire Care Ambassador and care sector employers to deliver a series of awareness events about the care sector for Job Centre customers. This is aimed at dispelling some of the myths around this type of work i.e. that all care work is low paid, that there are no progression prospects and that it is only working with elderly people.'

a role that City of York Council could play in advertising lift shares or looking at where improvements could be made with public transport. Whilst the Council didn't provide public transport direct it had strong links with providers across the city and the Chair agreed to raise this with the Cabinet Member for Transport, Planning and Sustainability.

63. Involving the Press – both the Employer Engagement and York Specialist and the Chair of the Economic and City Development Overview and Scrutiny Committee were keen to involve the Press in publishing success stories.

Analysing the Information Received to Date

64. Up-skilling - The Task Group considered the information received to date and felt that one of the key missing pieces of the picture they had built to date was around what additional skills support the different agencies offered 18 to 24 year olds, particularly for the longer term unemployed. They believed it was imperative to ensure that any up-skilling and pre-employment training opportunities provided were relevant in order to support currently unemployed young people on their journey to gaining sustainable employment. For example, if it were established that young people were unable or found it difficult to complete an on-line application form then perhaps there was a need for IT skills training in general (not just support, from someone else, on completing on-line application forms), which would also be useful in any job gained as well as in the application process.
65. It was felt there was a fine balance (from a contract payment perspective) between taking time to upskill a client with some applied training and moving them quickly into a job. However, those with less than a Level 2 qualification should be able to access 'free training' through York College or other Skills Funding Agency (SFA) funded providers. It was not known how many clients Prospect Training or Pertemps were supporting in this way and there had been no evidence to date as to whether they were just focussing on CV writing, applying for jobs and job interview techniques.
66. As per the NEET group, a rising number of 18 to 24 year olds did not appear to be 'job ready' or 'apprenticeship ready' as they did not have the right skills, aptitudes and qualifications, including literacy, numeracy and IT. The Task Group wanted to be assured that the 'offer' of support for those going through JCP and the Work Programme was meeting the needs of the clients and included relevant pre-employment training.

67. Through JCP, as an example, young people could benefit from something called a 'sector based work academy' which covered work experience, a relevant pre-employment vocational qualification, literacy/numeracy and interview practice with an employer. This could be delivered through core SFA funding accessed by the likes of York College, YH Training and/or CYC Adult Services. It was not immediately obvious, from the information received to date, whether the Work Programme providers were offering a similar package to this through their contracts; however it was later understood that this was *not* available through the Work Programme contracts. Information contained within the paragraphs above indicated a top line approach to support: i.e. CV writing, job search which are all important, however there appeared to be less emphasis on work experience, pre-employment skills training and literacy and numeracy in order to better prepare young people to compete for and sustain jobs.
68. It was acknowledged that Work Programme providers such as Prospect Training did help clients to complete on-line application forms, however they also saw merit in employers pre-interviewing at Prospect Training's offices to get a feel for which candidates they might like to complete an application form and then select for the formal interview process. IT literacy was acknowledged to be a key skill needed for sustaining a job. If Work Programme providers continued to complete on-line applications with and/or for young people then they would not acquire an essential skill that they would need for a job or to apply for other jobs in the future. There was strong evidence that poor levels of IT, literacy and numeracy were impeding the progression of adults and the Task Group wanted to understand what support the Work Programme providers were giving young people to help them acquire these skills.
69. As an example, if young people were interested in working in a particular field, for example, the retail or hospitality sectors then Work Programme providers could better prepare young people by providing relevant pre-employment training. To this effect the Task Group particularly welcomed the offer from Prospect Training to potentially provide an 'introduction to care course' (**Paragraph 59** refers) along with the additional information provided by JCP (referenced in footnote 11 of this report).
70. Addressing the city skills deficit of adults who have yet to attain a Level 2 qualification is a key priority, within the new City Skills Strategy, in order to bring about an improvement to the productivity of those already working and to improve the job prospects of those not working. 18% of adults aged 19+ do not have a Level 2 qualification and it would be advantageous, whilst staying within the remit of this review, to prioritise

supporting the longer term unemployed clients referred to Prospect Training and Pertemps to help them gain a Level 2 qualification as well as basic literacy, numeracy and IT skills.

71. After consideration of this issue the Task Group decided that further information was required from G4S and in-Training to better clarify what pre-employment training their sub-contractors can and do support over and above general CV writing and job search, in order to identify whether there are gaps that we can challenge.
72. Work Programme Providers – On 27th November 2012 both the BBC News website and The Guardian newspaper website reported that only 3.5% of people referred to the Work Programme found a job for six months or more – missing the Government's target of 5.5%. Analysis by the Guardian revealed that none of the 18 Work Programme contractors managed to get 5.5% of unemployed people referred to the scheme a job for six months or more.
73. The recently published Centre for Economic and Social Inclusion's analysis of the DWP's first Work Programme performance statistics¹² gives details of performance broken down to ages and claimant types for both the contract package (North, East Yorkshire and the Humber) and individual local authority job outcomes.
74. The North, East Yorkshire and the Humber area has very low job outcomes from the Work Programme in relation to the rest of the country with only 2.9% of job outcomes as a proportion of referrals and only one other contract package area having a poorer performance figure. In York specifically only 3.8% of those referred to the Work Programme had a job for six months or more and only 2.7% of 18-24 year olds.
75. City of York Council had already recognised the need to enhance the current national arrangements with various network meetings. Prime contract holders and local delivery partners had been invited to join the Learning City 'Connecting People to Jobs and Opportunities' network. Two meetings have been held to date (October 2012 and March 2013); as yet the Work Programme providers have not attended. Individual meetings with each provider have been held with the Partnership Manager, but the engagement of the providers with wider local networks would be welcome.

¹² <http://www.cesi.org.uk/keypolicy/work-programme-performance-statistics-inclusion-analysis>

76. In light of the above the Task Group met with representatives from G4S and In-Training along with representatives from Pertemps on 19th February 2013. Discussions ensued around the figures set out in **paragraph 74** above and the low job outcomes that had been achieved from the Work Programme.
77. The Work Programme ran on a two year cycle and was now approximately 18 months in, with the end of the first two year period being June 2013. Those who were still out of work at the two year point would be referred back to JCP for support. Normally the Work Programme provider would only see clients one day in a fortnight but as the first tranche of Work Programme referrals was coming towards the two year point it was understood that the providers were running intensive workshops (for up to eight days consecutively) with those young people who were still out of work. These workshops covered basic skills and also attempted to look at what the barriers were for them gaining employment.
78. G4S and Pertemps said that there was a struggle to upskill those who were at pre-entry level or entry level 1. 36% of JSA claimants of ages had poor literacy and numeracy skills (cannot read and write to Level 2). The Work Programme providers said that such clients posed a significant problem as they often needed one to one reading and writing lessons. G4S could offer Maths, English and Computing to Level 1. Both G4S and In-Training acknowledged that in future, the programme of intensive training should be done at an earlier stage of the Work Programme.
79. Work Programme clients were split into nine different payment groups. For the purposes of this review Group 1 and Group 3 clients were the ones that the Task Group needed to know more about. Group 1 clients were 18-24 year olds who had been unemployed for 6 months on reaching the Work Programme. A success payment was triggered when a client had 26 weeks of work within the two year cycle; however this did not have to be consecutive and could take the form of several shorter contracts. The Work Programme success rates for Group 1 clients were quoted to the Task Group as 31% for In-training and 34% for G4S; however these have not been verified.
80. Group 3 clients were longer term unemployed i.e. 1 year+ and included 18 to 24 year olds. These clients were often harder to place as they may have previously been NEET, may be lower skilled and often had more complex backgrounds and needs. They were considered to have more barriers to entering and sustaining employment than Group 1 clients. Payments for Group 3 clients were triggered at 13 weeks. Neither Work

Programme provider had figures for the success rate of getting Group 3 clients aged 18-24 years into work.

81. Generally speaking it was acknowledged that there was a lot of 'churn' and people on the Work Programme were taking more than one job. The Task Group felt that the ultimate outcome should be sustainable employment for those referred to the Work Programme. It was explained that some job contracts were temporary, casual or short term and it was not always within the control of the individual or the Work Programme provider whether employment was terminated. It was acknowledged that nationally there was more casual and short term work and it was not just a local issue.
82. The Task Group asked why there were apprenticeship places still vacant and the representative of Pertemps said that in some cases young people could not afford to take an apprenticeship position at £95 per week. The Learning City York Partnership Manager asked if it would be useful to set up apprenticeship workshops as apprenticeships were available in many different sectors at varying pay rates and there were vacancies that needed filling. This was considered to be a positive step forward.
83. Transport – this was a barrier that had been identified on several occasions and discussed at previous points in this report. However on 19th November 2012 the BBC reported on its website that Essex County Council had set up a group to look at giving free travel passes to unemployed people... *'there are large number of youngsters genuinely looking for work or apprenticeships' ... 'we are obviously very concerned that young people have a problem travelling to find jobs and apprenticeships and we want to take away any barriers to them.'*
84. The Learning City York Partnership Manager informed the Task Group that lobbying for cheaper travel for the 16 to 18 year old student market i.e. for those still in education had been ongoing for a number of years with bus companies. If however it is felt that there is a genuine evidence based travel barrier to supporting unemployed young people into work (which could include to Leeds/Selby etc) then some scoping of 'affordable' options could take place.
85. In an article on the Guardian newspaper website on 10th December 2012 it was announced that free bus travel was being offered to unemployed people in an attempt to help them find work. About 70% of all bus routes in England, Wales and Scotland would be covered by the initiative and it was understood that this was available to anyone over 3 months

unemployed (but not on the Work Programme). However it was dependent on bus companies participating and was currently only for the month of January 2013 with a view to extending this if there is good feedback.

86. It was later reported in the York Press on 8th January 2013 that job seekers in York were being offered free bus travel in a scheme aimed at helping the long-term unemployed get back to work. The initiative, which was a joint effort by bus operators First, Arriva, Coastliner and East Yorkshire Motor Services (EYMS), was part of the national Bus for Jobs scheme and offered free journeys for those who had been unemployed between three months and a year for the month of January 2013. In York, approximately 1,000 journeys were made by job seekers under this offer. This scheme was offered on a commercial basis (i.e. the operators supported the revenue lost and were not reimbursed by local authorities). At the present time there is no intention to extend the scheme and as this was a national initiative it is unlikely that free bus travel for job seekers would be introduced on a local basis without local authority subsidy.
87. In addition to this the Work Foundation which was part of Lancaster University had, in December 2012, published a paper entitled 'Missing Million Policy Paper 2: Transport Barriers to Youth Unemployment'¹³ which said that rising transport costs were making it difficult for thousands of young people to participate in education and training, leaving many unable to enter or stay in work.

Further Evidence Gathered

City of York Council Apprenticeship Scheme

88. Young people were particularly vulnerable in these difficult economic times because of their lack of job-specific skills and work experience. In addition to this, the number of young people that were NEET (16-18 year olds) was rising. City of York Council was therefore creating a 'support and employment offer' for young people to create conditions that would facilitate their transition from education to working life in the following areas:
- Apprenticeships (16-24 year olds)
 - Foundation Learning Placements (Pre-Apprenticeships, 16-18 year olds)
 - Work Experience Placements (16-24 year olds)

¹³ <http://www.theworkfoundation.com/Reports/327/Missing-Million-Policy-Paper-2-Transport-barriers-to-youth-employment>

- Work Experience Placements (14-16 year olds)
- Student and Graduate Internships
- Mentoring Scheme for Apprentices and Care Leavers

89. The Task Group learned about the apprenticeship programme at City of York Council which was now in its second year. As of 25th September 2012 City of York Council employed a total of 57 apprentices. A recruitment campaign took place during June/July 2012. For those young people who were classed as NEET City of York Council had worked with 'Connexions'¹⁴ to assist with the recruitment campaign which had included:

- Letters sent to all young people registered NEET (16-18 year olds)
- 1000 mobile texts to wider 'targeted group' aged 16 to 18
- Identified group of 160 ethnic minority group clients aged 16-18 and texts sent
- Information sent to partners who may 'access hard to reach groups'

90. The recruitment campaign was launched in June 2012 and leading up to this a number of activities took place to promote the scheme. A promotional leaflet was produced and distributed to all schools and colleges on 31st May 2012 to highlight City of York Council as an apprenticeship employer. City of York Council also attended a number of information events, using current apprentices to share their views and experiences to help possible candidates gain a further insight into the scheme. In addition to this there were press releases and information on Twitter and all vacancies were advertised on the Council's website and via the National Apprenticeship Service website. Those young people recruited to CYC Apprenticeships over the last 18 months have been between the ages of 16-24, including unemployed graduates.

91. City of York Council also has 10 learners enrolled with York Training Centre who are completing the pre-apprenticeship programme; these placements are designed to provide an introduction to employment and learning, for 16 to 18 year olds.

92. This Authority is currently looking at facilitating other work experience schemes aimed at other young people (16-24). These placements will offer the opportunity to participate in the world of work and gain practical

¹⁴ The service aims to help young people up to 19 (and 25 if they have a learning difficulty and disability) get advice, guidance and access to opportunities and to help make a smooth transition to adulthood and working life

experience within the workplace and therefore we will be looking for departments within the organisation to make offers for these.

93. In addition to this the University of York is offering a January – February 2013 Internship Programme to its most recent graduates. The graduates of 2012 identified as unemployed in November of 2012 will be offered a package of support measures which will include the offer of a substantive piece of ‘paid’ work experience to run for eight weeks from early January 2013. City of York Council is working with the University of York and encouraging managers to offer project work for this scheme. Seven placements are being supported. These ‘internships’ will be paid for and employed by University of York.

Connecting People to Jobs & Opportunities in York

94. ‘Connecting People to Jobs & Opportunities in York’ is a partnership network chaired by the Learning City York Partnership Manager. The multi-agency network met for the first time on 9th October 2012 ¹⁵ and all Members of the Task Group attended to give an update on the work that had happened in relation to this Scrutiny Review and to learn about some of the other things happening in the city around creating jobs and opportunities.
95. The Task Group asked the network whether they had any suggestions that they might like to put forward for ways City of York Council could better support young unemployed people to navigate the employment market and get a job.
96. As a result of this meeting JCP provided the following link to the Task Group which details Jobcentre Plus’s Youth Contract offer for 16-24 year olds.

<http://www.dwp.gov.uk/youth-contract/key-initiatives/>

This provides information on:

- Wage incentives for employers - From 2 April 2012 until April 2015, employers are able to take advantage of 160,000 wage incentives. These are worth up to £2,275 each where they employ an 18 to 24 year old from:
 - the Work Programme
 - Jobcentre Plus, for employers who take on a young person living in one of 20 local authority areas (this does not include York)

¹⁵ This network has since met again in March 2013

(since Jan 2013, this has been extended to those young people, aged 18-24, who have been unemployed for 6 months + i.e.: on JSA with JCP, as well as those eligible for the Work Programme)

- Work experience - Extra work experience places will be available across Great Britain over the next 3 years ensuring there is an offer of a place for every 18 to 24 year-old who wants one, before they enter the Work Programme (dependent on local employers providing placements).
- Sector based work academies - Extra places will be available in England and Scotland over the next three years, ensuring there is an offer of a place for every 18 to 24 year-old who wants one, before they enter the Work Programme. This facilitates the opportunity to gain a vocational qualification, up to 8 weeks work experience and a guaranteed interview with an employer (subject to local provision being offered).
- Apprenticeship wage incentives - £1500 is available to encourage small to medium-sized businesses to take-on apprentices aged 16-24 in England, who have not previously taken on apprentices. In relation to support for disengaged 16 to 17 year olds in England - the Government will invest £126 million over the next three years to support very low qualified young people aged 16 to 17 who are not in education, employment or training in England. For York, those eligible for support i.e. no GCSEs Grades A*-C equates to around 90.

97. Following the input of the Task Group into the October 2012 meeting of 'Connecting People to Jobs & Opportunities' Higher York liaised with its Higher Education partners to provide a briefing paper regarding graduates (from York-based Higher Education Institutions) accessing the job market in York. This is at **Annex C** to this report. Graduates were part of the 18-24 age bracket that this review was looking at.
98. The paper at **Annex C** states that '*... we know (anecdotally) that graduates choose to stay or return to York and we know that some remain unemployed and some are under-employed. We can see that if graduates are taking on roles previously taken by those with lower levels of education that this is potentially having an effect on the rest of the labour market in York.*'

It was understood that more research needed to be done around this displacement and Higher York were seeking to make a bid to the CYC Delivery and Innovation Fund (DIF) to conduct some research into this area.

Future Prospects

99. Future Prospects is a City of York Council service that supports free learning & work advice (over and above the nationally funded National Careers Service, contracted through Babcock Enterprises in York), as well as the delivery of a number of contracted training programmes for unemployed residents in York e.g. ex-offenders; families with multiple issues and support for redundancies. Future Prospects is a multi-funded, not for profit service arm of CYC that ensures people have access to impartial and objective advice and guidance. The service is constantly changing to reflect the needs of local people. Future Prospects provides a central point for information and advice on training and education opportunities in the area (alongside the National Careers Service) and is currently based in Swinegate. They offer a varied programme of information events in conjunction with JCP such as:
- Find out about the range of opportunities and skills required for working in the hospitality sector
 - Apprenticeships
 - Social care awareness information events
 - working within the sports and leisure sector – information and employment event
 - Working in administration
 - Working in retail
 - Working within the science sector
 - Transport and logistics information and employment day
100. Such sector specific workshops as those mentioned above were seen as very valuable by the Task Group and they expressed the wish that these should continue as they were likely to be effective at helping young people get a flavour of different work sectors and help them decide which jobs might suit them. They could also go some way towards overcoming prejudices and preconceptions about what it is like to work in certain sectors.
101. The Task Group also understood that a jobs fair had been held at the Hilton Hotel on 13th October 2012. This had been organised by Learning City York and the Economic Development Unit at City of York Council but co-ordinated by Future Prospects working in partnership with JCP. Job fairs were where recruiting employers, training providers and employment support agencies had stands and afforded both the employer and job seekers the opportunity to meet face to face. The Jobs fair held in October 2012 was attended by 1556 people of all ages. It is

unknown exactly how many of these were between 18 and 24 years of age but taking into account the adviser referral activity for this event it is estimated that it was approximately 51%.

102. The Task Group saw job fairs as a positive way for both employers and potential employees to meet and would like to see them continue and held on a six monthly basis.

GeniUS

103. The Chair of Economic and City Development Overview and Scrutiny Committee was keen to gauge the views of a wider audience and to this effect posted a question to the GeniUS website, namely:

'How can City of York Council help young people to get work?'

104. This ran until 16th November 2012 and there were three responses received. These were from 'Reaching Out', Gap Training Limited and Inspired Youth (Youth Inclusion). The responses are set out within at **Annex D** to this report. The respondents were invited to an informal meeting of the Task Group but were unfortunately unable to attend. However the Learning City York Partnership Manager is following up these responses.

Options

105. Having considered this final report and its associated annexes, Cabinet may choose to approve or reject the recommendations arising from this review.

Analysis

106. Analysis of the information received is contained within the body of this report and on consideration of this and the discussions had as part of this review the Task Group believed that recommendation should be made as follows:

Recommendation 1 - Reducing youth unemployment

107. The Task Group felt that setting quantifiable targets would be a positive way of working towards reducing youth unemployment. However they realised that any target set needed to be achievable and would need discussion with key partners such as JCP and the Work Programme providers. It would be overly ambitious to set a target to reduce youth unemployment by 50%, for example, as this would take the

unemployment levels back to those of 2008, prior to the current economic climate. There would also need to be a clear rationale and appropriate interventions to secure such an ambitious reduction, and the realisation that there would always be a certain level of unemployment, even in times of economic growth. However, on behalf of CYC, the Learning City York Partnership Manager was aiming to include a target in the new City Skills and Employment Strategy to reduce youth unemployment by 2016.

108. The Task Group, therefore, felt that the overall aim of any recommendation made should be to both reduce the overall number of 18-24 year olds that were out of work but more specifically to aim for a reduction in those that had been unemployed for more than 6 months. Any target suggested would be to reduce the numbers claiming JSA, not just the number of people aged 18-24 who were longer term unemployed.

109. They realised that it was important that someone took ownership of the target, especially as all the agencies concerned had different contracts and worked in different ways. They felt that this could be effectively managed by the Connecting People to Jobs and Opportunities partnership network (and subsequently the Learning City Board, which this network reported to). On further discussion with the Learning City York Partnership Manager it was felt that the overall aim should be:

- To reduce youth unemployment by 40% to pre-recession levels by 2016
 - As of January 2013¹⁶ youth unemployment (18-24 year olds) stood at 725
 - As of January 2008 the figure was 440

110. The two 'jobs' and 'unemployment' targets that we should be articulating within the overall skills strategy (for all ages) will focus on:

- Increasing employment rates to pre-recession levels and;
- Reducing unemployment (JSA claimant benefits) to pre-recession levels

111. To this effect the Task Group make the following recommendation:

Recommendation 1: 'That the Learning City York Partnership Manager, via the 'Connecting People to Jobs and Opportunities' partnership

¹⁶ January 2013 are the latest published figures available

network and the Learning City Strategic Board, take overall responsibility for setting an achievable target with key partners within the city to reduce longer term unemployment in the 18-24 year old age bracket’.

Recommendation 2 – Apprenticeships

112. The Task Group felt that City of York Council’s apprenticeship programme had been successful and would like to see the offer continued. In addition to this they thought an understanding of how successful the programme was could be gauged by gathering information on whether young people who had undertaken an apprenticeship at the Council were still in work (in or outside of the Council) or had decided to undertake further training 6 – 12 months later.
113. The progression of young people who had completed an apprenticeship to go on to obtain sustainable employment or further training was critical to identifying how successful the programme actually was.
114. However it was acknowledged that there were unfilled apprenticeship vacancies with a variety of other employers in the city and this needed to be addressed to ensure maximum take-up.
115. This led to the following two part recommendation being made:

Recommendation 2: ‘That City of York Council continue to offer apprenticeships to young people under the age of 24 and evaluate the success of this by collecting information on how many of those that have completed an apprenticeship at the Local Authority are still in work or further training 6 – 12 months later’ and ‘that the Learning City York Partnership Manager lead on a programme with the Head of Adult Services to develop a programme that better supports unemployed 18-24 year olds into unfilled apprenticeship vacancies.’

Recommendation 3 – Work experience

116. As part of this review the Task Group considered information around the work experience the Council offered to both under 16s and those between the ages of 16 and 24. They noted that the Council offered work experience opportunities for under 16s (whilst still at school) and for those aged under 18 (who were not ready for an apprenticeship). It was acknowledged that work was taking place around facilitating other work experience schemes aimed at young people aged between 16 and 24 however the Task Group felt that there was a gap in work experience opportunities offered by the Council for those 18-24 year olds who had been unemployed in excess of 3 months.

117. Initial discussions between the Learning City York Partnership Manager and the Head of Strategic Workforce Development and Resourcing indicated that staff resources were already stretched in terms of facilitating and managing any further work experience placements and there would need to be further discussion to see if there was potential to support a small scale offer to match unemployed 18 to 24 year olds to specific opportunities within the Council.
118. Incidentally the Learning City York Partnership Manager has recently confirmed that she is working with Human Resources and other service users of the Council's new headquarters e.g. Citizen Advice Bureau, the Credit Union and the Police to set up a programme to support work experience placements for unemployed 18 to 24 year olds and other age groups.
119. However it was realised by the Task Group that there was a need to review the availability and suitability of work placements across the city as not all young people were getting their first choice of work experience placement. It was felt that the range of opportunities could be expanded so people's preferences could be more closely met. The Task Group felt that this would enable people to get the most from their experiences.
120. To supplement this and to offer a full and rounded range of work experience placements the Task Group also felt that the Council needed to ensure that there was a proper Graduate and Student Internship Programme in place.

Recommendation 3: *That City of York Council continue to offer work experience placements to under 16's (whilst still at school) and under 18s not yet ready for an apprenticeship. And in addition to this:*

- i. That the Head of Strategic Workforce Development and Resourcing, in conjunction with the Learning City York Partnership Manager, offer a discrete, managed, matched pilot, of work experience placement opportunities for unemployed 18 to 24 year olds, who have been unemployed in excess of three months*
- ii. That the Head of Strategic Workforce Development and Resourcing ensures that there is a robust Graduate and Student Internship Programme in place within the authority.*

Recommendation 4 – Job fairs

121. Whilst gathering evidence for this review the Task Group heard about a job fair that had been held in October 2012, this was well attended and

considered to have been a success. It was understood by the Task Group that these were likely to continue and they wanted to offer their support for this to happen on a twice yearly basis; seeing them as a valuable tool for both employers and potential employees to meet face to face to discuss various aspects of work.

122. Job fairs, however, came with a cost and there was no central or currently allocated budget for this type of activity. Job fairs cost approximately £5,000 each, so if they are held twice yearly costs will be in the region of £10,000. The Learning City York Partnership Manager informed the Task Group that she had prepared a bid (in liaison with the Head of CYC Adult Services) to the economic inclusion strand of the Economic Infrastructure Fund (EIF). This had recently been considered by the project board for Creating Growth and Growing the Economy and had been approved. This means that job fairs will take place in May and October until and including 2016. They will be facilitated by CYC Adult Services in liaison with JCP.

123. This Task Group were happy to support the bid and hoped that in the future costs of supporting job fairs could be shared between other agencies and those employers taking part.

Recommendation 4: That the Head of Adult Services at City of York Council ensures that Future Prospects works in partnership with Jobcentre Plus and leads on the co-ordinating of twice yearly job fairs.

Recommendation 5 – Sector specific workshops

124. Sector specific workshops were seen as a positive way for people to learn about different work sectors and get a taste for what working in specific sectors might be like. As can be seen from the information contained within **paragraph 99** of this report Future Prospects, in conjunction with JCP, already offer a wide range of workshops and the Task Group were keen that these were continued and better promoted.

125. There was currently an identifiable gap in the service offered in terms of who was invited to attend the workshops; with the Task Group very keen that these should be opened up to *all* unemployed 18-24 year olds. At the moment they were not offered to those on the Work Programme.

126. They felt that Future Prospects, working with other agencies across the city, were well placed to co-ordinate and organise this type of activity and felt one of the critical success factors of Future Prospects was their ability to offer a neutral and welcoming environment to hold these workshops in.

127. Despite this the Task Group was still keen that these workshops continued to be held at Future Prospects' premises if at all possible; with the justification that it was a neutral venue and clients from all organisations could be invited there. Work Programme providers, for example, were only contracted to work with their own clients and so it was unlikely that they would be able to open up their premises to those that had not been referred to them.

128. They also believed that cross-agency working was needed because the sector specific workshops had to attract a critical mass of people to be successful. They therefore suggested that it might be possible for the various agencies involved to contribute to the costs of these events, either financially or by way of sharing staff. The overall aim was co-operation between all agencies to help currently unemployed people back into work.

Recommendation 5: *That the Head of Adult Services at City of York Council ensures that the Future Prospects team continue to work in conjunction with Jobcentre Plus, to offer sector specific workshops and that both Work Programme providers and their clients* are made aware of the sector specific workshops on offer.*

**in this instance clients means unemployed 18 to 24 year olds, including those on the Work Programme*

Recommendation 6 – Networking

129. In October 2012, the Learning City York Partnership Manager established a networking group called 'Connecting People to Jobs and Opportunities' which has representation from many agencies actively helping unemployed/out of work residents. This has now met on several occasions and actively works on solutions to bring people of all ages back into employment.

Recommendation 6: *That the Learning City York Partnership Manager continue to facilitate quarterly networking meetings of 'Connecting People to Jobs and Opportunities' to support residents on out of work benefits and seeking employment. This networking meeting should include a standing item on looking at potential solutions to enable currently unemployed 18-24 year olds back into work.*

Recommendation 7 – Marketing campaign – support for and business benefits of employing York’s Young People

130. Having considered all the evidence received to date and listened to and spoke with various key partners the Task Group did not feel that there was enough media coverage about the support available for young people and those young people who had successfully gained employment. They believed that there was a distinct gap when it came to things such as:

- marketing the success stories of young people who had gained employment/become self employed
- promoting the success of apprenticeships and graduate interns
- promoting some of the initiatives available to employers such as the wage incentive
- promoting Job Fairs

131. With a focus on the longer term unemployed who had successfully gained employment it was suggested that the Head of Communications collect regular articles and stories with an aim to attract success stories into print, on the radio, through in-house publications and by using digital media. The recent ‘100 in 100 days Apprenticeship Campaign’ facilitated by Learning City (City of York Council) with partners, had had some very positive media coverage and the Task Group were keen that this should continue but as part of a more structured package of marketing.

132. On discussion with the Head of Communications the Task Group thought that a package of about 12 to 14 articles (delivered via various mediums) would be an achievable target and this may include a video from the next job fair.

Recommendation 7: That the Council’s Head of Communications lead on a branded campaign that effectively markets:

- i. success stories and inspiring cases about York’s young people finding jobs/self employment and those that have overcome barriers to gain employment*
- ii. apprentices and interns*
- iii. a video of the next job fair*
- iv. wage incentives and support available to employers*

Recommendation 8 – Support available to employers

133. The Task Group gave consideration to the support on offer to employers and how better to raise awareness of what was available to them. The Learning City York Partnership Manager confirmed she was already working with partners on how best to do this via workshops, conferences, direct business engagement, websites etc with the aim of ensuring good advice was being given as to what support was available.
134. After further discussion the Task Group suggested that a news bulletin be sent to employers prior to any future job fairs to raise awareness of when these were happening and what employers could gain from attending. In addition to promoting wage incentives as per **Recommendation 7** above the Task Group also asked that York Business Week include a workshop/information for employers on the different wage incentives available to them if they employed someone from the Work Programme.

Recommendation 8: That the Learning City York Partnership Manager continue to promote the range of support available to employers.

Recommendation 9 – Transport barriers

135. As part of this review the Task Group heard on several occasions that transport was a barrier for some young people when seeking employment. Whilst there had been some move towards providing assistance for free bus travel for those that had been unemployed in excess of 3 months, currently this had only been for a trial period during the month of January 2013. It was unlikely to be repeated.

Recommendation 9: That the Assistant Director for Strategic Planning and Transport explore potential ways and investigate the feasibility of funding/providing sustainable subsidised travel that fits shift patterns and would help young people to access entry level jobs outside of the city centre (e.g. bicycles, public transport, car share)

Recommendation 10 – Supporting earlier employability interventions for those on the Work Programme

136. The payment methodology appears to incentivise the Work Programme providers to prioritise support for the most work ready clients first. Those who have more complex needs and require more intensive support appear to be overlooked during the earlier stages of the Work Programme cycle.

137. The Task Group acknowledge that this is the first two year cycle of the Work Programme and providers will be reviewing the supporting interventions for clients, seeking to improve their current job outcomes and performance.

Recommendation 10: *That the Work Programme providers, working with the Learning City York Partnership Manager and the Head of Adult Services at City of York Council, develop a plan for improving the skills of those clients without basic literacy and numeracy. This should happen in the first year of the Work Programme's two year cycle.*

Council Plan 2011-15

138. This Scrutiny Review is directly linked to the 'Create Jobs and Grow the Economy' priority of the Council Plan 2011-15. The aim of the priority is for all of the City's residents to enjoy the opportunity to achieve their potential within York's economy. A strong and growing economy will provide new job opportunities and the ability for residents to achieve a high quality of life for themselves and their families.

Implications

139. Where possible those affected by the recommendations arising from this scrutiny review were involved in the review and made aware of the likely recommendations arising and the impact these would have on them. There was a general consensus running throughout the review that all but one were implementable. However the Task Group, due to time constraints were unable to consult with the officer responsible for Recommendation 9. His comments in relation to this recommendation are included within the paragraphs below.

Overall Implications

140. **Human Resources (HR)** – The Head of Strategic Workforce Development and Resourcing has indicated that she is content with the recommendations and there are no implications for HR. However it should be noted that six of the ten recommendations specifically make reference to the post of the Learning City York Partnership Manager to lead or work with other CYC post holders to implement the actions arising from this review. This means that various post holders will need to pick up these specific actions as part of their core role and responsibility.

141. **Financial** – The recommendations carry their own financial implications, although it is understood that several of these will be drawn from existing

budgets and where this is not possible and additional funding is required, proposals will be made formally to the appropriate funding source and where necessary to external pots of funding.

142. Where recommendations may require 'additional funding' or capacity this has, where possible, either been addressed through bids to the Economic Infrastructure Fund e.g. for recommendation 4 around financing job fairs or it is currently being reviewed within Education and Skills e.g. deployment of apprenticeship time to support it deployment of staff within other teams

Implications for Specific Recommendations

143. Recommendation 4 – Funding has already been found, via a successful bid to the Economic Infrastructure Fund (EIF), for jobs fairs to take place in May and October until and including 2016.
144. Recommendation 9 – The Assistant Director for Strategic Planning and Transport welcomed the comments of the Committee as they highlighted the key role that transport has in enabling access to employment opportunities. This recommendation would require a feasibility study. Funding and resources would be required to undertake this study as it is not in the current work programme.

Risk Management

145. In order to meet the priority in the Council Plan 2011-15 around creating jobs and growing the economy there is a need to address what opportunities there are for young people to become gainfully employed. There is a danger that if we do not introduce some or all of the measures set out in this report the Council would not meet some of the ambitions contained within the Council plan.

Recommendations

146. Members are asked to consider the ten recommendations set out in the paragraphs above.

Reason: To bring this Scrutiny Review to a close.

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**Report
Approved**

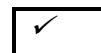


Date 14.03.2013

Specialist Implications Officer(s)

Wards Affected:

All



For further information please contact the author of the report

Background Papers:

None

Annexes

Annex A Introductory paper

Annex B Apprenticeship development in York and programmes supporting young people 16-24 into work

Annex C Paper from Higher York – Graduates accessing the job market in York

Annex D Responses to question posted on the GeniUS website

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Annex A - Key Statistics and Trends

	Feb 2010	Feb 2011	Feb 2012	Trend																
Job Seekers Allowance Claimants No. and % of Working Age Population(16-64)	4,134 3.0%	3,655 2.6%	3,682 2.7%	Stable (43% unemployed for less than 13 weeks)																
JSA Claimants No. and % of Working Age Population (18-24)	1,200 4.1%	1,005 3.4%	1,025 3.5% (28% of all JSA)	Slight increase (month on month fairly stable; 4 th lowest city in country) Circa 65% male : 35% female By duration of benefit claim: <table style="margin-left: 40px;"> <tr> <td></td> <td>4/11</td> <td>4/12</td> <td></td> </tr> <tr> <td>Less than 6 months</td> <td>740</td> <td>615</td> <td>+ve</td> </tr> <tr> <td>6 – 12 months</td> <td>185</td> <td>300</td> <td>-ve</td> </tr> <tr> <td>12 months +</td> <td>30</td> <td>100</td> <td>-ve</td> </tr> </table> Highest claims in Clifton, Heworth, Westfield, No data to analyse claimants by skill level		4/11	4/12		Less than 6 months	740	615	+ve	6 – 12 months	185	300	-ve	12 months +	30	100	-ve
	4/11	4/12																		
Less than 6 months	740	615	+ve																	
6 – 12 months	185	300	-ve																	
12 months +	30	100	-ve																	
	Jan 2010	Jan 2011	Jan 2012																	
NEET (16-18) No. & % not in education, employment or training	283 4.1%	274 3.9%	286 5.7% (4.5% = old count)	Increasing (3 rd lowest in country) (20 x 16-17 yr olds on JSA) (Not known in 2012 = 144)																
JCP Vacancies		1088	1395	Increasing Top 5 = care assistants; sales reps; sales & retail assistants; postal workers and cleaners. Top 5 jobs sought do not include caring and there is excess demand for construction jobs.																

1. Initiatives & Agencies Supporting young people into Jobs and Opportunities:

1.1 Support for 18 – 24 year olds

1.2 **Job Centre Plus (JCP)** hold the statutory responsibility to provide support for **all ages** of benefit claimants to get back into work.

1.3 **At a strategic level in York – Learning City York (City of York Council) works with JCP and city-wide** partners to monitor and review evidence-based priorities for adult residents (19+) in the city, to secure appropriate high quality universal and targeted support and provision. This provision and support helps to underpin priorities agreed within the York Economic Strategy and York Employment, Learning and Skills Statement of Need. Both of these documents take account of Council Plan priorities. This work is facilitated in two ways:

- Key Account Meetings with the key agencies and providers to monitor performance and identify gaps in provision, and
- ‘Connecting People to Jobs and Opportunities’ network that brings stakeholders together to review priorities and better plan provision for adult residents (19+) in the city. Whilst these meetings have not specifically focused on 18-24 year olds, they have resulted in writing successful bids to support targeted programmes for priority groups e.g.: Job Connect Clifton and working with the GP Health Centre to support adults with mental health issues back into work; Supporting 18-24 year olds with learning difficulties and disabilities.

1.4 **The Government’s welfare reforms** have included the introduction of a single universal benefit; the introduction of Get Britain Working Measures delivered by Jobcentre Plus; and the Work Programme commissioned through Department of Work and Pensions (DWP).

1.5 **Support for those adult who are 0 – 3 months unemployed:**

All new benefit claimants are assessed by JCP advisers who will ensure that support is personalised to meet the needs of the individual. **The Get Britain**

Working measures include:

- **Work Clubs** - to encourage people to share skills and experience (Future Prospects run 3 across the city for all ages)
- **Work Together** - a way of developing skills through volunteering (York CVS are facilitating referrals, but funding cuts have reduced capacity to deal with demand)
- **Work Experience** - to give people practical, recognizable experience (**opportunity for CYC**)

- **Enterprise Allowance** - to encourage people into self-employment through greater support and financial help (36 people of all ages are currently on this programme in York, supported by York & NY Business Advice Centre, Clifton Moor, 19 have already become self-employed, **no 18- 24 year olds**)
- **Enterprise Clubs** – peer to peer support and semi-structured workshops for those looking at self-employment and starting-up a business (Future Prospects are running a club with the Change Foundation and Business Advice Centre in the city centre with a specific strand to support JSA claimants to become new market traders; York College have a European Social Funded support programme for those aged 50+)
- **Sector-Based Work Academies** – launched summer 2011 - linking work experience with tailored skills training and a guaranteed interview for employment opportunities in specific sectors
- **Skills ‘Conditionality’ Offer** through Skills Funding Agency Providers – JCP are able to refer JSA clients to York College (YC), YH Training (YH) and CYC Adult Education for basic skills (literacy & numeracy) support and some vocational training; the following roll-on, roll-off pathways are being offered:
 - General employability (YC, CYC, YH)
 - Graduates (YC)
 - Professional (YC)
 - Pre-Access to HE (YC)
 - Hospitality & Catering (YC)
- **Mandatory Work Activity** – targeting those who continually fail to demonstrate acceptable job search activity
- **Targeted support via JCP Flexible Support Fund** – 5 small 6-month delivery bids (£10-£15k each) have been successful in York, with the support of Learning City:
 - Future Prospects – continuation of Job Connect Clifton to support mental health clients via Clifton GP surgery (albeit this funding has now come to an end)
 - York College – ‘Taking Control’ to support 18-24 year olds
 - York College & Blueberry Academy – ‘Supporting Success’; targeting young adults with Learning Difficulties & Disabilities (LDD)
 - York Mind – supporting clients with mental health issues
 - Children’s Society – supporting young adults with LDD

1.6 **Support for those who are 3 – 12 months unemployed:**

Referred to the **Work Programme**. The referral will depend on the type of claimant and will be at any point from 3 to 12 months of their claim.

- In York, Work Programme Prime Contract holders are G4S and In-Training.
- Both have sub-contracted delivery to Pertemps (offices near Heworth Green) and Prospect Training (Ryedale House) respectively.

- They have been given the incentive to develop support based on customer need and will be paid on results with greater rewards linked with those furthest away from the labour market.
- Delivery commenced at the end of June 2011.
- Recent Youth Contract announcements include wage incentives (up to £2275) to employers taking on an unemployed 18-24 year old from the Work Programme

1.7 Other activities

Apprenticeship Grant for Employers - £1500 wage incentive available to SMEs for taking on their 1st Apprentice, aged 16 – 24 (they do not have to be unemployed)

1.8 **The Skills Funding Agency** also tendered out the following ESF funded contracts to facilitate support for:

- Individuals, of all ages, facing redundancy (regional contract led by Barnsley College)
- Ex-offenders (local delivery partner is Future Prospects)

1.9 **National Careers Service** is delivered in York by Babcock Enterprises from Merchant House, Piccadilly.

1.10 **The Council's employment delivery service Future Prospects** also delivers IAG, employability workshops and programmes to support young people back into work, as supported through ESF funded contracts and direct funding from the Council.

1.11 **YorCity Construction** – a targeted training and recruitment model that has been developed in York to encourage broader local engagement during the development stages of sites in the city. The aim is to ensure the maximum can be gained through the construction site in terms of education, training, skills development, recruitment and community involvement particularly for the benefit of local people, businesses and the economy. The project is led by Higher York and City of York Council and co-ordinated by NYBEP. Successful projects already include the Heslington East developments at University of York and City of York Council West Offices.

2. Support for 16 – 18 Year Olds

2.1 The two key strategic areas of activity for this age group of young people are:

- Raising Participation Age
- Tackling NEET to support 16 – 18 year olds back into education or employment

2.2 **Raising Participation Age - 16-18 year olds.** The Education and Skills Act (2008) places a duty on all young people to participate in education or

training until their 18th birthday (or until they achieve a Level 3 qualification). The legislation raises the participation age in two stages, to the end of the academic year in which a young person turns 17 from 2013 and until their 18th birthday from 2015. This does not mean young people must stay in school; they will be able to choose one of the following options:

- full-time education, such as school, college or home education
- an Apprenticeship
- full-time work (or volunteering) with part-time education or training alongside

2.3 **Local authorities** have the **statutory responsibility** to secure education and training in their areas for these **young people aged 16-18** (and up to age 25 for young people subject to a learning difficulty assessment), promote the effective participation in education or training of these young people and make arrangements to identify those not participating. **In York – the 14-19 Education Team** lead on this statutory responsibility, working with partners to develop appropriate high quality learning provision through an agreed Local Area Statement of Need and Raising Participation Age Development Plan. The LASN also takes account of Council Plan priorities.

2.4 Provision for NEET is co-ordinated through a NEETs Operational Group that brings together partners who offer targeted programmes for young people with different skills levels, vocational aspirations and personal circumstances.

3. Opportunities for Scrutiny Committee to consider

3.1 Key Activity Dates to Note and / or engage with

- **York Jobs Fair – June 19, 10 – 6pm at Hilton Hotel - led by National Careers Service** (James Alexander has provided supportive quote and will be attending at 3pm for a press photo)
- **York Skills Summit – July 9, 9.30am – 2pm, led by Learning City York, includes focus on connecting people to jobs and opportunities** (would welcome a Scrutiny Committee member to attend)
- **Connecting People to Jobs & Opportunities Group (Adults 19+) – facilitated by Learning City**, quarterly meeting dates to be set
- **Employer research into barriers to recruiting young people** and knowledge about duties under the Raising Participation Age legislation – survey monkey being circulated to employer networks mid-June; results & analysis will be available end August / beginning September;

3.2 Areas for Further Discussion & scrutiny:

- Success of recruitment to CYC Business Admin Apprenticeships

- Is there any further capacity within LA to offer work placements for unemployed 18- 24 year olds
- Support development of Sector Based Work Academy for Care Sector – to provide opportunities for young people to gain training, work experience and interview practice
- Request update report from Job Centre Plus and Work Programme Partners re: support for 18-24 year olds
- Consider other local procurement opportunities to influence 'recruit local'

**Julia Massey | Learning City York | Partnership Manager | City of York Council
| June 2012**

**City of York YorOK Board
16 January 2012**

AGENDA ITEM 8

TITLE: Apprenticeship Developments in York and Programmes Supporting Young People 16-24 into Work

This item relates to the following: (please state)

- CYPP Priorities / Outcome/s:
- Performance Indicators:

1. Summary:

1.1 Strategic Context

1.1.1 Government funding, structures, statutory legislation and systems for supporting young people aged 16-24 cut across different Government Departments¹ and the age boundaries of 16-18 and 19-24. This subsequently impacts on how Local Authorities, in partnership with other stakeholders, deal with priorities and activity at a local level. Details in this report need to be considered within this strategic context.

1.1.2 **Raising Participation Age - 16-18 year olds.** The Education and Skills Act (2008) places a duty on all young people to participate in education or training until their 18th birthday (or until they achieve a Level 3 qualification). The legislation raises the participation age in two stages, to the end of the academic year in which a young person turns 17 from 2013 and until their 18th birthday from 2015. This does not mean young people must stay in school; they will be able to choose one of the following options:

- full-time education, such as school, college or home education
- an Apprenticeship
- full-time work (or volunteering) with part-time education or training alongside

1.1.3 **Local authorities** have the **statutory responsibility** to secure education and training in their areas for these **young people aged 16-18** (and up to age 25 for young people

¹ Department for Education (DfE); Department for Work and Pensions (DWP); Business, Innovation and Skills (BIS)

subject to a learning difficulty assessment), promote the effective participation in education or training of these young people and make arrangements to identify those not participating.

1.1.4 In York – the 14-19 Education Team (John Thompson, Principal Adviser 14-19) lead on this statutory responsibility, working with partners to develop appropriate high quality learning provision through an agreed Local Area Statement of Need (LASN). The LASN also takes account of Council Plan priorities.

1.1.5 In terms of 19-24 year olds, Learning City facilitates meetings to bring together key funding agencies (JCP and SFA) with local delivery partners to review Employability and Economic Inclusion priorities and provision for adult residents (19+) who are not in employment. Whilst these meetings have not specifically focused on 19-24 year olds, they have helped to shape and align provision and access funding to support target priority groups and communities e.g.: Job Connect Clifton and working with the GP Health Centre to support adults with mental health issues back into work (£52k). Where priorities, activity or provision cuts across an age range e.g.: Apprenticeships, LCY provides support to the 14-19 Team to ensure that these artificial age boundaries do not impede the city's place-shaping and economic development role of education beyond 19.

1.2 Apprenticeships

1.2.1 Whilst Apprenticeship starts for 16-18 year olds have risen in the last 3 years – participation rates with this age group (8.7%) remain well below both the regional rate (14.1%) and that of neighbouring areas (e.g.: East Riding:15%). Apprenticeship starts and in-learning workforce development for **19-24 year olds** is far higher.

1.2.2 The employer penetration rate (October 2011) of 9.5% for new Apprenticeship starts (all ages) and 13.4% of employers with Apprentices (all ages) in training is higher than both the national and Leeds City Region (LCR) averages and the 5th highest of the 11 Local Authorities in LCR. In order to meet

the average targets for LCR of 14% of employers recruiting an apprentice and 20% of employers with apprentices in training by 2016, further work will be required in York to build on recent successful campaigns / activity.

1.3 Young People 18-24 Unemployed and 16-18 NEET

1.3.1 In terms of young people aged 18-24 on out-of-work benefits (3.4%) and those aged 16-18 identified as NEET (5.7%), these figures are significantly lower than both regional and national averages and whilst currently stable, they are not shifting downwards.

1.4 Autumn Statement 2011 – £940 mn Youth Contract Programme for 16-24 year olds

1.4.1 **In terms of unemployed 18-24 year olds** - opportunities include job subsidies for employers, incentives to small businesses to take on apprenticeships, work experience placements and career interviews. Much of this will be administered by DWP's Work Programme Prime Contractors. In York these Contractors are G4S and In-Training.

1.4.2 **In terms of 16-18 year olds** – funding over the next two years will support work experience as part of post-16 learning (through contracts already held by providers); and the small business incentives to take on apprenticeships should also benefit this age range.

1.4.3 It is unlikely that these short-term funding pots will have a significant impact for York, by the time 'allocations' are awarded at a local level.

2. Main body of the report

- Apprenticeships in York - Current Performance, Programmes and Initiatives (See Appendix 1- p4)
- York Young People (18-24) on Out-of-Work Benefits; NEET (16-18 year olds) and Raising Participation Age (16-18) – current situation, programmes & initiatives (See Appendix 2 – p7)
- £940m national Youth Contract Programme (support for 18-24 year olds) (see Appendix 3 – p10)

3. Recommendations

- In light of Youth Contract Programme funding announcements and the recent launch of the **National Participation Strategy for 16–24 year olds**, which will continue to cut across different funding structures, Government Departments and age boundaries, the Council would benefit from reviewing how it strategically co-ordinates and aligns developments both internally (across different Directorates) as well as with external partners in order to maximise the benefit for local residents (16-24) and employers.
- The Council will need to continue to work closely with NAS, YPLA, DWP, JCP, SFA, ESF and Prime Contractors to link these new initiatives to local delivery structures, including Future Prospects, Castlegate, Young People’s Services, All Age Careers Service, schools, colleges and training providers to share and improve labour market intelligence and to effectively plan provision, develop joint ways of working and monitor impact across the city.

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Date: 16 January 2012

Appendix 1

Apprenticeships in York - Current Performance, Programmes and Initiatives

1. Performance

- 1.1 **The number of apprenticeship starts** for all ages reported in York at October 2011 was 1,445, representing a 52.6% increase on figures for 2009/10. This breaks down as 593 starts (41%) for those aged 25+, 555 (38.5%) for 19-24 year olds and 297 (20.5%) for 16-18 year olds. The most

significant rise in starts has been amongst the over-25s, due in part to changes in funding for workforce development.

- 1.2 The number of **16-18 year olds** starting apprenticeships has increased from 270 in 2008/09, to 301 in 2009/10 and 302 in 2010/11. The target for 2011/12 is 320 and the current total is running at 297 (as at the end of October). Success rates are well above national regional averages, however, the participation rate for 16-18 year olds (8.7%) remains well below the regional rate (14.1%) and that of neighbouring areas (East Riding : 15%; Leeds : 9.3%).
- 1.3 The number of **19-24 year olds** starting apprenticeships as at October 2011 was 555 (38% of all starts). Whilst some of these will have supported young people back into work, the majority of these 'starts' will be existing employees benefiting from the employers investment in workforce development in partnership with a Government funded training provider.
- 1.4 The **employer penetration rate** (October 2011) of 9.5% for new Apprenticeship starts (all ages) and 13.4% of employers with apprentices in training (all ages) is higher than both the national and Leeds City Region averages (6% and 9% respectively for starts; 9% and 12.8% for Apprentices in training). York currently has the 5th highest penetration rate of the 11 Local Authorities in Leeds City Region. In order to meet the average targets for LCR of 14% of employers recruiting an apprentice and 20% of employers with apprentices in training by 2016, further work will be required in York to build on recent successful campaigns / activity.
- 1.5 In terms of **Apprenticeship providers** - there are currently around 60 different providers that deliver Apprenticeships (to all ages) in York, albeit many only deliver to single figures. In terms of 16-18 year olds, 30% of new starts (90) this year have been delivered by York College.

2. Local Developments & Initiatives

- 2.1 **City-wide strategic developments** for 16-19 and adults 19+, are currently planned through the Apprenticeship Starts & Development Group (Chaired by Gary Robinson, 14-19

Team) and includes reps from National Apprenticeship Service (NAS), Young People's Services, Economic Development (Learning City York). Apprenticeships feature in the Local Area Statement of Need for 16-19 provision as a priority under "Learner Choice and Sustainability", as well as the new Economic Strategy, the City Strategy and Learning City Strategy.

- 2.2 **City-wide joint activities** with other partners to deliver strategic priorities, raise awareness and promote apprenticeships to both businesses and learners are currently planned and implemented through the York Based Providers' Group (which also has attendees from non-York based providers). This group is facilitated by the 14-19 Team, supported by Learning City York and reps include York Training Centre (CYC), whose manager has chaired the local provider network meetings for many years.
- 2.3 **The York Apprenticeship Challenge**, led by the Council's 14-19 Team in partnership with NAS, Learning City York, the council's Marketing and Communications Department and 9 providers including CYC's York Training Centre, was delivered from June to September 2011 to raise awareness with employers and generate commitments to Apprenticeships (16-18 and 19+/adults). It resulted in 89 businesses generating 199 apprenticeship 'starts', 57% of which were new vacancies for 16-24 years old and 43% were training opportunities for existing staff.
- 2.4 **The Council's corporate apprenticeship programme**, launched through the York Apprenticeship Challenge, offered 36 Apprenticeship vacancies across a number of different service arms. This builds on a much smaller number of Apprentices recruited in 2009/10 and CYC's York Training Centre, has worked closely with HR on the recruitment of these Council apprentices and is the provider of choice for the training of the 19 business admin apprentices.
- 2.5 **York Apprenticeship Graduation at The Minster** – this new initiative aimed to provide a high profile ceremony, as part of York Business Week (November), to celebrate the

achievements of York residents (of all ages) that had completed an Apprenticeship framework in 2011. Led and co-ordinated by York College, with support from NAS, Economic Development and Nick Eggleton (YBW), sponsorship funding was provided by the College, CYC 14-19, The Guilds and other training providers. Of the 600 'completers', circa 70 attended with their employer and family. It is intended to make this an annual event and embed within an Apprenticeship framework with employers and learners from the start of any new programme.

2.6 ESF Skills Support for the Unemployed / Apprenticeship Support to SMEs – For those aged 18-24 claiming JSA / ESA who want to progress to an Apprenticeship within a SME, the provider can draw down a max £2,500 per individual to pass onto the employer to support the individual with their apprenticeship programme. JHP Group hold the contract in York & NY to deliver this programme (May 2011 – end July 2012).

2.7 Further joint activity planned includes:

2.7.1 14-19 Year Old Learner Activity

- 14-19 Team is working with NAS and the Provider group to develop Advice and Guidance packages on apprenticeship pathways for 14-16 year olds and 16-19 year olds (following successful bid by the 14-19 Team to NAS for funding totalling £13k) to drive up awareness, as well as a specific event to engage with A Level students looking at an alternative progression route to HE and with employers seeking Level 3 Apprentices
- Targeted work with providers on pre-apprenticeship programmes for vulnerable learners e.g. with learning difficulties and disabilities through York Training Centre (CYC) and Blueberry Academy, "Place of Change" re-engagement programme for young people presenting as homeless with York College / CYC Housing Operations Manager
- DfE funded Raising the Participation Age locally led delivery project (£75k) looking at jobs without training and working with employers to convert them to

apprenticeships, developing pre-apprenticeship pathways and raising awareness of the pathway amongst young people, parents and employers

2.7.2 19+ Apprenticeships

- Future Prospects is working with JCP on targeted events to raise awareness of Apprenticeship opportunities amongst adults 19+ who are currently seeking to return to employment, for whom 'jobs with training' is an attractive option

2.7.3 Employer Related Activity

- Learning City York is working with NAS, the Key Employer Account Management framework, the York Future Workforce Forum, providers **and Leeds City Region** to strengthen employer engagement, build a bank of Apprenticeship Ambassadors, identify job opportunities and facilitate better support to businesses to enable them to engage with Apprenticeship programmes as a vehicle for recruiting to new vacancies.
- Exploring new ways to drive up employer penetration rates for Apprenticeships and breaking down barriers for SMEs in particular. This includes investigating the potential need / demand and feasibility of establishing an Apprenticeship Training Association (ATA) - a distinct entity established to recruit and employ apprentices to hire out to employers in support of sustainable apprenticeships with those employers

Appendix 2

York Young People (18-24) on Out-of-Work Benefits NEET (16-18 year olds) and Raising Participation Age (16-18)

1. The Statistics

- 1.1 In October 2011, there were 3,438 Job Seeker Allowance (JSA) claimants of all ages in York. Whilst the claimant rate has increased as a result of the recession (circa 1700 in October 2007) the claimant rate of 2.5% is well below the national average of 3.8%. The overall figures have remained fairly stable for some months.
- 1.2 In terms of young people, there were 1,010 JSA claimants **aged 18-24 years** (29% of claimants) and 297 (5.7%) of young people aged **16-18 years** identified as NEET in October 2011. Both these figures are significantly lower than regional and national averages (JSA Claimants 18-24 nationally is 8.0%) and whilst both figures are currently stable neither are shifting downwards.

(Note: NEET is 5.7% compared to 3.7% in 2010. This is mainly due to the changes to the formula based upon residency resulting in a reduction of approx 900 in the overall cohort of young people age 16-18.)

- 1.3 In October 2011, there were 2352 notified vacancies at Jobcentre Plus (2.2% higher than October 2010). The top 5 notified vacancies were for care assistants; sales reps; sales & retail assistants; postal workers and cleaners. The top 5 sought occupations do **not** include caring and there is excess demand for construction jobs.

2. Support for Unemployed 18-24 year olds

- 2.1 **In terms of 18-24 year old JSA Claimants** - The Government's welfare reforms have included the introduction of a single universal benefit; the introduction of Getting Britain Working Measures delivered by Jobcentre Plus; and the Work Programme commissioned through DWP.

2.2 All new benefit claimants are assessed by Jobcentre Plus advisers who will ensure that support is personalised to meet the needs of the individual. **The Get Britain Working measures** support this by providing:

- Work Clubs - to encourage people to share skills and experience (Future Prospects run 3 across the city for all ages)
- Work Together - a way of developing skills through volunteering
- Work Experience - to give people practical, recognizable experience
- Enterprise Allowance - to encourage people into self-employment through greater support and financial help (25 people of all ages are currently on this programme in York, supported by York & NY Business Advice Centre, Clifton Moor)
- Enterprise Clubs – peer to peer support and semi-structured workshops for those looking at self-employment and starting-up a business (Future Prospects are running a club with the Change Foundation and Business Advice Centre in the city centre; York College have an ESF supported programme for those aged 50+)
- Service Academies – launched summer 2011 - linking work experience with tailored skills training for employment opportunities in specific sectors (none in York at present)
- Mandatory Work Activity – targeted to those who continually fail to demonstrate acceptable job search activity

2.3 At a specific point in their claim, if individuals have not secured employment they will be referred to the **Work Programme**. The referral will depend on the type of claimant and will be at any point from 3 to 12 months of their claim. Work Programme providers in York are G4S and In-Training. They have been given the freedom to develop support based on customer need and will be paid on results with greater rewards linked with those furthest away from the labour market. Delivery commenced at the end of June 2011. The Council has a direct relationship with the two Primes in York through Future Prospects.

- 2.4 The Skills Funding Agency also tenders out a number of ESF funded contracts to specifically tackle unemployment. See 2.2.6 for programmes to support 18-24 year olds.
- 2.5 The Council's employment delivery service Future Prospects also delivers IAG, employability workshops and programmes to support young people back into work, as supported through ESF funded contracts and direct funding from the Council.
- 2.6 At a strategic level, Learning City facilitates meetings to bring together key funding agencies (JCP and SFA) with local delivery partners to review Employability and Economic Inclusion priorities and provision for adult residents (19+) in the city, as set out within the Learning City Strategy. Whilst these meetings have not specifically focused on 18-24 year olds, they have resulted in writing successful bids to support targeted programmes for priority groups to better connect vulnerable adults to job opportunities e.g.: Job Connect Clifton and working with the GP Health Centre to support adults with mental health issues back into work (£52k).

3. Support for NEET (16-18 year olds) – Raising Participation

3.1 In terms of current NEET young people (16-18), strategic priorities to raise participation are set out within the York Local Area Statement of Need 14-19 (and to age 25 for young people subject to a learning difficulty assessment). Developments are then brought together with partners through the NEET Strategy Group (facilitated by CYC's Young People's Services), which includes reps from 14-19, Learning City York, JCP, Future Prospects, York CVS, training providers, NYBEP, YOT, Care Leavers. There are several programmes of support available to support young people in York, including:

- **Step up to Progress** – a short roll-on, roll-off 15 week Level 1 / Level 2 employability programme, delivered by York College three times a year
- **Late Start Social Science AS Level programmes** – November start at York College

- **Entrepreneur Diploma** – a Level 3 programme at York College that starts November, enabling students to plan, set up and run their own business
- **Accelerate** – a 12 week entry level programme delivered at Askham Bryan College in areas such as Horticulture, Outdoor Sports and Animal Care
- **ESF Starting Fresh** (managed by Your Consortium) – provides access to a Job / Learning Mentor and a menu of training opportunities to support progression into employment, Apprenticeships or full-time education, including specific support for young people with learning difficulties and disabilities. York delivery partners are Future Prospects, Emovere, BSD, York College, and Blueberry Academy.
- **Routes to Success** - Foundation courses leading to level 1 qualifications including 42 young people formerly NEET, delivered at CYC's York Training Centre. These include 2 LLDD programmes involving a range of partners to deliver bespoke programmes.
- **Care Leavers** - Positive relationships being formed between the officer responsible for progression of children leaving care and York Training Centre to ensure that work-ready care leavers are catered for by appropriate programmes.
- **Care Leavers – Springboard** (Big Lottery funding, managed by Foundation) will support new programmes and positive progression for care leavers in York, Selby & Ryedale from April 2012 – December 2015. Steering Group reps and delivery partners include CYC Care Leavers team, Learning City, Network 2 (Young People's Services), York Cares
- **Information, Advice, Guidance (IAG) and Support** - Continuous work by Young People's Services (including the outgoing Connexions Service) in schools, colleges, local communities and from Castlegate providing young people under 16 at risk of NEET and those age 16 -19 (and up to 25 if a Care Leaver or young person with LDD) on the NEET register with IAG and support in relation to employment preparation programmes and apprenticeships.

Appendix 3

Autumn Review 2011

New Government Announcements to support Young People (16 – 24) and Employers

1. £940mn Youth Contract Programme (support for 18-24 year olds)

- 1.1 The Autumn Statement (November 2011) builds on measures announced earlier in the month by Vince Cable and Nick Clegg of new funding to help address youth unemployment and to help employers gain the skilled workers they need to grow. This will provide opportunities including job subsidies, apprenticeships and work experience placements to 400,000 unemployed younger adults. **Initiatives for 18-24 year olds** will be administered by DWP's Work Programme Prime Contractors. In York these Contractors are G4S and In-Training.
- 1.2 The Youth Contract programme will see wage subsidies worth £2,275 offered to employers to take on **18 to 24 year olds**. It will be available to all young people claiming JSA for at least 9 months and who are on the Work Programme. Participating employers will be expected to pay at least the minimum wage. Anyone rejecting a subsidised job offer will be required to undertake four weeks' mandatory work activity. The programme will begin April 2012 and aim to get young people into a range of employment sectors.
- 1.3 The investment will also fund a further 250,000 work experience places to be provided over the next three years, adding to the 50,000 places announced so far by the Government. The places will be offered to every **18 to 24 year-old** after three months' unemployment, but before they enter the Work Programme.
- 1.4 An improved careers information portal will be created as part of the National Careers Service from April 2012. As part of the Youth Contract, an additional £4.2 million over three years will be provided so that the service can provide careers interviews for **18–24 year olds** who have been on JSA for three months.

2. Youth Contract Programme - Apprenticeship Specific (16-24 year olds)

- 2.1 To encourage small firms that don't currently hire apprentices to take on a young apprentice **aged 16 to 24**, the Government will offer employers with up to 50 employees an incentive payment of up to £1,500. This will support up to 20,000 new Apprenticeships in 2012/13. An initial payment will be made two months after the individual has started their Apprenticeship; the balance will be paid after the Apprenticeship has been completed and the trainee has progressed into sustainable employment.
- 2.2 Processes will be simplified to make it quicker and easier for employers to take on an apprentice. The NAS and training providers will be required to ensure that every employer is in a position to advertise a vacancy within one month of deciding to take on an apprentice. Health and safety requirements will be streamlined so that there are no additional demands on employers that already meet national standards.
- 2.3 There will be a renewed focus on targeting the programme where Apprenticeships deliver greatest value - including on younger adults, new employees, higher level qualifications and particular sectors where they can make the greatest impact.
- 2.4 Apprenticeship providers will be required to offer training in English and Maths up to the standard of a good GCSE (level 2) for all Apprenticeships.
- 2.5 There will be a further opportunity in 2012 for organisations to bid for funding to extend Higher Apprenticeship provision.

3. Other key points that impact upon young people (16-19 year olds):

- 3.1 The Government will invest £4.5 million over the next two years to support work experience as part of post-16 learning (through contracts held by providers with the YPLA);
- 3.2 Work with the Federation of Small Businesses will review regulation impacting on work experience by the end of 2011

and publish a guide to address common misconceptions about work experience.

Note: In York - led by the 14-19 Team – a review of Work Experience for pre and post-16 learners is taking place with schools, colleges, training providers and relevant agencies, in light of both the Wolf review and recent funding announcements.

4. New Participation Strategy for 16-24 year olds

4.1 In December, the Government will be issuing a Participation Strategy for 16-24 year olds that is intended to align policy and programmes from the 3 departments of DfE, DWP and BIS.

5. Conclusions

5.1 In light of these new funding announcements and the imminent launch of the **National Participation Strategy for 16–24 year olds**, which will continue to cut across different funding structures, Departments and age boundaries, the Council would benefit from reviewing how it strategically co-ordinates and aligns developments both internally (across different Directorates) as well as with external partners in order to maximise the benefit for local residents (16-24) and employers.

5.2 The Council will need to continue to work closely with NAS, YPLA, JCP, SFA, ESF and Prime Contractors to link these new initiatives to local delivery structures, including Future Prospects, Castlegate, Young People's Services, schools, colleges and training providers to share and improve labour market intelligence and to effectively plan provision, develop joint ways of working and monitor impact across the city.

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Graduate access to the job market in York – information for the Scrutiny Committee.

Background

York benefits from a supply of higher education (HE) graduates from its colleges and universities. Together, the Higher York Partners (namely the University of York, York St John University, York College and Askham Bryan College) play host to over 22,500 students per year. Collectively they produce approximately 8,500 graduates per year.

Anecdotal and statistical evidence tells us that York continues to be home for a significant proportion of students after graduation for example; 70% of York St John University remain in York after graduation and the majority of graduates from Askham Bryan College also take up roles in York and North Yorkshire often supporting not only York's economy, but the wider rural economy. We can also assume that students return to York after studying elsewhere. The percentage of working age (19-64) residents in York qualified to level 4 or above is currently just above the national average at 42.7%¹ so it can be assumed that there are recent graduates amongst these numbers (either those staying on after graduation from one of the York institutions or those returning from study elsewhere).

The economic strategy for York identifies a number of key growth sectors for the City such as: biosciences, creative industries, financial and professional services and tourism/retail/leisure. These map well onto the areas of academic expertise held by the Higher York partners (appendix 1) and one would assume that the 'home grown' supply of graduates could help to develop these sectors through the contribution of higher level skills and to attract inward investment.

Graduate Unemployment and Underemployment

National data regarding employment of recent graduates does not necessarily provide us with an accurate picture for York. However, we know (often anecdotally) that graduates choose to stay or return to York and we know that some remain unemployed and some are underemployed. We can see that if graduates are taking on roles previously taken up by those with lower levels of education that this is potentially having an effect on the rest of the labour market in York.

However, in order to start to make significant progress regarding improved use of graduate talent in York there is an urgent need for further research into:

- Why students stay in, or return to York?
- How many are actually unemployed and available for work (rather than having a year out to travel; unable to work because of a disability etc)?

¹ 2011 Census 1st release

- For those in employment – what types of roles are they doing and for how long?
- Are some graduates using York as a temporary home after graduation before moving elsewhere? ²
- Are there any trends about the type of graduate (degree subject or otherwise) who are more likely to stay or return?
- Whether graduates are accessing business support/start-up support and what are attitudes about starting a business in York.
- Which graduate start ups are staying in York (and for how long) and which are leaving and why.

How are graduates accessing the job market?

Graduates tend to access jobs independently in the main. Universities and colleges put in place support to empower students through information, guidance, workshops, and access to opportunities (work placements, internships, volunteering).

Information is disseminated through various channels:

- Job fairs and employer events
- Website/s
- Through tutorials
- Bespoke workshops on practical aspects of jobs searching, CV writing etc.

Information includes literature covering such things as (national) graduate schemes, company profiles, lists of job search sites etc.

For some graduates, for example those at York St John University, many courses are aligned to professional roles which have well defined routes (e.g. teacher training, allied health professions). This is also the case for some courses offered by the University of York (e.g. nursing, medicine).

In addition to specialist input to the delivery of higher education programmes the range of Foundation Degrees which are offered (particularly by colleges) have been designed in partnership with employers and businesses. The programmes include the delivery of work related learning modules which prepare students for the world of work. The majority of these programmes encourage employer and business representation in the delivery.

Students and graduates are increasing making use of internships, work placements and volunteering to gain experience, improve their CVs and meet potential employers. These opportunities are also invaluable for businesses/charities/host organisations and gradually more are making use of the talent available in York through these schemes. However, there is still more demand for placements than places available and it would be useful to examine how more SMEs could be involved.

² Some students may have positively chosen to remain in York for the medium to long term. However, some students may be waiting for 'milk round' jobs starting the following September because they missed out on the previous milk round. Others may be waiting for a girlfriend/boyfriend to complete studies. There are a range of other reasons why students may simply be intending to stay for a short time.

What is the support available to graduates?

- The National Careers Service (NCS) have a remit to provide advice and information (on-line and telephone support) for all ages – including graduates. Some face-to-face support could be offered. There are no current direct links with the universities though York College do benefit from this.
- York St John University and The University of York continue to support graduates after graduation through on-line, telephone and face-to-face guidance. Universities rarely refer to other agencies as they have specialist advice and support tailored for their own graduates. Both universities can offer a reciprocal service with other universities. These institutions have also been able to add to their core graduate offer when external funding has been available e.g. Economic Investment Challenge Fund supported 250 recent graduates to access enhanced support.
- Job Centre Plus (JCP) have provided support to graduates and appear to be the main provider of assistance to graduates of other universities/colleges outside the City of York. JCP do also refer graduates back to their own universities. York College works closely with NCS and JCP for example of joint working with JCP is offered through a specific programme designed for recent unemployed graduates and delivered by York College in 2012.
- Regular learning and work sessions at Future Prospects are open to graduates but no specific support offered.
- Private companies provide mentoring and coaching, internship placement services and other support specifically for undergraduates and graduates including for specific subject areas.

Potential barriers to employment

- There are still some employers reporting a lack of skills from applicants but also issues of interpersonal skills/attitude as well as the importance of well qualified graduates being able to differentiate themselves from others (important in a competitive job market).
- More local employers, particularly SMEs need to be open to taking on graduates or providing work experience/internships to undergraduates, postgraduates and graduates.
- Many national graduate schemes ask for high UCAS tariff score as well as a 2:1 or above degree classification.
- In some non-graduate roles, there is so much competition and sometimes less qualified applicants are favoured as graduates are perceived as being too ambitious/over qualified .
- Anecdotally, we can see that some graduates don't wish to leave York for variety of reasons. There needs to be a balance of both realism (ie. currently not enough graduate jobs) and utilising talent within the city (i.e. developing more graduate roles).
- The acquisition of experience is one of the defining factors to success. More opportunities to get this experience is as crucial as getting the 'right' advice. Examples of useful experience include volunteering, internships/ placements, institutional programmes such as the York Award, part-time jobs.

Enterprise and business support

- At the universities this is well covered through dedicated support in business development teams and access to business incubation units.

- Specifically, the University of York are currently running an UnLtd project for social enterprise.
- Both universities access the Proof of Concept fund, and also tap into Alumni support.
- More generic signposting information from across the city including resource such as yorkmeansbusiness.co.uk and the contacts for incubation space, business support, business networks could perhaps be sent to all graduates when they graduate.
- Some start-ups, particularly in the technology field are possibly more likely to move away from York. Others in retail or creative areas are possibly more likely to stay.

Good practice - what sort of support and schemes seem to work well?

- Working at sector / programme level so that advice and support is tailored to specific industries - rather than offering generic advice.
- Combining incubation space with access to on-site business support.
- Early intervention and intensive support whilst on-course. The University of York have an on-line Employability tutorial which results in an employment plan. This was only introduced in 2011 so no results are yet known.
- Internships, work placements and volunteering allow students to begin thinking about their career plans as well as demonstrating value of graduate skills to the workplace.
- Providing specific advice – e.g. at The University of York, advisors offered a ‘webcasting’ service where graduates email their CV and this is annotated by an advisor.
- Information tailored to initiatives such as national / local graduate schemes, internships and work placements.
- Specific interventions for graduates who are un / under-employed. Both universities are running short term internship schemes from January 2013.
- Working closely with local businesses and key employers such as the joint development and delivery of the Foundation Degree in Health Service Management, a partnership between York College and the York NHS Hospital Trust.
- Example from outside York for example; ‘Unlocking Cornish Potential’ – supporting business growth with knowledge transfer (via graduate internships opportunities); also links to graduate start-up advice and support (heavily subsidised).

Summary

We know that graduates are staying on in, or return to York and that some remain unemployed and increasingly others are underemployed. There are a range of support agencies and information available to graduates including about business start up. For the future it would be important that York is able to:

- Understand the issues in much more detail through further research.
- Encourage inward investment of businesses providing high quality opportunities for graduates. The graduate talent pool needs to be one of the key benefits highlighted to investors in York.
- Work with local businesses and other organisations to increase the take up of interns and similar opportunities.

- Continue to provide graduates with information about where and how support is available.
- Increase, where funding permits, the one-to-one support, assessments and workshops for graduates seeking employment.
- Continue to facilitate networking and joint support between organisations/agencies which provide support for those looking for employment.

For further information please contact the Jessica Grant or Claire Newhouse on 01904 876350 or contactus@higheryork.org

Appendix 1:**Askham Bryan Higher Education provision**

Animal Management
Veterinary Nursing
Agriculture and Land Management
Arboriculture and Forestry
Countryside and Environment
Equine Management / Equine Studies
Horticulture Landscaping, Garden Management and Sportsturf
Teacher Training

The University of York departments

Archaeology
Biology
Chemistry
Computer Science
Economics & related studies
Education
Electronics
English & related literature
Health Sciences
History
History of Art
Languages and Linguistic Science
Law
Mathematics
Medical
Music
Philosophy
Physics
Politics
Psychology
Social Policy & Social Work
Sociology
Theatre, Film & Television

York College Higher Education subject areas

Business & Professional Studies
Child Studies
Construction
Education and Training
Engineering
Fine Art, Design & Crafts
Beauty & Holistic Therapy
Healthcare
IT & Computing
Science
Sport
Public Services

York St John University Faculties

Arts

Business School

Education and Theology

Health and Life Sciences

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Reply by Chris James on October 17, 2012 at 23:37

Delete It has always been our aspiration at IY to be able to offer real, short-term paid placements, work experiences and Apprenticeships to the young people who come through our programmes. This would give them 'CV Gold' and a platform from which to build. These are young people with significant talent, will and competences but often face significant barriers to employment. We currently have our IY Ambassadors group and our Bright Sparks Youth Board which allows us to offer a creative progression route once a project is finished, however, in this climate, these are not paid roles. Perhaps Apprenticeships or placements could be shared and costs split between small 3rd sector orgs and a private sector sponsor? Or more than the minimal tax breaks against the cost of an Apprenticeship. The city as a whole should invest in its young people - and not just the young people who excel academically but those who express their intelligence in different ways.

Check out what our IY Ambassadors get up to by following their BLOG!

<http://iyablog.wordpress.com/>

Reply by Maggie Geraghty on October 20, 2012 at 8:59

I run a training company based in York, called GAP Training Limited. We currently have funding to help unemployed people find work through the creation of Apprenticeships. The message is not getting through - either young people or businesses - that Apprenticeships are a real alternative to going to college or university and avoids the problem of building up debt with tuition fees and student loans etc. Apprenticeships allow individuals to 'earn as they learn' and are available in a variety of subject areas, including Business, Retail, Logistics and Customer Service, to name but a few.

Employers with less than 1000 employees can also benefit from generous grants to help them take on Apprentices.

If City of York Council took on even one Apprentice in every department - how many 18 - 24 year olds could this support? If the council could act as a 'hub organisation' to draw together employers, prospective

Apprentices and local training providers to a one -day event, this would ensure there was a clear picture of what really is on offer in the City.

Maggie Geraghty

Director, GAP Training Ltd

Tel. 01904 424730

Reply by Alyson Christy on November 2, 2012 at 12:17

Delete Supported volunteering and mentoring to enable young people to reach out to develop their own personal interests is one way forward into work.

Reaching Out, funded by The Big Lottery and based at The Children's Society's PACT Project here in York, has been building bridges to enable disabled young people (aged 16 - 25), to participate in meaningful and enjoyable activities as part of an inclusive work force.

Over the last 3 years 85 disabled young people, supported by 36 volunteers, have contributed over 4800 hours to community volunteering with 79 organisations in York. The brilliant news is that 41 of these young people are continuing to volunteer and 11 are in paid work as a result of their personalised volunteering experiences. All have gained confidence, new skills and new friends who involve them in the local community.

Take a look at <http://www.childrenssociety.org.uk/reaching-out> for more information and also the attached Out in Front newsletter for young people.

We have produced two DVDs with young people so that they and the support volunteers and organisations can tell others about their own experiences of the barriers and benefits of volunteering. We are using these resources in workshops with local voluntary groups - then supporting them to set and meet their own Reaching Out Challenges for inclusive supported volunteering.

There is an ongoing need for person centred interventions.

A new strand of our work is extending the Reaching Out model through a local partnership with JobCentrePlus. WorkAspire is designed to support young disabled people to identify their own skills and, with the help of a support worker, find relevant volunteering and longer term work opportunities.

How best can we share this work and learning with others?



YoungPeopleOuti
nFrontJuly2012[...

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Cabinet**7th May 2013**

Report of the Cabinet Member for Transport, Planning & Sustainability

Improving Movement and Public Realm in the City Centre**Summary**

1. A number of key city centre improvements will be completed over the next 2 or 3 years which, taken together, will help to improve the city's public realm and public transport system.
2. The projects are part of the wider transformation of the economic, cultural and recreational offer in the city centre. It will take the city forward in the same way as the vision to create the city centre footstreets and move traffic away from the Minster over 20 years ago. Concern at that time was overtaken by opportunity and vision, and the success of those bold decisions is now being shared throughout the country.
3. Significant transport changes are taking place across the City including expansion of park and ride, the upgrading of bus interchanges in the city centre, the rolling out of 20mph limits in residential areas and the development of smart ticketing, including the All-York ticket. Many other measures funded through the Local Sustainable Transport Fund (LSTF) and Better Bus Area Fund (BBAF) are aimed at increasing walking, cycling and the use of public transport and are influencing how we think about travel. These changes are fundamentally changing the way we make our travel choices and addressing the situation that as an historic city we do not have the physical space to fit more cars on the highway.
4. The Reinvigorate York programme, BBAF and the Local Transport Plan are spearheading major public realm improvements in the city centre, which includes: the redesign of the station frontage interchange; enhancements to the walking route from the station past the council offices to the Minster; theatre royal interchange

Duncombe Place/Blake Street and Exhibition Square/St Leonard's Place/Bootham Bar improvement projects.

5. The independent City Centre Movement and Accessibility Study (JMP 2010, published 2011) highlighted that current traffic patterns are one of the biggest barriers to improving the environment and public realm of the city centre, which are seen as critical to economic success. Many European Cities have grown their economies by enhancing their cultural, social and physical assets.
6. Removal of through traffic from the 'heart of the city' with managed access provided for essential traffic on 'priority routes' (in particular Lendal Bridge) offers a key transformational opportunity to maximise access for pedestrians, cyclists and buses. Significantly reducing motorised traffic offers the scope to improve air quality in some key central locations, improve bus reliability and enhance the attractiveness of the city centre. As the city grows the public transport system will become more vital for residents and visitors to in and around the city. More predictable journey times and less traffic in the city centre will improve the reliability and efficiency of bus services.
7. This report sets out a proposal for a trial to establish a pedestrian, public transport and cycle priority route over Lendal Bridge; commencing in August 2013, operating a two-way restriction enforced by Automatic Number Plate Recognition (ANPR) cameras. The proposal is to operate a 10:30am to 5:00pm trial restriction, with an aspiration for a 7:00am to 7:00pm restriction.
8. More specifically the reduction of vehicular traffic along the route from Queen Street, past the station, the city walls, Lendal Bridge to York Minster Library Square, St. Leonard's Place, Exhibition Square, Bootham Bar and beyond, improves the place and setting of this world class historic environment, stimulating trade, creating jobs and growing the economy. Reallocating released road space facilitates the realisation of series of public realm improvements along this route, and is an important step towards achieving the 'Reinvigorate York' transformation.
9. In the longer term removal of traffic has the potential to open up opportunities for the York Central development, a bus interchange at the rail station and options over Queen Street Bridge.

10. The transformation of the city centre will include many small improvements and additions (new seating, lighting, paving), as well as major new initiatives to reduce traffic congestion and intrusion, promote alternative modes of access and improve the appearance and enjoyment of our public spaces and streets.
11. It will especially focus on the whole route between the Station, Minster and cultural quarter (including the art gallery, theatre royal etc) (see Plan 1 attached to this report), helping to make this first impression of York a memorable one, and will also spread towards Bootham Bar, to King's Square and Newgate Market, Parliament Street, Coppergate and Piccadilly, and further out to Fossgate and Micklegate. It will also bring benefits to local bus users by improving the arrival and departure points to the shopping area.
12. Improvements to public spaces are already happening – the recent uplift of Library Square; de-cluttering/ improvement of signage, fencing and bollards throughout the city centre; new and replacement lighting; new seating; improvements to footways and lighting between the Station and Lendal.
13. This is being taken much further with planned area improvements to King's Square this Spring/ Summer; to Exhibition Square and the Bootham Bar/ Gillygate and Duncombe Place/ St. Leonard's Place junctions; Fossgate, Parliament Street/ Coppergate/ Piccadilly junction and re-design of Newgate Market and Micklegate over the next two years.
14. A bold new lighting strategy for the city centre is planned, together with new waymarking for the city. More effective physical and, especially, electronic/ digital, wayfinding will be explored in order to provide benefit throughout the day and night, especially in terms of introducing peripheral areas of the city such as Micklegate, Gillygate and Goodramgate which do not get the same levels of footfall as the historic core.
15. There is also the potential for new environmental improvements strongly linked to the delivery of transport route and access priority changes. New access controlled measures at the entrance to the footstreets (including Spurriergate and High Ousegate junction) are now being explored alongside improvements identified through the Local Sustainable Transport Fund and Better Bus Area Fund.

The Economic Case for Investing in the City Centre

16. The quality of the city centre and its public spaces is absolutely critical to the continued economic prosperity of York, and particularly the city's ambition to become a top 5 UK city and top 10 mid sized European city¹. The city centre, as the 'face' of York, whilst still popular with many visitors and residents, is looking tired in places and will struggle in future years to compete with competitor cities across the UK and abroad.
17. Investment to uplift the city centre is important to encourage a greater proportion of the city's residents, as well as visitors, to spend time in the city. Experience in York (with the original footstreets implementation) and other cities who have taken bold decisions to invest in public streets and spaces, like Sheffield, Manchester and Bradford, have reported real uplifts in footfall, spend and business interest – as well as reaping the human benefits of a looked after and pedestrian-friendly place.
18. Local businesses have identified accessibility and movement in and around the city as being essential to improve. Key stakeholder groups such as Visit York, English Heritage, York Civic Trust York and the Future York Group have all identified the need to improve streets and spaces across the city centre to provide a high quality public realm that is spectacular by day and night. Making the city more business-friendly will increase demand and build private sector confidence.
19. The Council recognises that quality of place matters to businesses making decisions about where to locate and invest; matters to residents as a living place and a place to live; and matters to the visitor – to enjoy, to learn, to invest and to come back.
20. A new vision for the city (*York: New City Beautiful*²) – the first since the Esher Plan of 1969 – was published in 2010 with the help of York business and community leaders. It recognises that the city centre has a lively and diverse range of activities, including some of the most attractive small, niche retailing environments in the country, but that the physical fabric within which it sits does not showcase York's assets or provide a good platform for events, and presents challenging movement and accessibility issues. The

¹ York Economic Strategy 2011-15

² York New City Beautiful. Toward an Economic Vision 2010

Station to Minster route was highlighted as weak in terms of quality and legibility.

21. The York Visitor Survey 2011-12 found that the overwhelmingly top activity of our 7 million visitors each year is to “stroll around and enjoy the ambience of York”, together with “eating and drinking out”. Less than 2 million of the 7 million visitors actually go into the major attractions. This illustrates the vital importance of the quality of public spaces in attracting entrepreneurs, investors, students and people looking for jobs.
22. Resident surveys over a number of years have already shown support for measures to reduce traffic in the city centre. Recent surveys as part of the City Centre Area Action Plan (2008) consultation demonstrated specific support for restrictions on through traffic over Lendal Bridge. There does seem to be a strong public recognition of the damage that traffic is having in York city centre and the desire to move towards a city that is more traffic free.
23. The route from York Railway Station to the Minster is crucial. For many visitors to York it is the front door, their first impression of the city centre. At the moment it has some real interest and intrigue but no great clarity. The pedestrian environment and the sense of arrival in York is fairly poor.
24. The area houses many of the key cultural attractions of the city, including the Art Gallery, Yorkshire Museum and Gardens, King’s Manor, and Theatre Royal, but the environment and air quality of St. Leonard’s Place is generally poor. The route into the city centre from the Gillygate side could be much safer and more attractive for residents, shoppers and visitors. For bus users there are poor waiting facilities in St. Leonard’s Place and conflict with passing pedestrians
25. Similarly, the sense of arrival and setting of Exhibition Square and Bootham Bar should be noticeably improved for the benefit of residents and visitors, and there is traffic congestion all the way from the Station, over Lendal Bridge, to Museum Street and St. Leonard’s Place which must be addressed with new solutions.
26. More specifically the reduction of vehicular traffic along the route from Queen Street, past the station, the city walls, Lendal Bridge to

York Minster Library Square, Bootham Bar and beyond, would vastly improve the place and setting of this world class historic environment. It would help to stimulate trade in the same way as pedestrianisation of Parliament Street and connected streets 20 years ago and therefore help to create jobs and grow the local economy.

27. The route is illustrated on Plan 1. It shows the extent and importance of this key corridor to the Minster and cultural quarter from the Station.

The Opportunities and Rationale for Improving Movement in the City Centre

28. In the 1980's the City took bold decisions to implement the Footstreets area and close Deangate, removing 10,000 vehicle movements a day from in front of the Minster. That decision was not universally popular at all at the time but has since proven to be successful. It is supported by retailers, residents and visitors and defines the way in which everyone accesses and uses the city centre and Minster.
29. A generation later this is an opportunity to realise another place shaping initiative to reduce the amount of through traffic in the city, to fundamentally alter the look and feel of the north west of the city centre and unlock the potential to improve the untidy public realm at the station, Station Rise, Duncombe and St Leonard's Place, the theatre, Exhibition Square and Bootham Bar.
30. The opportunity for Members to consider is in relation to the re-prioritisation of Lendal Bridge for public transport (including taxis), cyclists and pedestrians. Reconsidering the priority on this link into the city will not only reduce the volume of traffic right through from the Station to Bootham Bar (where there is often queuing traffic) but also open up the potential to unlock a number of other exciting projects for the City. This proposal ensures the full potential of these other projects can be developed and that the sum of these projects is greater than their individual parts. Annex A contains a photo montage of the route from the Station to Exhibition Square as currently experienced by the different user groups.

Why Now?

31. The ability to deliver on a bridge reprioritisation proposal impacts directly on the scope of the Reinvigorate York projects at Exhibition Square/St Leonard's Place / Bootham Bar and Duncombe Place/Blake Street and the benefits that can be accrued, including the opportunity to showcase the city during the Tour de France event in 2014. Significant investment in the area (over £14m) is taking place around the art gallery, theatre and St Leonard's Place to create a cultural hub. The whole area therefore acts as a gateway to the city centre, the station and Minster and cultural quarter
32. Reprioritisation of traffic on the bridge is critical to enabling the full potential of this investment to be realised. It would create spaces not dominated by traffic, free up space currently used by traffic thus enabling it to be used as shared space or public realm and allows the spaces to be more coherently joined together. This will help realise opportunities to improve their appearance and use which, in turn, will positively contribute to the city centre environment and add to the economic and cultural offer of the city. However these areas can be maximally enhanced only if the majority of traffic is removed.
33. Equally importantly there is a one off opportunity with a number of critical transport projects (which will offer mitigation and complement the trial) are being delivered over the next two years, which bring with them external funding of approximately 22 million pounds; namely the i-Travel York project encouraging mode shift, Better Bus Area Funding delivering bus improvements, Access York to the A59 / Outer Ring Road roundabout upgrade and Poppleton Road/Boroughbridge Road bus lane improvements and new Park & Ride sites, also being delivered through Access York. Bids have also been submitted through the West Yorkshire Transport Fund+ for substantial improvements to the outer ring road and public transport (see paragraphs 42 and 43). Bids have also been submitted for funding to deliver Haxby station and A19 pinch point improvements (an additional £4.5 million). This is a significant injection of capital and revenue funding that can support and enhance the wider aspirations of the city and it is unlikely that such an investment opportunity for offsetting the impacts of the Lendal Bridge proposal would be available again. This is in addition to the Reinvigorate York funding and external investment

being delivered by stakeholders at the Theatre, St Leonard's Place and the Art gallery.

34. Reducing the amount of city centre traffic in York through re-prioritisation on bridge crossings or key links has been consistently advised for a long time. North Yorkshire's Medium Term Travel Plan and the MVA Traffic and parking study 1989 both had a specific action to close Lendal Bridge at all times to all traffic except buses, cycles, taxis and emergency vehicles.
35. Reprioritising traffic on Lendal bridge also presents opportunities to make significant improvement to public transport, creating a corridor that enables greater reliability and consistency. If the growth aspirations for the city are to be delivered then the public transport offer will need to be strengthened in order to provide for the additional demand for travel within a constrained highway network. The greatest benefit would accrue in the 7:00am to 7:00pm period.
36. Closures for road works on Lendal Bridge in the late 1970's, in Gillygate in the 1990's and Lendal Bridge again in 2000 demonstrated that public concerns that reducing capacity on the inner ring road would inevitably result in long-term 'grid lock' did not materialise.
37. It is accepted that the re-routing of traffic will potentially lead to some detrimental displacement effects, and worsening congestion on some routes dependant upon the travel choices people make as a result of the changes and will be influenced by the mitigation works underway in the form of business and personalised travel planning, re-routed bus services etc. It is also recognised that the resilience of the network to be able to cope with incidents and events will be reduced. In an emergency it would be possible to remove the restriction and open the bridge to general traffic although it may be better to protect the efficient running of the public transport service through maintenance of the priority route.
38. However, research into roadspace reallocation (Cairns et al 2002) looking at 70 schemes in 11 countries, suggested that predictions of traffic problems were often 'unnecessarily alarmist' and that subject to local conditions 'significant reductions in overall traffic can occur', on average across the schemes, 11%. It also makes the point that how the scheme is perceived and reported in the media is critical. If as a result of any trial or permanent

arrangement a significant reduction in overall traffic was achieved, as maybe likely, this would also contribute significantly to air quality improvements and targets.

39. Successive resident consultations have shown strong public support for reducing congestion in the city centre. In 2009 the Congestion Scrutiny Committee Survey revealed that *restricting congestion without charging* was most likely to be chosen as respondents' first choice measure to tackle congestion in the city (39% of respondents).
40. There is firm policy support for reducing traffic in the city centre and improving public spaces and streets. Reprioritising Lendal Bridge as a sustainable transport link is a specific recommendation in the 'York: New City Beautiful' study (2010) and the City Centre Movement and Accessibility studies (2011).
41. The recently successful £2.2M Better Bus Area (2012) fund bid included proposals for the investigation of bus priority corridors on Lendal (and Ouse) bridges. The proposal is to support the implementation of other major public realm initiatives as well as contribute to the economic aspirations of the city by enabling growth whilst accommodating existing traffic in an alternative way.
42. Alongside City Deals the Government has also changed the way in which local transport major scheme funding is organised. By devolving power and funding for transport major schemes from the DfT the Local Transport Body (LTB) becomes the organisation through which scheme prioritisation and funding decisions are made. City of York Council opted to become part of the West Yorkshire and York Local Transport Body geography. The WYTF+ therefore represents the West Yorkshire + York LTB major scheme funding pot.
43. The York package of schemes shares the same objectives as the (core) West Yorkshire package - namely the delivery of the maximum net increases in GVA and improving access to employment. The package of schemes include: outer ring road improvements, A19 bus lane and access improvements to the designer outlet, Clifton Moor P&R, City centre public transport improvements and access to York Central.
44. In order to achieve the economic and growth aspirations of the city it is essential that public transport is able to accommodate and

take up additional journeys on the network. Improving bus journey times and reliability through the city centre is crucial to delivering these wider aspirations.

45. The proposed bridge restriction and associated public realm improvements facilitates links to the Council Plan, supporting a number of key outcomes, as follows:

Priorities:	Key Outcomes
Create jobs and grow the economy	Enhanced the role of York as a World Class City recognisable, as a great place to invest, visit, do business and for talent to remain or locate to.
Get York moving	Far more people will choose to travel by bus, bike or on foot.
	York's transport system will offer quality alternatives to the car.
	It will be easier, safer and more efficient for York's residents businesses and visitors to move within the city.
Build strong communities	Improve the health of community by encouraging walking and cycling as a means of travel.
Protect vulnerable people	Improve accessibility by public transport to services.
	Improve safety and encourage independent travel.
Protect the environment	Reduce carbon emissions by encouraging a move to low carbon and active transport modes.
	Enhanced public realm and setting of the historic core environment.

46. The Local Transport Plan (2011–2031) sets out the transport strategy for York. It contains ambitious objectives over the long term, but is realistic in what is achievable over the next few years by making better use of existing infrastructure. The key themes and outcomes for the plan are captured in the table below.

Five Themes	Key Outcomes
Quality Alternatives	Comprehensive cycling and walking network
	Better quality and more reliable public transport
	Enhanced Park & Ride facilities
Strategic Links	Well maintained and managed strategic transport network
	New cycling and walking links between residential (urban & rural) and employment areas.
	Better rail services and connections
	Selective enhancements to the existing road network to increase capacity and improve safety
Behavioural Change	Greater awareness of options available for sustainable modes of travel (travel planning)
	Increased levels of sustainable travel to all key education, employment, leisure and retail destinations
	Improved road safety awareness
	People being more healthy and active
Transport Emissions	Reduced vehicle emissions
	Improved air quality
Public streets and spaces	Enhanced and safer walking and cycling access in public spaces, streets and developments
	Fewer vehicles travelling through and around the city centre
	Safer roads with fewer casualties
	Developments integrated into and enhancing the sustainable transport network

Enabling Improved Public Spaces through Improved Movement – Trialing restrictions on Lendal Bridge

47. In considering how the objectives of the Economic Strategy, Reinvigorate York initiative, Local Transport Plan, CCMA and other Council strategies could be delivered a number of options for reducing traffic and congestion in the city centre have been considered. Road User charging is an option but is not popular with residents or the business community (identified from previous Local Transport Plan and Scrutiny Committee consultation). In the last major survey an approach based on improving other modes and physically restricting other traffic was the favoured option.
48. Proposals for a one-way system on the inner ring road, with the removal of traffic signals, have been considered but discounted primarily on grounds of increased mileage on the network and inability to lock in the benefits for sustainable modes. High occupancy vehicle lanes or road user charging also have the potential to reduce the volume of traffic using Lendal Bridge, but by no means to the same level as the proposed restriction. Acceptability, cost and complexity of these schemes compared to the relatively simple bridge restriction option makes the latter the preferred option.
49. Four options around vehicular restrictions on bridges were considered
- Ouse Bridge (both directions)
 - Lendal Bridge (both directions)
 - Lendal Bridge (northbound only)
 - Ouse Bridge and Lendal Bridge (both directions)
50. Initial strategic level modelling was undertaken to look at redistribution of traffic on the network. This piece of work, together with the programmes and aspirations referred to in previous paragraphs, formed the basis for the analysis (attached Annex B). Multi-criteria analysis provides a means of assessing options based on a range of criteria both quantitative and qualitative (Annex C).
51. It is significant that on Lendal Bridge cars account for only 25% of person movements but comprise 80% of the vehicles, a disproportionate impact on the location and environs. 17% of

person movements are by bus, 12% by cyclists and 41% are pedestrians.

52. In summary, an Ouse Bridge restriction would have less impact on general traffic and would result in some improvements to bus services using this river crossing. As stated in Annex B, the Lendal Bridge restriction gives far higher benefits under most of the criteria. One way options have less impact on general traffic but do not achieve the aspirational goals of improving public transport or public realm, primarily in St Leonard's Place, Exhibition Square and at Bootham Bar.
53. This directed further work to be focused on Lendal Bridge. The proposal focuses on delivering a two-way restriction on Lendal Bridge but that does not preclude a northbound only restriction and forms part of the ongoing work considering the practicalities of moving the proposal forward.
54. The advantages of the northbound restriction are that it is easy and low cost to implement; reduces delays for public transport in the direction that experiences the greatest delays, and would have an immediate impact in the public realm environment by removing the seemingly ever present queue of traffic snaking back from Museum Street over Lendal Bridge
55. However, only delivering on the north bound restriction would not remove through traffic from St. Leonard's Place, Exhibition Square and Bootham Bar and could compromise the space, fall short of delivering the economic ambitions for the city, and fail to fully support the external investment currently being made in the area
56. It is the potential for enabling of strategic interchange, along with the significantly greater potential for economic and public realm improvement, that makes the two-way restriction on Lendal Bridge the preferred option. It is also considered that some of the bus related issues on the Ouse Bridge corridor (e.g. delays exiting Coppergate) will be resolved through better compliance through enforcement of the existing traffic regulations. Enforcement is dealt with in Annex D.
57. A restriction on Lendal Bridge to through traffic could cause some problems on a number of bus services at specific locations. Mitigation measures are being considered as part of the trial and

any permanent scheme (and are set out in more detail in Annex D). However, crucially, the proposal has the potential to generate substantial benefits to bus services. This is because such a closure will:

- Free buses from the congestion that they experience over the bridge itself
- Reduce traffic flows on links near to the bridge, where buses also experience congestion currently
- Reduce traffic flows and congestion on Ouse Bridge – bus services using either bridge benefits from the measure

58. Importantly, there are some potential ‘big wins’ for residents in terms of delivering more reliable bus services between 7:00am and 7:00pm and this timescale would provide a focus for current and future investment both from the council and bus operators.

59. The table below shows specific schemes which would benefit from or be enabled by a closure of Lendal Bridge.

Scheme	Benefit of Lendal Bridge closure
Rail Station Interchange	Lower traffic flows adjacent to Rail Station improve amenity of area for pedestrians and cyclists and enable a more ambitious scheme in due course, with higher benefits for bus passengers, at the Rail Station
Rougier Street Interchange and Lendal Bridge junction	Lower traffic flows will improve amenity of redeveloped facility and allow junction improvements for pedestrian at the Lendal Bridge end.
St. Leonard’s, Exhibition Square and Bootham Bar Interchange	Faster and more reliable journey times for buses and lower traffic volumes on St Leonard’s Place should allow Reliance and Stephenson’s services to travel to Station Rise or Rougier Street and terminate there, and the bus lay-by on Exhibition Square to be filled in allowing more of the Square to be made available as a pedestrian space. Also brings improvement to amenity of the new

	bus interchange
Leeman Road bus lane	It is likely that the queue on Station Avenue will reduce to point where bus lane not required. Space on Leeman Road could be used for other purpose – e.g. higher amenity coach drop off, bus layover location
Clarence Street bus lane	Adds significant value to this scheme as it reduces delays to bus services on and accessing Gillygate
General	Shows a clear willingness to take bold decisions, improving York's case for attracting funds to improve bus services further (for example, in the second round of Better Bus Area funding, or a bid for a transport interchange adjacent to the Rail Station).

60. These opportunities for improved spaces are set out in the following sections below, starting from the Station and Tea Room Square, and heading across to the new West Offices, Station Rise, Museum Street, Duncombe Place, St. Leonard's Place, Exhibition Square and Bootham Bar.

61. A dedicated Project Manager for the trial will be required to ensure that the project runs efficiently and that full consultation and monitoring processes are in place. A project manager will be in place as soon as possible upon agreement to proceed with the trial. Further information relating to the detail of the trial proposal as well as details relating to mitigation works, enforcement, monitoring and evaluation are set out in Annex D.

62. The overview for the proposal for the trial is set out here:

- To be delivered using experimental Traffic Regulation Orders (TRO). Under an experimental TRO the trial can run for up to 18 months before it must either be revoked or made permanent. The first six months of the trial constitutes the objection or representation period.
- To commence during the summer holiday period in August 2013

- A two-way restriction to be enforced with ANPR cameras based at the Rougier Street end of the bridge
- Access only provision to be made from the Bootham/Gillygate junction into St. Leonard's Place
- The right turn out of Lendal to be reinstated (this will mean that for the period of the trial there would be a significantly smaller pedestrian crossing point at this location, however as part of any possible permanent arrangement there is potential to shared space solution to the junction such as altered paving or a raised table)

The aspiration is for a restriction from 7:00am to 7:00pm. Three options for a trial have been considered.

- a) Commence with 10:30am – 4:00pm which will need to operate for at least 6 months, consider any objections before considering a further Order to change the time period.
- b) Commencing with 10:30am – 5:00pm which will need to operate for at least 6 months, consider any objections before considering a further Order to change the time period.
- c) Commence with 7:00am – 7:00pm which will need to operate for at least 6 months

63. The 'access only' arrangements on St. Leonard's Place will provide for access for businesses and residents and ensure they have 24 hour access to their premises. It will also enable legitimate access to the footstreets area.

64. These options, including the associated advantages and disadvantages are set out in more detail in Annex D. Taking account of the aspirations for a 7:00am to 7:00pm restriction and the advantages set out in Annex D, Option b) is the preferred option because it provides the most advantaged start with the least disadvantage. It allows for a logical first stage introduction that can demonstrate understanding, learning and addressing of issues whilst retaining consistency with the footstreets experimental hours. It also provides the foundation for considering how to take forward the more aspirational 7:00am to 7:00pm scheme.

Mitigation overview

65. The main points of the mitigations available are set out below. Further detail is included in Annex D.
66. The main focus is on providing a proactive traffic management service. Adjustment of the signal settings will be made to capitalise from the reductions on some routes and mitigate against impacts on others. Adjustment of the plans will enable more 'green time' to be given to some arms of the junction to reduce delay.
67. Additional network operator staff will be deployed to provide proactive management and control utilising equipment available e.g. CCTV. These staff will focus on monitoring the network and identifying problems which will enable any problems that develop to be dealt with immediately.
68. Through the BBAF provision is being made for bus wardens – who will monitor the situation on the ground and deal with issues directly with bus users and operators; and for a bus controller who will be based in the CCTV office. This person will monitor the CCTV specifically in relation to bus issues and seek to address them directly or avert potential issues before they escalate.
69. The BBAF will also be delivering a number of other public transport improvements including: a bus priority lane on Clarence Street to improve bus reliability and reduce delay, improved ticketing arrangements with the introduction of a smart card, improved interchange areas, improved information and provision of real-time information and improvements to the existing city centre bus priority area on Coppergate.
70. Early discussions with bus operators have indicated general support and a willingness to work with the council to trial additional services, re-routing of services, fare promotions etc. Discussions with operators are on-going. The new Park & Ride at Poppleton on the A59 will provide additional public transport capacity in 2014.
71. Through the LSTF a programme of personalised travel planning in the northern quadrant of the city is commencing in May 2013 and running for two years. Staff will be working with individuals to identify how, where and when they can change their travel behavior. Cycle facility improvements are being provided which will

provide a more joined up network by infilling gaps and providing new routes e.g. Haxby to Clifton Moor and a park & pedal scheme at the P&R sites has just been launched through the business travel planning initiative.

Improved Spaces Delivered by Reducing Traffic Flow

Station front/ Tea Room Square

72. The emphasis is on lifting first impressions of the city, with a particular emphasis on making travelling on foot to and around the city centre easy and enjoyable for residents whilst providing an attractive environment to attract business.
73. Working with East Coast, Network Rail, local bus and taxi companies, and other key groups the objective is to improve both the space and the functional aspects of the Portico, Tea Room square and the frontage of Station Road.
74. Making movement for pedestrians easy, clear, direct and safe is key. More than 7,000 pedestrians use the current crossings in Tea Room Square on a daily basis, and many more during peak visitor times and events such as York Races. The opportunity to provide a singular crossing (or space) that synchs with desire lines is anticipated.
75. The overall use of Tea Room Square needs to be refocused: it could provide space for short term public/ customer drop off and better management of servicing/ deliveries.
76. The use of the Portico is also important as is the potential to allow exiting vehicles to turn right, thus avoiding the need to travel around the square – which currently causes a great deal of congestion and frustration.
77. Waymarking, information and legibility all need to be greatly improved in the area. There is currently no real message to the visitor that it is just a 10 minute walk to the Minster or to the city centre shops. There is no obvious relationship with the City walls, and the nearby delights of places like Micklegate are not advertised or explained.

78. There are plans to improve bus waiting facilities and overall ease of movement, which will be funded by the Better Bus Area Fund. These aspirations will be closely linked in with the wider vision to improve the sense of arrival into York by rail, and enjoyment of the walk from the station to the Minster, other cultural attractions and wider city centre.

Station – Rougier Street

79. The emphasis on creating a vastly improved pedestrian experience right through from the Station to the Minster needs to continue past the immediate environment of the Station, as set out below.

80. Improvements to the Puffin Crossing outside the Station Hotel are planned, including widening, adjustment to alignment and de-cluttering.

81. The path via the Cholera Burial Ground can be enhanced through improvements to lighting and street furniture. There is also the potential to provide a hedgerow within the burial ground, and also to extend the grassed area, in order to provide screening from Station Road. This will make it a more pleasant space to sit and spend time in.

82. Station Rise and the War Memorial corner have recently been repaved and improved in conjunction with West Offices. This has transformed the area with a much better balance of use, again with an emphasis on quality public realm. Further enhancements to the space in terms of street furniture are under consideration.

83. The junction of Rougier Street/ Station Road and Avenue is clearly very busy, used by all modes of traffic. The level of pedestrian demand outstrips the space currently provided. The feel of the environment is not particularly comforting, with small central islands and guard railing.

84. Some initial ideas have been considered to improve the appearance and use of the junction, and the aspiration for a 7:00am to 7:00pm restriction to traffic movements over Lendal Bridge provides the key to what could be possible in terms of improved movement and appearance at this important junction. These are summarised below.

St. Leonard's Place/ Duncombe Place junction

85. In order to improve safety for pedestrians and create a better environment and setting for Duncombe Place, a shared paving surface should be created at the junction, with delineation of the Museum Street to St. Leonard's Place junction.
86. Vehicular access to Duncombe Place and Blake Street will be discouraged through new paving materials and improvement of public realm (see Plan 2, attached to this report), details of which will be considered through design options and consultation.

Exhibition Square

87. This is a great square in front of the City Art Gallery, which is itself undergoing major refurbishment and extension. It has fantastic views across St. Leonard's Place to Bootham Bar and the Minster but suffers from heavy road congestion and buses pulling in to the area in front of the square.
88. A reduction in the area of the bus pull-in is critical to enable improvements to the square – which could then be of appropriate quality and scale.
89. A reduction in vehicular traffic using St. Leonard's Place is also key to improving the appearance and use of the square and providing the right environment for pedestrian dominance and enjoyment for the whole of St Leonard's Place. In practical terms this means the current terminating bus services need moving to the Station Road/ Rise roundabout and, in the longer term, there would be potential to move them to the new bus interchange at the Railway Station – thus improving linkages for passengers. This is problematic in timetabling terms for the operators unless the proposed bridge priority is in place to remove the unpredictable delays currently experienced along the Lendal Bridge corridor.
90. Plan 3, attached to this report, illustrates two options to improve pedestrian safety and enjoyment of the Bootham Bar and Bootham/ Gillygate junction area, with road narrowing and better crossing facilities. The first option is strongly recommended to Members as a way forward, subject to more detailed analysis and consultation. It gives a better opportunity to provide a real sense of place in this historic and beautiful area

91. By re-establishing the line of the former Abbey Precinct Wall we can knit back the historic fabric of the area, and create a meaningful boundary between Exhibition Square public space and highway/ reduced area of bus pull-in.
92. This will then allow improvements to be made to the space itself, which might include new seating, planting and outdoor café area, relocation of cycle stands, re-consideration of the ETTY statue and fountain, and other initiatives to make more enjoyable use of the space – which will compliment the planned improvements and additions to the Art Gallery.
93. Initial consultation with key stakeholders - Museums Trust (Art Gallery), University (King's Manor), Theatre Royal, Rushbond (owners of former Council Offices), English Heritage – concludes that there is a great deal of interest and support for the plans, strengthened by agreed and substantially funded improvements to the art gallery, theatre and St. Leonard's Place buildings. More detailed analysis and options for wider consultation will be developed in the next few months.

Bootham Bar/ Gillygate junction

94. There are two options currently being considered in order to vastly improve the setting of Bootham Bar and to effectively define a new gateway into St. Leonard's Place from Bootham and Gillygate.
95. Both options reduce the area of the bus pull-in, and the Preferred Option 1 re-defines the Bootham to Gillygate carriageway and creates a new pedestrian-friendly shared surface between the junction and St. Leonard's Place (see Plans 2 and 3, attached to this report) which would create a much better setting for Bootham Bar and give a more pedestrian-friendly feel to the whole area.
96. A very limited scheme for Bootham Bar could be delivered separately but, in order to realise wider transformational change at Bootham / Gillygate and Exhibition Square, the aspiration for a 7:00am to 7:00pm restriction is critical to this.
97. Duncombe Place gateway is the final part of the strategic corridor from the Station to the Minster and forms part of the Exhibition

Square package. It would benefit from the Lendal trial, but is not dependent on this happening.

98. Timetables are indicative at this stage and subject to review in order to align with timescales for the Lendal Bridge trial and Better Bus Area Fund works once these have been agreed. The timescales reflect the need to allow for planned major utilities works in the area (January/ February 2014). The preferred option is to complete the physical works between February and June 2014 (nb. must be completed before Tour de France, July 2014) and for additional works to be completed after July 2014.

Consultation for the Lendal Bridge Trial

99. Stakeholder engagement will be required in assisting the formulation of the proposed trial and extensive stakeholder and public consultation would need to be undertaken during the trial and prior to any decision made to make the scheme permanent. An initial media and communications plan has been developed to engage, support and manage relations with the media and the full plan will be completed over the next month.
100. The initial focus will be to talk to businesses with a view to getting support and sign up to the trial and the access details and arrangements.
101. Essential areas of communications development include: press features and releases, leaflets and posters, website pages, Q&A information, twitter feed, presentations, discussions meetings with user groups, drop-in-sessions, and feedback / comment channels.
102. Key messages have been developed, and are included in the Communications Plan around:
- Creating York as a world class city and environment
 - Considerable public realm improvements planned from the Station through to Exhibition Square / Duncombe Place, including dramatic upgrading of pedestrian spaces that will benefit enormously from removal of through traffic and provide for greater scope of improvement.
 - Contributing to a higher quality more reliable bus network for the future to take the strain of travel in a growing city

- Significant stakeholder investment in the city which will be supported and enhanced by this project (i.e. without this project the full impact of this investment will not be realised)
- Supporting businesses in a difficult economic climate. There is evidence to demonstrate that a) people are attracted to shop/do business in a more attractive environment and b) there is some evidence to suggest that over time people arriving in city centre by sustainable modes spend more money than those who arrive by car.
- Improve access to the city centre for pedestrians and public transport, and providing a better 'arrival' into the city, particularly from the north side.
- Delivering improvements aimed at residents.

Benefits to residents:

- Better bus services through improved bus reliability
- Reduced traffic on the north side of the city centre
- More attractive environment
- More sensitive location of improved bus stops
- Alternative provision for parking at the P&R + new P&R opening
- Quality routes improved for public transport, cyclists and pedestrians.
- Lendal Bridge effectively becomes a bus lane (including taxis and cycles.) for the bulk of the day

103. Internal officer discussions have already taken place with regard to early engagement of businesses. The proposed approach is to:

- Engage with businesses directly affected by the proposals to give them an opportunity to understand the purpose of the proposal and discuss alternative routes for their deliveries and customer traffic.
- Engage with cultural and visitor sectors.
- Attend City Team and York Economic Partnership meetings

104. Initial high level consultation with bus operators has already commenced. This is with a view to both re-routing services as part of the trial to capture and understand benefits to bus users, and also to relocate some of the services, stops and turnaround

locations to free up space that could be then used for public realm e.g. Exhibition Square.

105. Discussions so far have been broadly supportive of the proposal and, in order to take advantage of the improved reliability on Lendal Bridge, First York have indicated that they would consider operating: fare promotions, marketing initiatives, experimental re-routing of commercial services (including P&R). Both Reliance and Stephenson's have responded positively to early discussions and have indicated that trialing the rerouting of services would be something they would welcome.
106. Resident surveys over a number of years have already shown support for measures to reduce traffic in the city centre. Recent surveys as part of the City Centre Area Action Plan (2008) consultation demonstrated specific support for restrictions on through traffic over Lendal Bridge. There does seem to be a strong public recognition of the damage that traffic is having in York city centre and the desire to move towards a city that is more traffic free.

Council Plan Priorities

107. Delivery of the proposals will help to achieve a number of the themes of the Council Plan, including :-

Create jobs and grow the economy – it is considered that the wider aims to improve the quality of York City Centre will contribute to the economic attractiveness of the city and boost investor confidence.

Improving journey times and journey time reliability on bus services in York will make it easier for people living in York to access a range of job opportunities in the city. It will allow employers access to a wider pool of labour. More effective bus services will also improve access to training opportunities in the city. Substantial traffic reductions on a key link in the city for tourists (for example, Lendal Bridge is on the direct walking route between the rail station and city centre retail and tourist attractions) will improve the amenity of York City Centre and increase the number of visitor trips to the city, and therefore visitor spend levels.

Get York Moving – improvements to streets and spaces will improve safety for pedestrian and cyclists, and help to create a better environment for people to consider using alternative modes of transport.

Measures to improve bus journey times and reliability will make an important contribution to the Council Plan's target of increasing bus use by 10% between 2011 and 2015. Modal shift from car to bus or active modes facilitated by a bridge restriction will contribute to efforts to reduce congestion across the city as a whole.

Build strong communities - removing through traffic from a key route in York will improve community infrastructure by improving the amenity of the city centre.

Protect vulnerable people – York's streets and spaces need to work for everyone, and there are many significant issues that need to be resolved involving communities of interest as defined by the 2010 Disability Act. Higher quality paving, more considered repairs and re-bedding of surface materials, increases in seating and better quality seating, improved lighting, and a new approach to wayfinding will all help to improve physical and intellectual access to services and facilities for all. To facilitate these positive outcomes an Access and Mobility Audit of the city centre has been undertaken by the Council funded through the EIF (using part of the Reinvigorate York £200k fund) and the technical document produced is informing current and future work. The consultants, Centre for Accessible Environments, have commenced work and will report back at the beginning of September. This report will be critical to all Reinvigorate York work.

Removing through traffic from a key route in York offers the potential to improve conditions for people with respiratory ailments through improvements to air quality in the important parts of the city centre - reducing the amount of time buses spend in the city centre and reducing the need for buses to accelerate from rest in standing/ slow moving traffic. Air quality will in all likelihood improve in the immediate area of Lendal Bridge and the city's worst hotspot in Gillygate, as a direct result of reducing the amount of non-bus traffic. This area is very heavily used by pedestrians and cyclists with over 6 million movements per year. However there may be some deterioration in air quality in other areas of the city including existing areas that breach the AQ standards but this

very much depends upon the travel choice that residents make as a result of the changes to the traffic network and bus offers.

Protect the Environment – proposals will be delivered in accordance with the Council's sustainable objectives, and will enhance the public realm, heritage and townscape of the city centre which will support the sustainable growth of the city and coordinate with the vision and objectives of the Reinvigorate York initiative.

Modal shift as a result of improving the bus service and improved conditions for active modes will in time help reduce carbon emissions by the city and improve the amenity of the city centre.

Implications

108. The following implications have been identified:

Financial Implications - The specific costs arising from this report are as follows:

The capital and revenue costs of designing and implementing the works around Lendal Bridge total £170k and will be funded from the capital programme and the revenue elements will be funded from the Better Bus Area Fund and from existing public transport resources. There are specific allocations for Public Transport Improvements (£100k) and City Centre Bus Gate Enforcement (£50k) identified in the capital programme which will be used to fund these works.

The associated ongoing operational costs of implementing and operating the trial are identified as follows:

Project Management £50k
Network Operating Staff £40k
Monitoring £20k
Signing and orders £10
Cameras £40k
Consultation £10k

The project management will be funded from the BBAF, the network staff, monitoring and consultation will be funded from existing public transport resources and the signing, orders and cameras will be funded from the capital programme.

There are other elements within this report that are not part of the recommendations. The Public Realm improvements outlined as part of the £3.3m Reinvigorate York programme will be subject to further reports to cabinet and funding approval. The estimated spend profile over the 3 years is £500k year 1, £1.3M year 2, and £1.5M year 3. Approximately £500,000 is allocated to Exhibition Square, and £150,000 to Duncombe Place.

Further work is required to consider what pedestrian crossing facility would be appropriate at the Lendal/Museum Street junction. If it is determined that a zebra crossing is required, the cost would be approximately £10k - £15k and can be funded from the capital programme.

There are also potential impacts of the trial on council car park income budgets. This will need to be carefully monitored over the trial period.

Human Resources (HR) - Depending on enforcement issues a potential requirement for new staff.

Equalities - As with any proposals affecting change to public streets and spaces there are significant equalities issues which will, in part, be addressed through the emerging Access and Mobility Audit. Members are asked to note that the proposed projects will be informed by this audit as well as existing equalities and Communities Impact Assessments (CIA) for the emerging public space strategy and the review of York's footstreets. These assessments will be a key element of the feasibility study for each project and, in the meantime, projects proposed here will be assessed against existing evidence, and with reference to national guidance.

Access to the city centre is still available to all users (subject to the operation of the footstreet hours) and all users are equally impacted where a different route to the city centre will need to be used. Exemptions to the bus only lane restrictions will be permitted where specific access to premises is required. Access to all current areas will remain but trip lengths will increase for some users (i.e. those not permitted to use the bus only lanes). Consultation and a

full equality impact assessment will be carried out prior to making the scheme permanent.

Members are well aware of their equalities obligations to have 'due regard' to the need to eliminate discrimination and to promote equality when making decisions and also its obligations to consider any crime and disorder implications of their decisions

Legal - Traffic orders will need to be advertised to make the restrictions legal. Enforcement of access restrictions in York can only currently be carried out by the police. Application for powers for the highway authority to enforce certain moving vehicle offences would require government authorisation. Application to carry out enforcement by CCTV of bus lanes has been granted to some authorities, including York as regards Coppergate.

Crime and Disorder - See Legal above. Implications for police resources unless powers are sought for civil enforcement of restrictions.

Information Technology (IT) - Any future 'back office' Systems for enforcement and revenue collection will require IT input.

Property - No implications

Risk Management - Individual risk assessments will be undertaken as individual projects are identified.

Recommendation

109. Members are asked to:

- 1) Agree the proposal to commence a trial based on a two-way enforced restriction starting in August, 7 days per week between 10:30am to 5:00pm. To receive a report considering any objections before considering any further Order to change the time period. Cost implications arising from this recommendation are £70k of capital costs to be funded from the capital programme.

Reason: To provide a mandate to progressing of this important trial, demonstrate the real as opposed to modelled impacts and to test some of the mitigation proposals

- 2) Agree to undertake consultation on the bridge trial with residents and businesses on the basis of the proposals set out in the report. Cost implications arising from this recommendation are £10k of revenue to be funded from existing public transport resources

Reason: Early engagement will enable positive messages and information to be delivered ahead of the trial commencing and ensure that issues are fully captured.

- 3) Agree to a dedicated Project Manager appointment and authorising the setting up the multi-disciplinary 'task group' with a remit to design and implement a trial restriction on Lendal Bridge in August 2013. Cost implications arising from this recommendation are £50k of revenue funded from the BBAF

Reason: The success of the trial facilitates and adds value to a number of high profile initiatives. The links and dependencies are cross directorate.

- 4) Agree to additional Network Operating staff for the pilot period. Cost implications arising from this recommendation are £40k of revenue funded from BBAF

Reason: To provide proactive management and control to optimise the operation of the traffic network and signalling systems to reduce unintended consequences and keep York moving.

Contact Details

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Background papers

- York New City Beautiful: Toward an Economic Vision, 2010
- Reinvigorate York, Cabinet Decision Session, 1st December 2011
- Reinvigorate York - Investing £200,000 in the City, Cabinet, 17th July 2012

- Reinvigorate York – Investing £3,300,000 in the City Centre, 4th September 2012
- Disappearing Traffic? The story so far. Cairns et al (2002) Municipal Engineer 151 issue 1

Annexes

- Annex A – photo montage of the station to Minster route
- Annex B – Modelling analysis and mitigation
- Annex C – Multi criteria analysis
- Annex D – Lendal Bridge trial proposal details including enforcement, mitigation and monitoring

Plans

- Plan 1 - Route from York Station to the Minster
- Plan 2 - St. Leonard's Place, including the Duncombe Place/ Museum Street and Bootham/ Gillyagte junctions and Exhibition Square
- Plan 3 - Exhibition Square detail

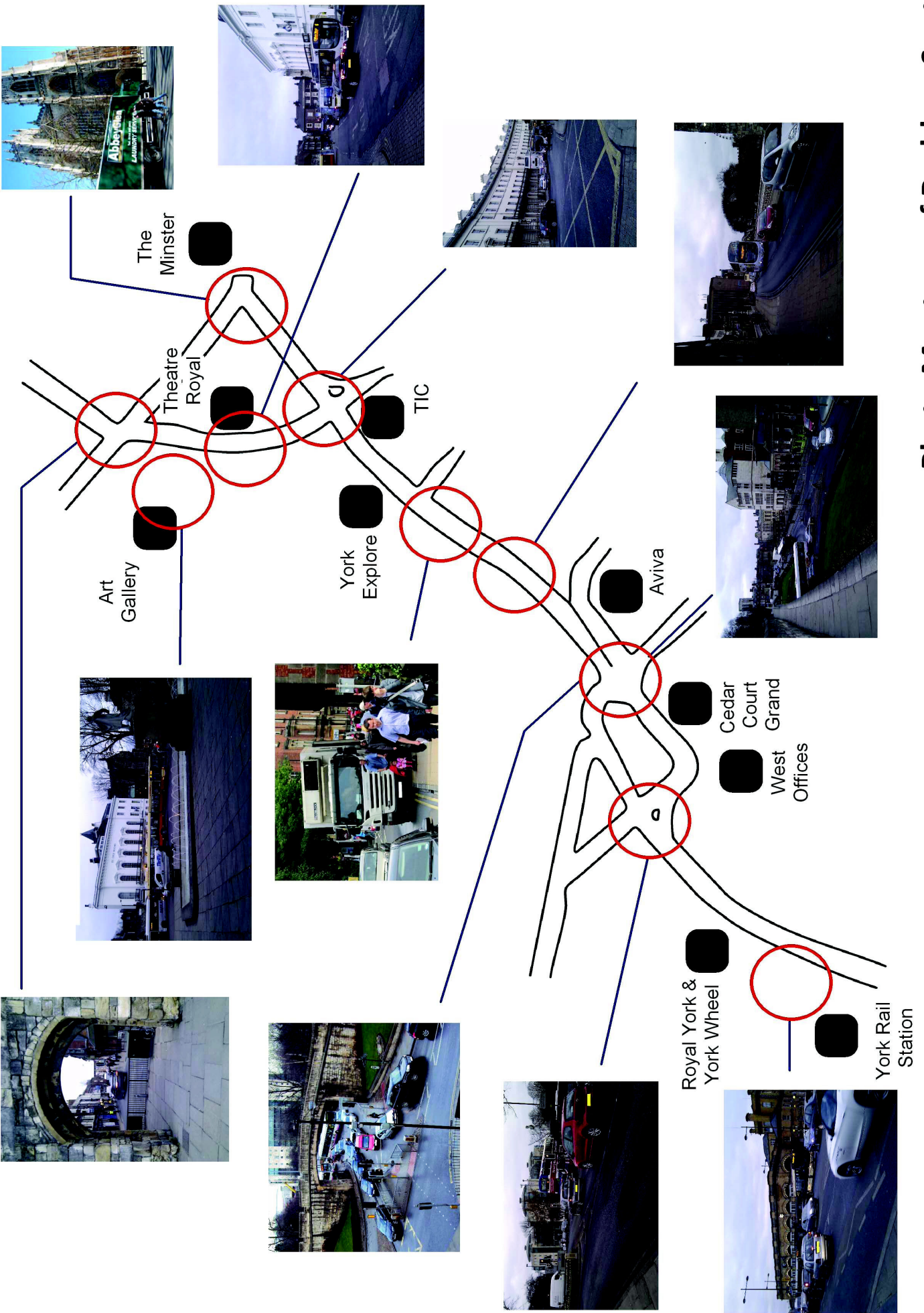


Photo Montage of Problem Spots

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Annexes

Annex B – Analysis and Mitigation:

1. Modelling of a number of access options has been made using the York Strategic Transport Model. Traffic models are constructed as computer representations that aim to reproduce the current behaviour of traffic on the highway network. A model that validates can be used to predict likely future traffic patterns. The York traffic model has recently (2010) undergone a major refresh including extensive roadside interview and public transport surveys to confirm and update its current validity. Modelling allows us to see where the model predicts traffic will go both on day 1 and where it will end up at when a steady state or equilibrium is achieved. Limitations to the model are that it does not explicitly model walking and cycling, and it also does not fully take into account any decisions not to make a trip or to change the time when a trip is made (peak spreading). Modal change arising from fundamental changes to public transport provision including quality of service and new routes are also not modelled. What we model is therefore a 'worst case' scenario. The model is used to indicate where issues might arise and for testing of mitigation options. A detailed local knowledge of the operation of York's highway network, traffic engineering practice and 'common sense' has also been used extensively in this analysis.
2. A summary of the conclusions for the impacts of the Lendal Bridge restriction is described here. The multi-criteria analysis (MCA) of the impact of the Lendal and Ouse Bridge restrictions are contained in the annex. This analysis shows that a Lendal Bridge restriction has a wider impact on the network as a whole but when considering a range of criteria the overall benefits are far greater than a closure on Ouse Bridge. Issues with public transport reliability on Ouse Bridge could also perhaps be better tackled through achieving better compliance with existing access and loading restrictions, through improved enforcement (including use of CCTV). The rest of this analysis will focus on the impact of a restriction on Lendal Bridge.
3. When a change is made to the highway network there is an initial impact as vehicles re-route from 'day 1'. Over the following days and weeks people explore different routes, different modes, and alternative times of day travel. Travellers may also decide to make trips to different locations or not to make some trips at all. After

some time (weeks to months) the network achieves 'equilibrium', this is where it has settled down to the new patterns of travel. In reality this equilibrium is never fully stable because different people are travelling on different days and making different trips. Advance publicity of the restrictions and marketing of public transport, walking and cycling alternatives where appropriate, should help reduce the time taken for traffic to reassign and alternative mode choices adopted. The time taken to reach this equilibrium is important in that it dictates the appropriate length of the trial, in terms of understanding the effects, but note that this is separate from any legal restrictions over the time that an experimental order can be operated. Schemes reducing capacity generally settle down more quickly than those that increase capacity with the majority of rerouting occurring within the first few weeks of the changes.

4. An investigation into the elasticity of public transport demand i.e. how demand varies with cost and travel time shows that in York travel time is relatively inelastic. This means that relatively large savings in travel time for buses only result in small increases in bus patronage. A 10% reduction in bus travel times is resulting in a 2% increase in patronage. Improvements to reliability and frequency of services change the elasticity, making them more elastic. However, this is outside the scope of the model, although the local and national experience is that increasing the frequency of bus services is the biggest influence on patronage. This is important because savings in bus journey times bring about efficiencies in bus operations reducing the operating cost. These cost savings can then be passed on to the users through the fare structure, and/or increases in quality of the fleet and/or improvements in bus frequency. First have committed to reinvesting any efficiency gains back into York by improving the quality of the service – the running fleet, the stop provision and information about services, will all help increase patronage which in turn positively feeds back to the quality. However, quantifying the impact of quality improvements at this stage or through modelling is difficult.
5. Assessment of impact on air quality has not been made for the trial. The air quality will be measured during the trial using the existing network of monitoring points although air quality measurements need to be made over a long period before conclusions can be drawn. Assessment using air quality modelling would provide a good indication of the likely impact in advance of the on-street monitoring becoming available and would be

necessary as part of considerations prior to any decisions on permanent restrictions being made.

Where does the traffic go?

6. On 'day 1' of the restriction the traffic splits between Water End and Skeldergate Bridges and to a lesser extent Ouse Bridge. At 'equilibrium' once the traffic patterns have settled down, the effect is far more dispersed with traffic redistributing to the A1237 and A64 river crossings. It should be noted that the changes in flow are not just the re-routed bridge vehicles but displaced vehicles as a consequence of re-routing. This 'rippling out' effect is very much as would be observed when throwing a pebble into a pond. What the model cannot tell us is how long it takes for the pattern to settle. From previous experience a change on the scale that we are talking about it is likely to be in the order of weeks although the prior publicity about the scheme might make this more rapid.
7. Lendal Bridge carries approx 8% of river crossing vehicle traffic (excluding buses) in the morning peak. The table below shows the changes to the split of traffic on the other crossings that are predicted to result from a Lendal Bridge restriction:

River Crossing:	A1237	Clifton	Lendal	Ouse	Skeldergate	A64
Existing (total 12,400 veh per hr AM peak)	24%	9%	8%	6%	14%	38%
Lendal Br Restriction (total 12,200 veh per hr AM peak)	26%	11%	0%	7%	16%	40%

Notes: Different totals are due some vehicles crossing both bridges in the base situation. The Clifton Bridge figures are pre-reinstatement of left turn lane at Clifton Green.

8. Significant reductions in traffic volumes are predicted on the corridor from Queen Street (-290) past the station frontage (-400), Lendal Arch Gyratory (-600), Lendal Bridge (-700), Museum Street, St Leonards Place (-500) and Gillygate (-150).

9. Moderate reductions will take place on the Mount outbound (-140), Clarence Street (-90), Haxby Road inbound (-80). Some redistribution of traffic between Fulford Road, Cemetery Road and Heslington Road is indicated.
10. Significant increases in traffic are predicted on the Inner Ring Road anti-clockwise Prices Lane gyratory over Skeldergate Bridge, Fishergate and Foss Islands Road. The largest increase is at the Walmgate Bar (+200 northbound, +125 southbound). Increases in flow are also predicted for Water End at Clifton Bridge (+150 heading to Clifton Green, +200 coming from Clifton Green).
11. Area-wide the overall impact is low. The worst case increase in overall travel times over the entire city boundary is less than 2%. Looking at a cordon including the inner ring road and Water End this raises to 3%. To put this into context traffic is expected to grow in York by 1% each year once the current economic recession ends.
12. The biggest impact is Water End eastbound and Foss Islands Road. In terms of the bus network these routes are less strategic. Lawrence Street and Layerthorpe Bridge Foss Bank and Foss Islands Road approaches are a concern but there are some options to re-route buses via James Street. In the longer term the completion of the James Street link road would provide relief for this corridor and may open up options for new routes and bus priority measures. Additional traffic on Water End would inevitably lead to additional traffic using residential roads in the Clifton Green area to avoid the signals at Clifton Green. The Rawcliffe P&R service route could be protected using signal settings and there is the potential for inbound bus lanes on Shipton Road.
13. The Burtonstone Lane and Crichton Avenue route would appear to provide an alternative means of accessing the Hospital and Nestle however the model does not show significant increases in traffic using these roads. Improvements to traffic conditions at Bootham / Gillygate are effectively countering against this. This route will require to be monitored as part of any trial.
14. Leeman Road would appear to provide an alternative route for traffic accessing the station from the north and although the model does not predict significant changes (<50 vehicles per hour) this would require monitoring.

15. A concern is that a number of the areas that are predicted to see increases in traffic volumes are within the Air Quality Management Areas and many are areas of technical breach (including Fishergate and Prices Lane). Equally other technical breach areas like Gillygate may see some improvement. However the Low Emission Strategy recognises that we can not simply eliminate vehicular traffic and that the focus needs to be on reducing emissions by encouraging the use of lower emission vehicles through the adoption of Low Emission Zones. Other strategies including freight consolidation, electric charging infrastructure, and the roll out of LSTF travel planning will all in time help encourage lower emissions from transport. In the short term it is likely that the overall effect is negative, in the longer term the effect would become positive.
16. Strategic management of where traffic re-routes using signal settings has the potential to be used to help protect strategic bus corridors or areas with air quality issues. Further work using the Paramics micro-simulation model that is being developed for the Low Emission Strategy would be required to help develop and assess these strategies. This work would be informed by the outcomes of the trial and would be undertaken before any implementation of any permanent restrictions.
17. One of the principal objectives of the scheme is to encourage people currently making private car trips to make more use of public transport. This can be achieved by improving the reliability, travel time and frequency of the buses. These reductions in vehicles on the road will help mitigate congestion on the highway network. Modelling work shows that the savings in travel times bus routes (and increases in car trip lengths) on only leads to a relatively small direct increase in bus patronage (+2%). However the modelling work does not take into account improved reliability of bus services, the potential for new routes being opened, the release of vehicles and drivers and subsequent reinvestment in improved frequencies. These have the potential to lead to a significantly greater impact. The option for cross-city park and ride routes is also opened up by the proposed restriction, and the feasibility of such routes can be tested as part of the trial.
18. Research findings (Cairns Atkins and Goodwin 2001) from an examination of over 70 case studies on road space reallocation concluded that problems with displaced traffic resulting from

reallocation of road space were “in reality rarely as bad as predicted, and that, with careful planning and appropriate implementation, reallocating road space to more sustainable modes of transport can result in a variety of complementary benefits.” Traffic reductions evidenced in the report showed an average of reduction in traffic volumes of 11%. The month long closure of Lendal Bridge resulting in a 15.9% reduction in overall traffic volumes.

Annex C – Multi-criteria analysis - analysis of options:

Lendal Bridge Restriction	Criteria	Qualitative impact	Quantitative impact	Score
Environmental	Overall network delay	Slight increase in overall network delay	+3% (AM peak)	-1
	Localised network delay	Some significant increases in localised delay	+12% (AM peak)	-2
	PT Journey Times	Significant reductions in journey times Queen Street to Clarence Street corridor.	Saving of 2-3 minutes on a large number of routes	+2
	PT Reliability	Reduced variability Blossom Street / Clarence Street. Some worsening Walmgate/ Layerthorpe.	Saving of up to 6 minutes on a number of high frequency bus routes	+3
	Junctions showing significant improvement in reserve capacity	Bootham / Gillygate Museum St /St Leonards Place Lendal Arch Gyratory		+3
	Junctions showing some improvements in capacity	Blossom Street / Queen Street Blossom Street / Holgate Road		+1

		Lord Mayors Walk/ Clarence Street		
	Junctions showing significant worsening in reserve capacity	Clifton Green Tower Street Roundabout Walmgate Bar Layerthorpe Bridge		-1
	Junctions showing slight worsening in capacity	Water End / Salisbury Road Water End / Boroughbridge Road The Fox		-1
	Roads with significant reductions in traffic flow	Queen Street, Station Road, Lendal Bridge, Museum Street, St Leonards Place		+3
	Roads with significant increases in traffic flow	Water End, Nunnery Lane, Skeldergate Bridge, Foss Islands Road		-2
	Setting of historic environment	Significant improvement of the environment around the City Walls, Station Frontage, Lendal Bridge and River frontage, Museum Gardens, and Minster approach with the removal of a significant volume of traffic.		+3

	Enabling of public realm improvements	Unlocks potential for improvements at Queen Street Bridge/ Station interchange, Memorial gardens, Lendal Bridge, Minster approach, Theatre Interchange, Exhibition Square, Lord Mayors Walk/ Clarence Street.		+3
	Air Quality	Improvement in some areas worsening in others. Area-wide the effect is neutral in the short term with some localised worsening where traffic volumes increase. Longer term the reductions in traffic volumes should lead to an improvement in air quality.		0
	Active modes	Improved and safer environment for walking and cycling		+2
Economic	Bus operator savings	Potential for significant cost saving with reduced journey times		+2
	Build ability	Northeast bound		+2

		restriction -relatively easy to achieve. Southeast bound looks to be achievable but will require more engineering. Some unresolved issues over enforcement. Mitigation measures still require to be investigated further.		
	Economic development	Unlocks potential for enabling development of York Central / Queen Street Bridge / Station Interchange.		+2
			Total	+19

Score:
+3 Significant benefit
+2 Beneficial
+1 Slight benefit
0 Neutral
-1 Slight adverse
-2 Adverse
-3 Significant adverse

Ouse Bridge Restriction	Criteria	Qualitative impact	Quantitative impact	Score
Environmental	Overall network delay	Slight increase in overall network delay	+1% (AM peak)	0
	Localised network delay	Some significant increases in localised delay	+6% (AM peak)	-1
	PT Journey Times	Slight reductions in journey times for the large numbers of buses using Ouse Bridge.	Saving of up to 1 minute on a large number of routes	+1
	PT Reliability	Reduced variability for the large numbers of buses using Ouse Bridge.		+1
	Junctions showing significant improvement in reserve capacity	Tower Street Roundabout North Street/Skeldergate Micklegate/G Hudson Street	3	+2
	Junctions showing moderate improvements in capacity	Lendal Arch Gyratory	1	+1
	Junctions showing significant worsening in reserve capacity	Blossom Street / Queen Street	1	-1
	Junctions showing	Prices Lane Gyratory		-1

	moderate worsening in capacity			
	Roads with significant reductions in traffic flow	Tower Street Ouse Bridge Rougier Street		+3
	Roads with significant increases in traffic flow	Nunnery Lane, Skeldergate Bridge		-1
	Setting of historic environment	Some improvement to setting of Ouse Bridge and historic Staiths		+1
	Enabling of public realm improvements	Unlocks potential for improvements in Rougier Street.		+1
	Air Quality	Improvement in some areas worsening in others. Area-wide the effect is neutral in the short term with some localised worsening. Longer term the reductions in traffic volumes should lead to improvement in air quality.		0
	Active modes	Improved and safer environment for walking and cycling		+1
Economic	Bus operator savings	Potential for some cost saving with reduced		+1

		journey times		
	Build-ability	Requires Rougier Street to be made one way for buses towards Micklegate and turn restrictions on Micklegate junctions with G Hudson Street to prevent re-routing down Skeldergate. Some difficulties accommodating turning of vehicles at the Coppergate end of the restriction. Enforcement issues still require to be resolved.		-1
	Economic development	Rougier Street becomes a more attractive street with the removal of traffic.		+1
			Total	+8

Score:
+3 Significant benefit
+2 Beneficial
+1 Slight benefit
0 Neutral
-1 Slight adverse
-2 Adverse
-3 Significant adverse

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Annex D – Improving Movement and Public Realm in the City Centre

Proposals for delivering a trial on Lendal Bridge

1. Undertaking of a trial is seen as necessary before the restrictions might be made permanent. The trial should demonstrate that the impact on general traffic is manageable and highlight any issues that need resolving. Confidence that the trial will be successful comes from experience of the 2000 closure of Lendal Bridge backed up by the predictions from the traffic modelling work. Permanent restrictions would be necessary before any reallocation of road space could take place as such measures are costly to reverse.
2. The proposal is to commence the trial in the summer holiday period 2013 when traffic volumes are relatively low and pedestrian movements are high. It will require extensive consultation and work with retailers and businesses to consider delivery and access issues and this will form another work stream in designing the trial. It is recommended that the trial runs for at least six months to allow the objection period to be completed and understand and monitor the redistribution of traffic on the network, although it could run for a shorter (if there are particular significant problems it could be lifted off sooner) or longer period as required.
3. The trial would be implemented using experimental Traffic Regulation Orders (TRO). This means that the trial could run for up to 18 months, or lifted off sooner should significant problems occur. The first six months of the TRO form the objection period so nothing could be implemented on a permanent basis until the six month objection period had passed and any representations assessed. Every time a new order is made (e.g. for phasing of the trial) a new 6 month objection period starts. An experimental TRO does allow for the order to be made permanent once all objections have been considered, without the requirement for any further specific consultation.
4. The 6 month objection period must be completed before an order can be made permanent. An order can be amended within that period to take account of significant concerns. The remit of the

order cannot be extended before the objection period is complete, as it would not be possible to demonstrate that the change had resulted as a way of accommodating or addressing concerns raised.

5. An order could be amended such that the hours of operation are reduced, i.e. start with 7:00am – 7:00pm and if there are significant issues arising, amend the order within the first 6 months to reduce the hours of operation to 10:30am – 5:00pm. The order then completes its 6 month objection period from when the 7:00am – 7:00pm time period was introduced and, subject to dealing with objections, can be confirmed. There is nothing to prevent another order being made to re-trial the 7:00am – 7:00pm time period provided there are some differences to the trial, e.g. mitigation works.
6. The aspiration is for a 7:00am to 7:00pm restriction. ‘Off Peak’ daytime hour options are put forward as a way of piloting the basic signing and enforcement requirements and understanding the impacts of the restriction without significantly impacting on the peak hours.
7. This report highlights the economic and public realm benefits of the aspiration for a two-way 12 hour reprioritisation (7am to 7pm).
8. Options available for implementing a trial are therefore:
 - a) Start 10:30am – 4:00pm and run for 6 months, or longer, consider any objections (confirm) then consider making a further order.

Advantages

- It enables a gradual build up
- It provides evidence of learning/listening to residents and businesses and from an off peak period
- It allows early problems to be identified and addressed

Disadvantages

- It is a more complicated message to communicate if a further order is considered in the future as changes and the date/time they take effect must be communicated twice.

- b) Start 10:30am – 5:00pm and run for 6 months or longer, consider any objections (confirm) then consider making a further order for 7:00am - 7:00pm

Advantages

As option a) plus,

- Running up to, but not including, the PM peak allows some learning to take place in relation to slightly higher traffic flows.
- Consistency with current footstreet hours

Disadvantages

As option a) but

- Does start to impinge on the PM peak

- c) Start 7:00am – 7:00pm run for 6 months or longer , consider any objections (confirm)

Advantages

- Starts with the aspirational timescale
- Timescales of restricted hours can be reduced if required during the objection period

Disadvantages

- It does not provide an opportunity to learn from off-peak hours operation

9. It is proposed to reinstate the right turn out of Lendal. In order to do this, for the period of the trial it would involve removal of the pedestrian island. Proposals are being considered for a zebra crossing to be implemented to assist the large volumes of pedestrians that cross the road at this point. It is possible to fit a zebra crossing into the space with some minor engineering alterations to kerbs, however beacons with power supplies would be required and the cost implications of this are still being investigated. In the longer term, if the restrictions were to become permanent there is an option to provide a raised table or different paved area etc to indicate that vehicles do have priority at the junction.
10. It is proposed to enforce the trial with ANPR cameras, in a similar manner to Coppergate with cameras positioned at the Rougier Street end of the Bridge. Exemptions can be made for specific

business related vehicles that will require access. It is likely that some Police support will be required and high level discussions are taking place with the Police to confirm the level of support and resource required and available. Enforcement of the trial is essential to increase the likelihood of success and reduce the risk of abuse.

11. Access only restrictions would apply through St. Leonard's Place, Duncombe Place and Museum Street, with signing along the approaches (Gillygate and Bootham) advising of 'access only' and camera enforcement. Signing will also be placed on station side of the bridge advising on camera enforcement.
12. It is proposed that Saturdays would be included from the beginning of the trial. Flows over Lendal Bridge on Saturdays around mid day are only slightly higher than during the same periods on weekdays. Flows on other parts of the network are in some cases significantly higher on Saturdays and Saturdays will require close monitoring. Saturdays will be useful in understanding potential peak hour implications.
13. As part of the detailed design of the trial close attention will be paid to the loading hours either side of the footstreet hours in relation to consistency, times and locations.
14. In terms of timescales for any permanent restriction, spring 2014 coincides with the opening of the new Park and Rides and the realisation of other BBAF benefits but would be dependant upon the outcomes of the consultation monitoring and any subsequent mitigation works required.
15. The trial will complement the 20mph programme by reinforcing the message that road space must be shared by all modes. Considerate behavior is essential to all users being able to access and use public spaces, the city centre, residential areas and local parks and shops.
16. In relation to the free parking provision after 5:30pm which is aimed at encouraging people into the city centre in the evening; the bridge restriction does not preclude any vehicles accessing free parking or the city centre so in that respect is separate. The trial and any permanent restriction should be considered as an incremental step towards achieving the longer term transport

aspirations for the city, relating to improved public transport offer. Better reliability, frequency, quality, ticketing, delivery through the i-Travel York and Better Bus Area programmes, as well the package of measures put forward through the West Yorkshire Transport Fund will all start to deliver viable alternatives to access the city centre and support an early/evening economy.

Mitigation:

17. York has restricted road space and limited opportunities to undertake physical mitigation measures. The prime response to traffic growth cannot be road based within the main urban area and has to be focused on public transport, walking and cycling. Modelling of the BBAF programme initiatives indicated that it was likely to generate an 18% increase in bus passengers over the two year programme. Modelling work shows that the savings in travel times on bus routes only leads to a relatively small direct increase in bus patronage (+2%). However the modelling work does not take into account improved reliability of bus services, the potential for new routes being opened, the release of vehicles and drivers and subsequent reinvestment in improved frequencies. It is these secondary effects that have the potential to lead to the significantly greater increase.
18. Modelling has provided an indication of what will happen on the network but it is not perfect and some routes and junctions may be more or less affected than the modelling indicates. There are some measures we can undertake and these are set out in the paragraphs below. The trial will help identify locations where the impact is greater or less than predicted as well assist in identifying any additional mitigation measures. It is expected there will be some locations where there can be no mitigation due to the road layout etc.
19. It is proposed to provide additional Network Operator staff to provide proactive management and control utilising the systems available e.g. CCTV, UTC, radio networks etc. These staff would focus on proactive traffic management Monday to Saturday. Saturday is seen as particularly necessary due to the different traffic flow patterns and because in terms of public perception many residents may well experience Saturday network conditions more than on other days. Opportunities may well exist to make

some real improvements to the general operation of the highway network particularly on a weekend.

What will we do?

- A package of measures promoting alternative means of travelling around the city will be developed to coincide with the trial. This will include engaging with York residents and businesses to help them understand their choices about the way they move around the City. Including the initiatives and marketing strategy developed for the LSTF and BBAF projects with additional promotions and incentives such as free / reduced price tickets (currently being discussed with bus operators).
- The possibility of a second Shopmobility site on the west side of the river closer to the station will also be investigated although at this stage the costs are unknown and the availability of a suitable premise has not been identified.
- Delivering the communications/ marketing plan through establishing a new communications / marketing post funding linked to BBAF/LSTF/ Local Transport plan funding.
- Business and personal travel planning are seen as important in encouraging behavioural change working alongside the restriction to further encourage the take-up of public transport, walking and cycling. LSTF funded travel planning is in place covering the northern sector of the city. Extension to other parts of the city to help mitigate against impact of the restriction and to capitalise on the freeing up of the public transport route will require additional resource.
- Improvements to the A59/A1237 roundabout will start imminently as part of Access York. When complete this will reduce congestion at this key junction on the Outer Ring Road and complement the recent improvements made to the other end of the river crossing at the A19, providing a better alternate northern route round the city. New bus priority lanes on Boroughbridge Road are due for completion in 2013 ahead of the opening of the new P&R sites in April 2014.

- Adjustment of traffic signal settings will be made during the trial to capitalise from the reductions in traffic on some routes and to mitigate against the impacts on others. This will be particularly important at certain junctions e.g. Gillygate/Bootham which are important routes in to the city and which can be predicted to experience greater traffic flows as traffic diverts away from St. Leonard's Place.
- Close monitoring of the network using CCTV during all periods of the restriction will be necessary (including weekends). Proactive response to issues relating to obstructions due to loading and adapting signal timings through the trial will require additional staff resourcing of these network operators as part of any trial.
- Bus travel times are currently monitored in real time and historically using the GPS bus tracking system. A bus controller will be in position for the trial to proactively manage all aspects of the bus reliability working with parking control and network management to tackle issues with bus reliability as they arise. The focus will be on protecting services on routes outside of the restriction that may be impacted on by displaced traffic.
- Lining on Burton Stone Lane will be provided to reduce parking immediately adjacent the bus stops to protect bus movement in approaching/leaving the stops.
- The scope for physical mitigation in terms of junction improvements in the city centre is somewhat limited. The completion of James Street link road will at some point provide quite significant relief to Foss Islands Road, in particular the Layerthorpe and Walmgate junctions. Phase 1 already offers options for public transport to avoid the Walmgate Bar Junction.
- Further improvements to the outer ring road are being progressed through the West Yorkshire Transport Body. Whilst the proposed restrictions, will in the short term, inevitably put the outer ring road under some additional pressure this effectively strengthens the case for bidding for its improvement. Discussions with WYTF+ are focusing on an early roll out of the Outer Ring Road improvements.

- Junctions likely to be significantly affected include Water End / Clifton Green. Additional traffic on Water End will also have the potential to lead to an increase the volume of traffic using Westminster Road / The Avenue to avoid the Clifton Green traffic lights. A commitment to address residents concern over the volume of traffic on these streets is necessary, with any appropriate measures being implemented prior to, or at the same time as, any permanent restriction being adopted on Lendal Bridge.
- The Groves area and Burton Stone Lane are also areas that may be impacted by additional traffic flows. The monitoring regime will establish 'before' trial traffic flows and these areas will be targeted for specific monitoring during the trial period to establish what mitigation may be required. Part of the purpose of the trial is to identify locations and impacts and develop mitigation in response where possible.
- Potential for other bus priority measures are being considered as part of the trial and any permanent restriction which would assist local service buses and Park & Ride services. Services likely to require some assistance include the Service 5 on Leeman Road, Service 11 on Nunnery Lane, Service 10, 14 and 8 at Walmgate.

Implementation and Enforcement:

20. As part of the delivery of the project a dedicated project manager will be appointed and a delivery team will be formed to support the development of the trial design and any potential final scheme. The BBAF will be used to support the delivery of the trial.
21. A dedicated traffic operations manager would require to be resourced for the period of the trial and should the restriction be made permanent.
22. A northbound local bus, taxi, cycle only restriction, signed from the city walls at Lendal Arch, will effectively achieve the restriction from this direction. The restriction will be enforced with ANPR cameras and fines will be issued to non-permitted vehicles who proceed through the area during restricted times. Non permitted vehicles can proceed into Rougier Street or turn back round the gyratory system. Note that taxis are currently permitted in the majority of

York bus lanes. (No change is proposed here; taxis provide flexibility in the public transport offer, particularly when carrying luggage or bulky shopping.)

23. A southbound restriction will be in place from the south side of the Lendal/Museum Street junction and will be enforced with ANPR cameras. An 'access only' restriction will be put in place at the junction into St Leonard's Place from Bootham and Gillygate. Advance warning signs will advise of the restriction on through traffic on the Clarence Street, Lord Mayors Walk and Bootham approaches. It is recognised that a number of vehicles will have legitimate access to St Leonard's Place, Duncombe Place etc.

Monitoring & Evaluation

24. A full monitoring and evaluation plan will be established as part of the development of the trial. Data will be collected and monitored relating to traffic flows, volumes, queuing, patronage, air quality, bus reliability and travel times. A baseline dataset will be established that will assist in the evaluation of the trial. Specific data includes:

- traffic, pedestrian and cycle counts at key locations e.g. Lendal Bridge, Exhibition Square, Water End, Leeman Road area, Crichton Avenue, Foss Islands Road, Skeldergate Bridge, city centre, Burton Stone Lane, the Groves area etc. will provide valuable data about volumes and flows
- Bus journey and timing data will identify any impact on bus services.
- Air quality measurements will continue to be made via the existing network of monitoring points and stations.

25. Data that is currently available and will be used to establish the baseline around the city include:

- Traffic counts from ATC counters (60+ sites) covering radials and ORR – this data is updated daily
- Bus and P&R travel times – available for all routes via ACIS operator reports.
- Bus and P&R reliability – available for all routes via ACIS operator reports.

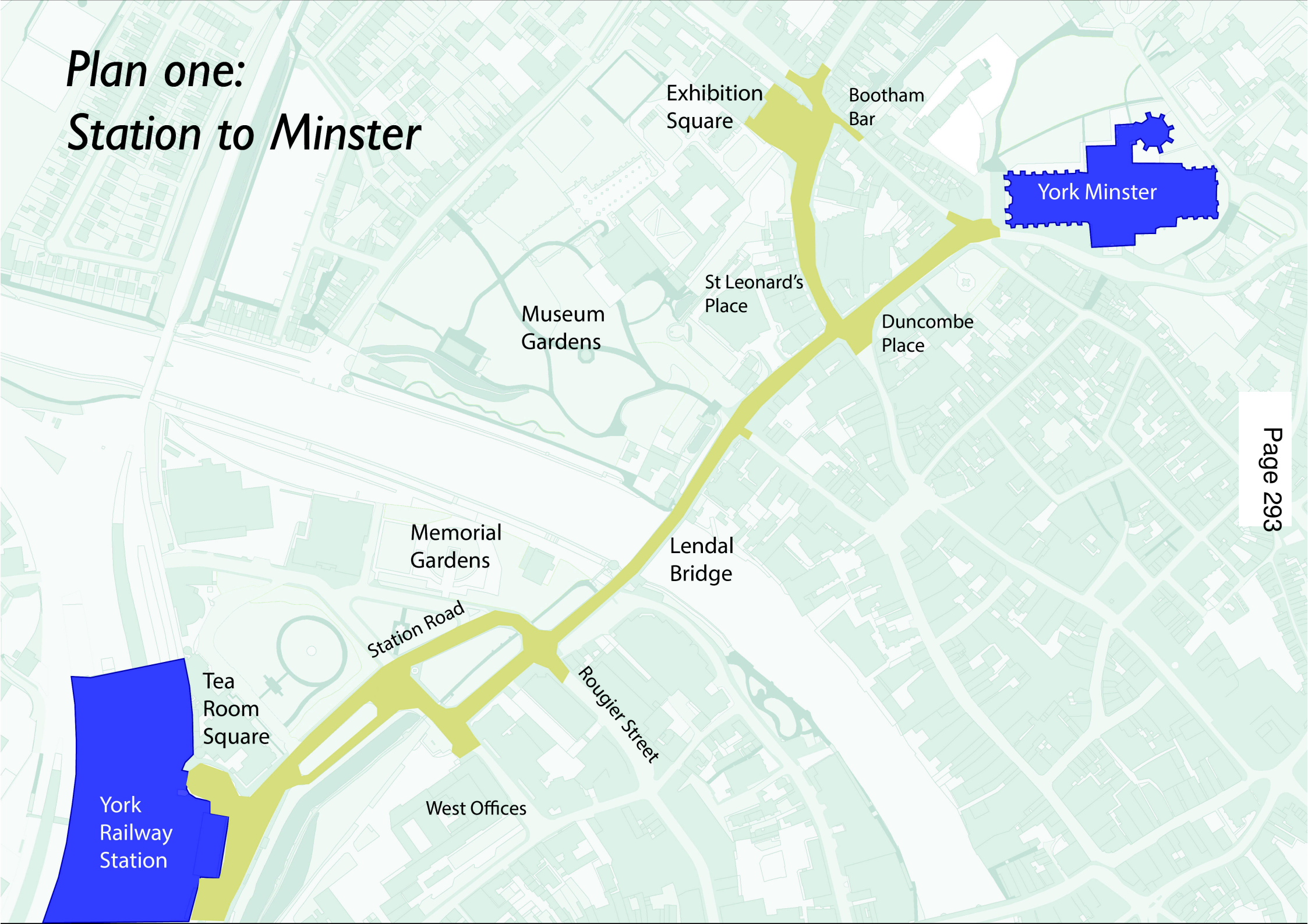
- UTC / SCOOT / UTMC data from traffic signals and loops provide real time (and historical) information on traffic.
- Cycle counts ATC counters (mostly off road routes) are updated monthly.
- CCTV monitoring provides full coverage of inner ring road and most radials.
- CCTV – mobile camera unit.
- Bus and P&R patronage data.
- Travel times from Traffic Master data – although this is data is gathered all year it is only received from the Department for Transport in January for the previous academic year. It does, however, provide a dataset of ‘before’ data for the entire city.
- Bridge Counts conducted annually in September give historical trends and will help establish early indications against the model predictions
- Inner and outer cordon counts conducted annually in September give historical trends and will help establish early indications against model predictions
- Spot classified turning count surveys
- ANPR travel time data
- Air Quality – diffusion tube network provides long term trends
- Car park occupancy

There is potential for:

- Interview surveys to be carried out.
- Additional traffic surveys on key roads.
- Council panel surveys.
- Links to business and personal travel planning.
- New ATC counters or pneumatic loops to be cut on – Leeman Road / Burton Stone Lane / Westminster Road.
- Use of Blue-Tooth vehicle tracking for origin / destination and travel time surveys the technology is available that would give a reasonable spread of data across the city. Costs are currently being investigated.
- ‘On bus’ surveys to identify changes in patronage or travel behaviour.

26. To help assess the impact of the trial a city-wide public consultation would be undertaken as part of the evaluation. Business consultation will be undertaken separately.

Plan one: Station to Minster



Exhibition Square

Bootham Bar

York Minster

Museum Gardens

St Leonard's Place

Duncombe Place

Memorial Gardens

Lendal Bridge

Station Road

Tea Room Square

Rougier Street

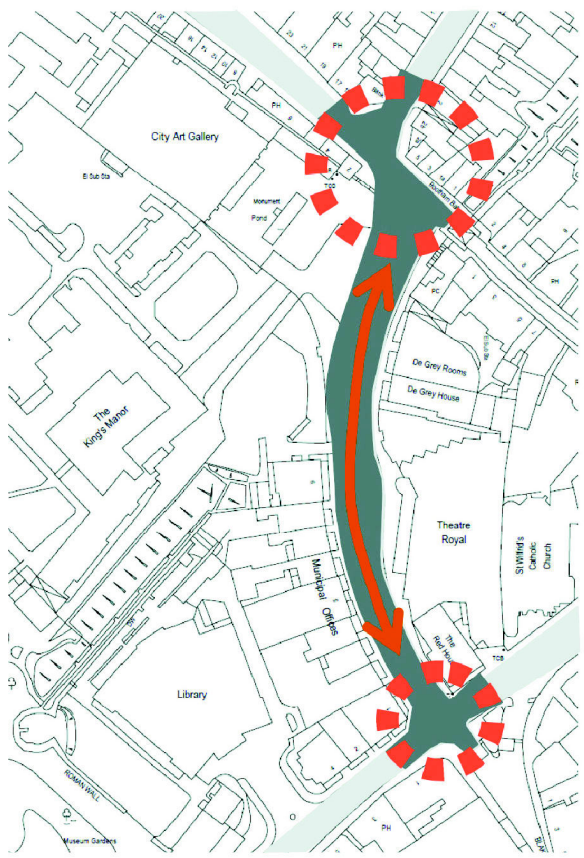
York Railway Station

West Offices

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Emerging design concepts

Elimination of island refuge & all clutter & taking out 3rd lane to widen footway



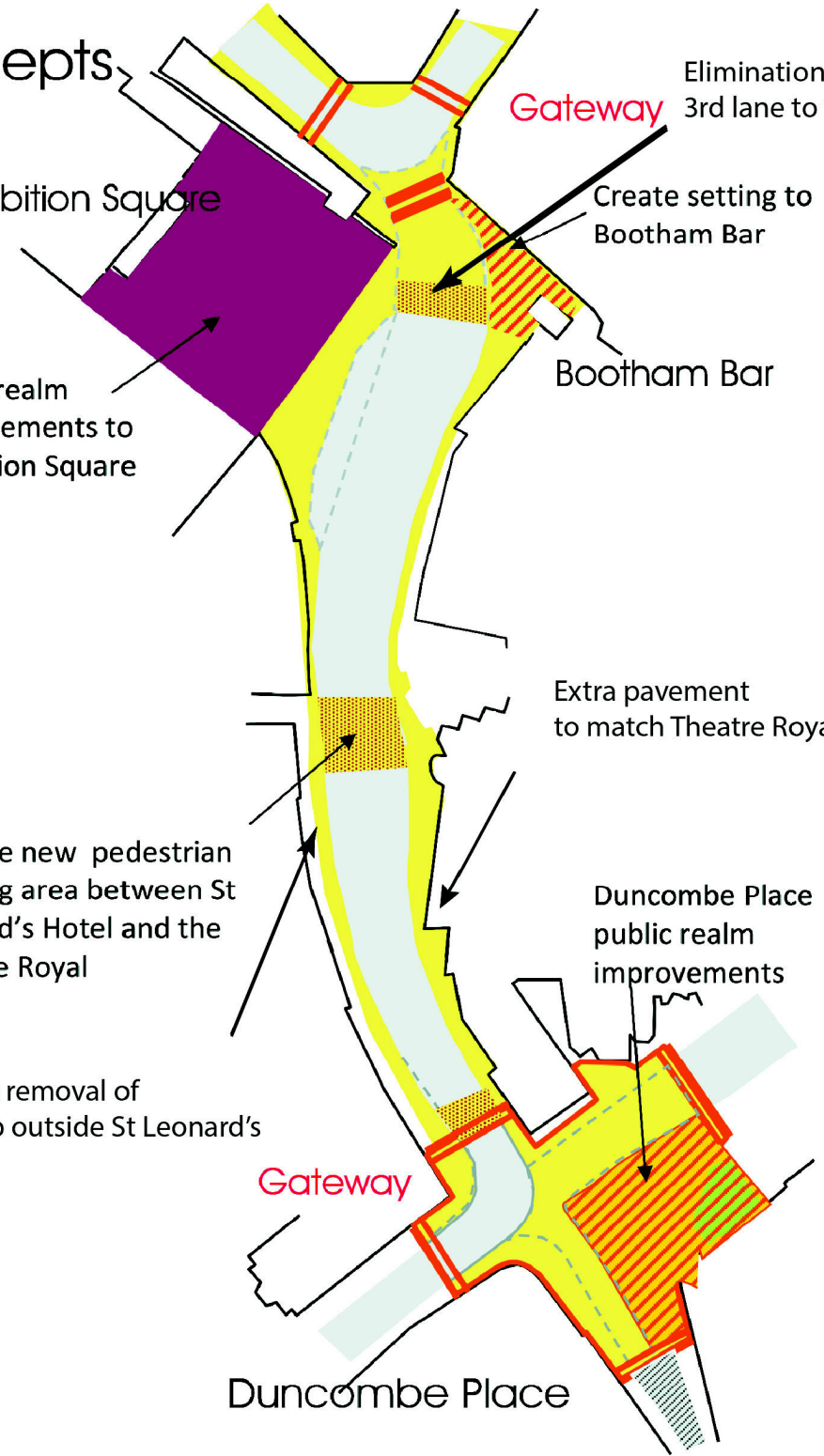
Exhibition Square

Public realm improvements to Exhibition Square

Possible new pedestrian crossing area between St Leonard's Hotel and the Theatre Royal

Possible removal of bus stop outside St Leonard's Place

Plan two



Gateway

Create setting to Bootham Bar

Bootham Bar

Extra pavement to match Theatre Royal

Duncombe Place public realm improvements

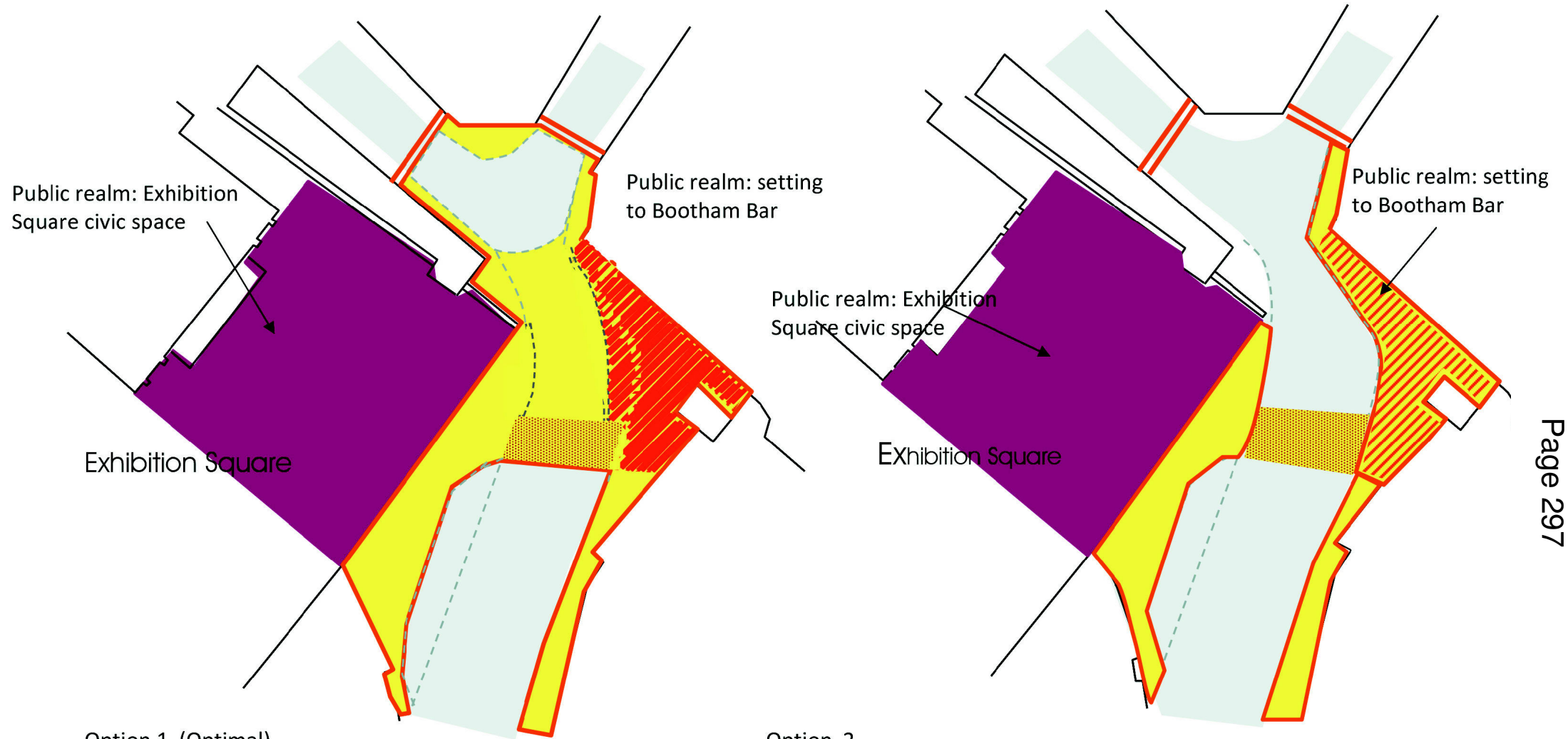
Gateway

Duncombe Place



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Emerging design concepts



Option 1 (Optimal)

Retain Bootham to Gillygate carriageway only. Reduce area of bus pull in. Define new Gateway into St Leonard's Place. Create setting to Bootham Bar.

Option 2

Retain Bootham/Gillygate/ St Leonard's Place carriageway. Reduce area of bus pull in. Define area of pedestrian crossing and bus pull in. Create setting to Bootham Bar.

Plan three

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Cabinet**7th May 2013**

Report of the Cabinet Member for Crime and Stronger Communities

Early Morning Restriction Orders & Late Night Levy**Summary**

1. The purpose of this report is to inform the Cabinet of the recent changes made to the Licensing Act 2003 (2003 Act), following the implementation of Section 119 (Early Morning Restriction Orders) and Chapter 2 (Late Night Levy) of the Police Reform and Social Responsibility Act 2011 (2011 Act), on 31 October 2012 and the potential impact on the Licensing Authority.

Background

2. In January 2012 the Home Office carried out a 12 week consultation “Dealing with the Problems of Late Night Drinking”, inviting views on two measures in the 2011 Act, Early Morning Restriction Orders (EMRO) and the Late Night Levy. These regulations were implemented on 31 October 2012 and recommended that the licensing authority consider the need for an EMRO or Levy with the Chief Officer of the Police and Police and Crime Commissioner, however it is the Local Authorities decision as to the introduction.

Early Morning Restriction Orders (EMROs)

3. EMROs will allow licensing authorities to restrict sales of alcohol in the whole or part of their area for any specified period between midnight and 06:00 hrs, if they consider this appropriate for the promotion of the statutory licensing objectives.
4. EMROs are designed to address recurring problems such as high levels of alcohol-related crime and disorder in specific areas at specific times; serious public nuisance; and other instances of alcohol-related anti-social behaviour.

5. An EMRO applies:

- To the supply of alcohol authorised by premise licences, club premise certificates and temporary event notices;
- For any period beginning at or after midnight and ending at or before 06:00 hrs. It does not have to apply on every day of the week, and can apply for different time periods on different days of the week;
- For a limited or unlimited period, for example, an EMRO could be introduced for a few weeks to apply to a specific event;
- To whole or part of the authority's area;

6. An EMRO will not apply:

- To any premises on New Year's Eve, defined as midnight to 06:00 hrs on 1 January every year;
- To the supply of alcohol to residents by accommodations providers between midnight and 06:00 hrs, provided the alcohol is sold through mini-bars and / or room service; and
- To a relaxation of licensing hours by virtue of an order made under section 172 of the 2003 Act.

7. Licensing authorities should be satisfied that it has sufficient evidence to demonstrate that its decision is appropriate for the promotion of the licensing objectives. Evidence should be considered from partners, including responsible authorities and local Community Safety Partnerships.

Late Night Levy (the Levy)

8. The Levy will allow licensing authorities to raise a contribution from late-opening alcohol retailers towards managing the late night economy. It is a local power that licensing authorities can choose whether or not to adopt and must cover the entire local authority area. However the licensing authority can choose the period during which the Levy applies, between midnight and 06:00 hrs (the late night supply period).

9. The amount of the Levy has been set at a national level. The charge is calculated according to non-domestic rateable value (this system applies to existing licence fees). The charges are:

Band	Annual Levy charge
A - No value to £4,300	£299
B - £4,301 to £33,000	£768
C - £33,001 to £87,000	£1,259
D - £87,001 to 12,500	£1,365
E - £125,001 and above	£1,493
Dx2 Cat D premises that primarily or exclusively sell alcohol	£2,730
Ex3 Cat E premises that primarily or exclusively sell alcohol	£4,440

10. The net revenue from the Levy must be split between the licensing authority and Police and Crime Commissioner (PCC). The licensing authority must pay at least 70% of the net Levy revenue to the PCC. This decision must be subject to consultation. The amount paid to the PCC is not ring fenced and can be used by the PCC to support policing initiatives outside of the local authority area where it is raised.
11. The percentage retained by the licensing authority will fund services to tackle late night alcohol related crime and disorder, and services connected to the management of the night-time economy.
12. Licensing authorities will decide the design of the Levy, this will include the late night supply period, any exemptions or reductions that may apply and the proportion of the revenue which will be paid to the PCC.
13. Licensing authorities may consider that it is not appropriate to introduce the Levy.

Current situation within the authority area

14. The councils 'Statement of Licensing Policy' includes a 'Saturation and Cumulative Impact' policy. This policy identifies an area that is under stress because of the cumulative effect of the concentration of late night drink led premises which has led to serious problems of disorder and/or public nuisance. Since the introduction of this policy in 2005 the council and police has been able to prevent the increase in numbers of certain types of licensed premises in the area and substantial variations to existing licensed premises. The policy has worked very well at controlling alcohol related crime and disorder in this area.
15. The 2003 Act has always offered responsible authorities, local residents, local businesses and Ward Councillors the provision to apply to review

any premise licence or club premise certificate if one or more of the four licensing objectives are being undermined. The review process targets individual 'problem' premises. Issues at these premises can be dealt with in less than 2 months from an application being received to a decision being made at a sub-committee hearing. The Police, Environmental Protection Unit, Fire Authority and local residents have used the review process to deal with licensed premises undermining the licensing objectives. The outcome of these reviews have led to conditions being placed on licences, the reduction of licensing hours and in one case the licence being revoked.

16. The council as the licensing authority works in partnership with the police, other responsible authorities and Safer York Partnership. Through this partnership working issues relating to licensed premises are closely monitored, with appropriate agreed action taken if/when required.

Consultation

17. The Home Office consulted a wide range of people and organisation on their proposals before regulations were implemented. If the council consider introducing either EMROs or the Levy a full formal consultation would have to take place, as stated in legislation and guidance.

Options

18. **Option 1** - Recommend that officers consult with North Yorkshire Police, the Police and Crime Commissioner, other responsible authorities, Safer York Partnership and the relevant Business Community with regards to the introduction of EMROs and/or the Levy. Following consultation bring a report back to the Cabinet Member with views/recommendations.
19. **Option 2** - Recommend that officers take no further action at this time as current measures within legislation and partnership working works well. Officers to review the situation annually.

Analysis

20. York has for many years been held in high regard nationally for the way it manages its night-time economy. To achieve this the council has worked in partnership with the police, other agencies and on occasion the licence trade. Option 1 would see the council consulting with relevant bodies, as recommended by guidance. However, consideration must be given to the current position within the authority area.

EMROs

21. Having looked at the evidence base / information, at this time officers cannot identify an area within the authority where they believe an EMRO would be required.

The Levy

22. When considering the Levy, the authority has 263 licensed premises authorised to sell/supply alcohol between the hours of midnight to 06:00hrs (246 premise licences, 17 club premise certificates). The following table sets out the number in each of the non-domestic rateable value bands and broken down by hourly intervals:

	Midnight to 01:00	01:00 02:00	02:00 03:00	03:00 04:00	04:00 24 hrs	Total per Band
Band A	6	3	0	1	2	12
Band B	91	24	8	5	5	134
Band C	34	19	5	5	2	66
Band D	3	4	0	0	1	8
Band E	9	7	10	1	5	32
Band Dx2	1	4	3	1	0	8
Band Ex3	0	1	2	0	0	3
Total	144	62	28	13	15	263

23. When considering the above premises against charges set out in Para 9, if the Levy was introduced with a late night supply period of midnight to 06:00hrs, and if no one changes their operating hours, there is potential for an annual gross income of £286k. However it should be noted that there is a very strong likelihood that a number of premise licence holders will request a minor variation to reduce their licensable hours for the sale of alcohol so that their hours no longer fall within the late night supply period, this could see the amount of income significantly reduce.
24. If all the premises with a licence to supply alcohol until 01:00hrs requested a variation to reduce their hours to midnight the gross income would reduce to £152k. Once administration costs are deducted, the net income has to be proportioned at a minimum 70/30 with the PCC which, at the lower level would mean a potential net income to the licensing authority of £45k.
25. If the Levy was introduced the licensing authorities can deduct the costs incurred in connection with the administration, collection and enforcement of the Levy, prior to the revenue being apportioned between the PCC and licensing authority. If the Levy was introduced, with a late night supply period of midnight to 06.00hrs and all 246 premises paid,

the administration costs would be £14K. This could reduce to £6.3K if a number of licensed premises apply to reduce their licensable hours for the supply of alcohol.

26. Within the first year there will be additional administration costs, which would include:
 - The formal consultation;
 - Associated work of introducing the Levy; and
 - Minor variations – provision within the legislation free of charge
27. The costs of a formal consultation and associated works are difficult to estimate. However, for example the costs of minor variations if 144 premises reduced their licensable hours for the supply of alcohol would be £12.8K (statutory fee for a minor variation is £89).
28. If a number of licensed premises apply to reduce their hours so that they no longer fall within the late night supply period, this would result in a reduction in the level of income from the Levy. It could also potentially create anti-social behaviour issues with a large number of premises closing at the same time.
29. If the Levy is introduced the licensing authority can set reduction or exemptions to the Levy. The legislation sets out the type of premises where exemption or reduction can be offered. These are:
 - Premises with overnight accommodation;
 - Theatres & cinema's;
 - Bingo Halls;
 - Community amateur sports clubs;
 - Community premises; &
 - Country village pubs.
30. In addition to the types of premises where exemption / reduction can be offered, the legislation also enables the licensing authority to give exemption to premises with Business Improvement District and on New Year's Eve.
31. The potential income set out in Para's 23 & 24 excludes premises with overnight accommodation authorised to supply alcohol to residents of the hotel 24hrs. If these were included the gross income would increase by approximately £58k.

32. When considering the introduction of the Levy it could be seen as an extra financial burden, imposed by the licensing authority, on businesses / operators who are already struggling in the current financial climate.
33. Within the legislation and guidance there are no restrictions on what the PCC's portion of the Levy revenue can be spent on, this is in line with standard practice on the allocation of police funds. Officers believe that if this authority was to introduce the Levy that agreement should be in place with the PCC that their portion of the Levy revenue should be spent on additional activity to manage / police the late night supply period within this authority area.
34. Crime figures provided by Safer York Partnership in relation to crimes within a 50m radius of licensed premises for the proposed late night supply period, from January 2012 – December 2012, show that 95 premises have violent crime, 130 premises have ASB and 78 premises have damage. These premises are located in 12 wards. However, 118 of these premises are located within the 2 city centre wards, Guildhall and Micklegate. Out of the 246 city wide licences premises authorised to sell/supply alcohol during the late night supply period 130 are located in Guildhall and Micklegate wards.
35. Since the 2003 Act came into force on 24 November 2005, the police have never issued a closure order on a licensed premises under Sections 161 of the Act. The police have only issued 3 closure notices under Section 19 of the Crime Justice and Police Act 2001 on licensed premises. Relevant issues have been rectified within 24-48 hours therefore the police have not proceeded further to Magistrates Court to request closure orders to take effect.
36. When considering the health impacts of alcohol related ASB, Accident & Emergency (A&E) admission figures provided by Safer York Partnership (based on data supplied by YDH) for 2011 show that the estimated number of alcohol related attendances at A&E between midnight and 06:00hrs were 665, with a further 196 admissions between 06:00 – 08:00hrs. For 2012 the number of attendances at A&E for victims of assault between midnight and 06:00hrs was 331, of these 164 were alcohol related.
37. Since the 2003 Act came into force the Council has received 14 applications to review premise licences, 8 of these applications were received from responsible authorities and 6 from local residents. Of these applications 5 were withdrawn by the applicant prior to a Sub Committee Hearing and 1 was for a late night refreshment house. At the time of writing this report 1 application is pending a hearing.

38. Due to the low number of crimes associated with licensed premises, and that a majority of these crimes take place in 2 city centre wards, the low number of notices served on licensed premises and the low number of reviews applications received the Council would have to consider the evidence base to ensure a sound justification for the introduction of a Levy and its design.

Council Priorities

39. The Licensing Act 2003 has 4 objectives, the prevention of crime and disorder, public safety, prevention of public nuisance and the protection of children from harm.
40. The promotion of the licensing objectives will support the Council's priorities to protect vulnerable people, build strong communities, and protect the environment.
41. By introducing an EMRO or the Levy, the licensing authority will be able to protect vulnerable people and communities that are affected by alcohol related public nuisance and crime and disorder during the late night supply period, either in a specified area (EMRO) or the whole authority area (the Levy). This will make communities safer and stronger for residents and businesses in York.

Implications

42. The implications arising direct from this report are:
- **Financial:** The introduction of the Levy would generate income for the council and police to assist in managing the late night economy. However, the introduction of the Levy would impact on the licensed trade by implementing a financial burden on them.
 - **Human Resources:** The introduction of a levy will result in additional work within the licensing team, however the cost of this will be covered by any income received.
 - **Equalities:** A community impact assessment has been carried out. There are no Equalities implications associated with this report.
 - **Legal:** The introduction of an EMRO or Levy can be legally challenged; therefore clear evidence and reasoning must be in place.
 - **Crime and Disorder:** The introduction of an EMRO or Levy would promote the licensing objective "the prevention of crime and disorder".
 - **Information Technology (IT):** There are no IT implications associated with this report.
 - **Other:** There are no other implications associated with this report.

Risk Management

43. There are no known risks associated with this report. However the introduction of an EMRO or the Levy can legally challenged.

Recommendations

44. Cabinet Members are asked to:

- Approve Option 1, as set out at Para 18, to consult with North Yorkshire Police, the Police and Crime Commissioner, other responsible authorities, Safer York Partnership and the relevant Business Community with regards to the introduction of EMROs and/or the Levy.

Reason: To ensure that the council have the appropriate evidence to consider the introduction of EMROs or a Late Night Levy.

Author:	Cabinet Member and Chief Officer Responsible for the report:		
Lesley Cooke Licensing Manager Phone: 551515	Cllr Daf Williams, Cabinet Member for Crime and Stronger Communities		
	Steve Waddington Assistant Director - Housing and Community Safety		
	Report Approved	√	Date 4 April 2013
Specialist Implications Officer(s) <i>List information for all</i> None			
Wards Affected: <i>List wards or tick box to indicate all</i>			All <input checked="" type="checkbox"/>
For further information please contact the author of the report			


Background Papers:

None

Annexes

None

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Cabinet	7 th May 2013
Report of the Cabinet Member for Health, Housing & Adult Social Services	

New Council House Building – Phase 1

Summary

1. As part of the Get York Building (GYB) initiative a number of key interventions were agreed: the council has amended its affordable housing policy reducing the target for affordable homes on new developments, the Draft Local Plan is out for consultation setting the development ambitions for the city, and the council set out its ambitions to build new council homes and to bring forward a first phase of between 50 & 70 new homes. Further reports as part of the Get York Building initiative will be brought to Cabinet setting out opportunities to stimulate economic growth across a wide range of sectors, including large, medium and smaller house builders, the commercial and retail providers
2. This report sets out our proposals to deliver the first phase of new council homes and seeks approval for the council to pursue development of a number of sites within the Housing Revenue Account (HRA) to build between 50 and 70 new homes.

Background

3. In 2009 the council successfully bid for £1.12m of Local Authority New Build funding to provide partial funding to build nineteen new council houses at Archer Close, the council's first new homes in over 20 years. Following the 2010 general election and comprehensive spending review this funding was subsequently withdrawn, however the council managed to secure replacement funding from the 2008-2011 National Affordable Homes Programme (NAHP). The homes, at a total scheme cost of £2.6m, were completed within budget in September 2012.
4. As part of the wider national reform of the HRA a number of opportunities have arisen to access reserves within the HRA, and borrow prudentially against existing stock (subject to borrowing caps). This has resulted in the council having the capacity to finance a significant new council house build

programme to help alleviate the huge levels of housing need in the city and add to the existing asset base.

5. In preparation for HRA reform the Housing Development Team have undertaken a review of HRA land assets to form a comprehensive GIS database of sites. This includes analysis of the suitability for development. Through this process an initial 12 potential sites were identified as having no apparently insurmountable planning constraints and potential for development. Early feasibility works have ruled out 6 of these sites as being achievable within the project timescales, with the remaining 6 sites being able to deliver in the region of 50 - 70¹ new council homes.

Proposals

6. The aim of the first phase of council housing is to build between 50 and 70 new homes, with work to identify further sites for future phases ongoing. The new homes will be across a range of house types, with consideration given to:
 - Maximising the number of homes on the available land;
 - Local context and surroundings;
 - Priority need as identified in the 2011 Strategic Housing Market Assessment (SHMA²);
 - The impact of welfare reform changes
7. Where 2 and 3 bedroom houses are provided the same floor plans will be replicated from Archer Close to achieve economies of scale. At this stage the homes will be built to Homes and Communities Agency (HCA) standards to facilitate the potential to access any available grant funding should this become available.
8. All the homes will be for social rent, unless HCA funding is secured which would require the rents to be negotiated under the affordable rent regime. The aim would be to secure these at a level as close to social rents as possible. It is proposed that the homes will be built to a minimum of Code for Sustainable Homes Level 4, through a fabric first approach (achieving sustainability through the built materials rather than technology).

Locations

9. There are 6 sites that have been assessed as suitable for development in the timescales dictated by this phase. The sites are as follows:

¹ Subject to design / type / planning / tenure etc.

² York & NY SHMA

Site	Proposed Type / Numbers ³
Fenwick Street	9 Apartments
York Road, Haxby	4 Houses
Beckfield Lane	27 (Houses & Apartments)
Chaloners Road (Garage Court)	11 Apartments (possibly 8)
Hewley Avenue (Garage Court)	6 Apartments
Newbury Avenue (Garage Court)	9 Apartments
TOTAL	66 (may reduce to 63)

10. It is proposed that the Beckfield Lane development would be mixed tenure with 12 of the homes being for open market sale. Market sale housing represents a new venture for the council, requiring marketing strategies, sales teams, after care. However, there are a number of options being considered by officers to deliver this function, including: through the build contractor, outsourcing to a specialist agency, or delivering using in house resources. The inclusion of market sale homes will proportionately reduce the number of new council homes at that site. Current estimates as set out in the table above show that, subject to planning, the council will still be able to deliver over 50 new council homes as the first phase. However, should the need arise; further sites will be brought forward.

Delivery programme

11. Beckfield Lane – a full planning application will be submitted in May 2013, with a 13 week target determination period. A 3 month tender period to appoint a contractor will be undertaken, followed by a 2 month project inception period prior to start on site late 2013 / early 2014. The anticipated build programme is 50 weeks, with completion in February 2015 at the latest.
12. Remaining sites – The target timetable for the additional sites is as follows:
- All sites that are to be progressed submitted for planning by September 2013
 - Planning permission December 2014
 - Any site issues to be resolved by December 2014
 - Contractors appointed by March 2014
 - Start on Site June 2014
 - Completion June 2015
13. It should be noted that the above timescales are very challenging and does not assume any unforeseen delays to resolving issues with the sites and/or achieving planning, issues with the procurement process, and any delays

³ Subject to design / planning.

to build programme. Some of these issues could be mitigated to an extent by increasing dedicated resources to this project.

Funding Route

14. The total scheme cost is in the region of £7m. It is proposed to fund the project from HRA reserves (as set out in the February 2013 Get York Building Report) and commuted sums held in lieu of on site affordable housing. Exact costs will be determined via a competitive tendering process for the building of the new homes. As part of the development of the programme, costs will be allocated out to each development.
15. The February GYB report proposed the release of £6m of funding from the HRA reserves which was approved by Council as part of the 2013/14 Capital Programme.
16. The council currently hold just over £1million of commuted sums that are ring fenced for spending on the delivery of affordable housing. It is proposed that £1m of this is used to support the costs of delivering the new council homes under this first phase of building. Changes to the approved capital programme to reflect this will be via the councils normal capital programme updates.

Procurement

17. Architect - Atkins Architecture (the design team for Archer Close council housing) have been appointed to submit a planning application for the Beckfield Lane site to allow the identified timescales to be met. A tender process is currently being undertaken to appoint an architect to produce full planning applications for the remaining 5 sites, this process should have concluded by the end of June.
18. Employers' agent and quantity surveyor - A tender process is currently being undertaken to appoint an employer's agent for Beckfield Lane, with a separate tender process to follow for an employer's agent for the remaining 5 sites. A quantity surveyor will be appointed to act on the council's behalf throughout the project once the council's new framework partner is in place in June.
19. Contractor - The intention is to procure a number of contractors to build the new houses. Consideration was given to packaging all 6 sites under one single contract. However, the size of the contract sum would potentially be contrary to the council's aim of appointing small to medium sized local contractors. The size of the development at Beckfield Lane, and intended inclusion of market sale, may require a larger contractor capable of

performing the marketing and sales function. A procurement strategy will be developed to provide local contractors with the opportunity to tender, with a Pre-Qualifying Questionnaire to ensure that any contractor is capable of delivering the contract.

Resources

20. The delivery of 50 to 70 homes with a contract sum in the region of £7m will require a significant amount of officer time in addition to the Housing Development Team's existing work plan. To deliver a new project of this size and to allow successful delivery additional staff resources are required. It is proposed to appoint a Project Manager on a fixed term basis to oversee this phase of new council homes. The post would be funded as part of the project on costs.

Communication/consultation strategy

21. All relevant ward and cabinet members have been contacted to inform them of the sites being considered and to get their initial views. Members will be kept informed of any proposals and progress. As part of each planning application a public information event will take place advising of the plans and a further public information event prior to start on site to introduce the contractor to the local community. Where garage courts are to be demolished the licensees will be contacted individually to discuss the proposals in detail and inform them of their options.

Options

22. There are two options to consider. Should members approve the recommended option (option 2) there are a number of further recommendations to be considered.
23. Option 1- To approve the building of 50 to 70 new council homes on the sites identified
24. Option 2 - To approve the building of 50 to 70 new council homes on the sites identified, with delegated responsibility to the Cabinet Member for Corporate Services to approve any alternative sites following consultation with the Cabinet Member for Health, Housing, and Adult Social Services, should those identified be unable to progress.

Analysis

25. Option 1- To approve the building of 50 to 70 new council homes on the sites identified

26. This option corresponds with the recommendations of the Get York Building board. It would allow the council to add a significant number of homes to its existing asset base and help to alleviate the acute housing need in the city. There is an identified need for 790 new affordable homes per annum as set out in the York & North Yorkshire SHMA 2011, and whilst this project will not solve that need it will contribute new high quality homes across a range of house types.
27. Option 2 - To approve the building of 50 to 70 new council homes on the sites identified, with delegated responsibility to the Cabinet Member for Corporate Services to approve any alternative sites following consultation with the Cabinet Member for Health, Housing, and Adult Social Services, should those identified be unable to progress.
28. This option achieves the same aims as option 1, however it also allows the delivery of the identified number of homes if any issues prevent the development of the proposed sites. None of the sites being considered are without complications, and it may be that one or more can not progress. In this scenario officers will need to revisit the strategic review of sites to identify an alternative. This option will allow the decision as to which alternative site to pursue to be made in consultation with the Cabinet Members and ward councillors without the need to revisit Cabinet for approval with associated delays.

Council Priorities

29. Any approval to progress with new council housing has a positive impact on four of the five council priorities.
30. Create jobs and grow the economy – As set out in the previous Get York Building Report (Feb 2013) Investment in the construction industry has a direct positive impact on economic activity, with every £1 spent generating a total of £2.84 in extra economic growth. In pursuing a local contractor procurement strategy the council will be directly investing in the local economy and creating employment in the struggling house building sector. In procuring a contractor additional priority will be given to contractors that are committed to offering and providing apprenticeships.
31. Build strong communities – New council housing will provide high quality accommodation for those unable to access housing on the open market. The inclusion of market housing at Beckfield Lane would introduce a mix of tenures to create mixed, sustainable communities. Access to high quality housing in places where people want to live at a price they can afford is a

key tenet of the Housing Strategy (2011-15), and is crucial to happiness and well-being.

32. Protect vulnerable people – The new homes will be built to Lifetime Homes standards which are designed to adapt with people’s changing care needs, enabling them to remain in their own home and independent for as long as possible.
33. Protect the environment – The new homes will be built to a minimum of Code for Sustainable Homes Level 4, which exceeds the council’s mandatory requirement to meet code 3 and will reduce carbon emissions on the completed homes and throughout the build process.

Implications

34. The following implications have been identified:

- (a) **Financial** - The capital programme for 2013/14 contains approval of £6m for new local authority housing funded from HRA reserves. An increase to £7m can be accommodated by the use of commuted sums, which would be confirmed through the appropriate channels.
- (b) **Human Resources (HR)** - There is a requirement to appoint a dedicated project management resource. The grade has yet to be determined, and will be established through the council’s HR procedures. The indication is that it will be either grade 8 or 9, which would result in a cost of up to £41,000 per annum for a period of up to two years. This resource would be funded through the project’s funding stream.
- (c) **Equalities** - It is considered that there are no negative equalities implications.
- (d) **Legal** - The Council has the power, under section 9(1) of the Housing Act 1985, to build new houses. If the Authority decide to sell any of the housing, the Secretary of State's consent will be required pursuant to s32. General consents have, however, been granted by the Secretary of State and are contained in the General Consents 2013. This allows disposals of vacant dwellings at market value to persons who will use the property as their principal home.

If land is to be sold section 123 Local Government Act 1972 requires the Authority to obtain the best consideration reasonably obtainable for any disposal, but disposals at less than best consideration can be made pursuant to the Local Government Act 1972: General Disposal

Consent (England) 2003, provided the Authority consider that the disposal is likely to contribute to the achievement of the objective of promoting or improving the economic, social, or environmental well-being of its area or residents; and the difference between the unrestricted value of the land and the consideration does not exceed £2 million.

European state aid rules must also be complied with in respect of any disposals for less than market value which might impact on trader between Members states.

The appointment of the developer and the various technical consultants will need to be procured and contracts will be prepared by Legal Services.

- (e) **Crime and Disorder** - There are no crime and disorder implications.
- (f) **Information Technology (IT)** - There are no IT implications.
- (g) **Property** - Strategic context - In accordance with the objectives of the Council's Asset Management Review currently being implemented, each of these sites has also been looked at in the wider context of other Council land and property assets in the area to identify any opportunities for re-location of services freeing up other sites for disposal, housing or other developments and also maximising any capital receipts and reducing revenue costs.

There is also opportunity to look at sites adjacent to those identified in this process which are not owned by the Council to see if there is any merit in acquiring them, especially if they are under-developed, so that a larger housing development can be achieved.

Identified sites - In order to progress the proposed developments various issues of a site specific nature need to be resolved to support future planning applications, e.g. title advice and land registry checks, service run information, contamination advice, etc. Officers in Property Services are consulting widely across the Council to provide this information and resolve any issues that may arise and as this work is currently ongoing a supplementary update to this report can be provided by officers on request.

- (h) **Other** - There are no other implications.

Risk Management

35. The project to deliver between 50 and 70 new council homes, across 6 sites, by spring/ summer 2015, carries a number of risks. It will represent a £7million plus project that has a tight delivery timescale through complex delivery mechanisms. The council will need to procure consultants and contractors, resolve issues affecting the development of the sites, achieve full planning permission, and build a significant number of new homes across multiple sites. In addition, the decision to introduce market housing will require the council to become involved in a new business area of marketing and selling new homes. These all pose challenges to project delivery and the consequent impact on the reputation of the council.
36. To mitigate these risks the project must be properly resourced. Cross directorate support and commitment will be required to ensure each directorate meet their identified and agreed delivery timescales, and an additional post will be needed within the Housing Development Team to project manage the scheme.

Recommendations

37. Members are asked to approve:

- (a) Option 2, the building of 50 to 70 new council homes on the sites identified, with delegated responsibility to the Cabinet Member for Corporate Services to approve any alternative sites following consultation with the Cabinet Member for Health, Housing, and Adult Social Services, should those identified be unable to progress.

Reason: To allow the council to add a significant number of homes to its existing asset base and help to alleviate the acute housing need in the city, and ensure that should one of the identified sites not progress an alternative can be pursued without delaying the project.

- (b) The inclusion of an element of market housing at Beckfield Lane

Reason: To ensure a mix of tenures to allow a mixed and sustainable community and to provide cross subsidy to help fund the project.

- (c) Recommending to Council the use of £1m commuted sums, and thereby increase the approved capital programme (HRA) for new homes from £6m to £7m.

Reason: To allow a total scheme budget of £7m to deliver the project

- (d) The identified procurement routes, with delegated authority to the Cabinet Member to approve any revisions

Reason: To allow officers to progress with the identified procurement processes to achieve the delivery timescale, and to ensure that any revisions to the identified process do not lead to delays related to achieving cabinet approval.

- (e) Additional project management resources required to deliver the project

Reason: To allow the successful delivery of the project without impacting on the wider Housing Development Team workplan by ensuring the appropriate level of resources.

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		Report Approved	<input checked="" type="checkbox"/> Date 23 rd April 2013
Specialist Implications Officer(s) <i>List information for all</i>			
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Wards Affected: <i>List wards or tick box to indicate all</i> Acomb Dringhouses and Woodthorpe Haxby and Wiggington Hull Road Micklegate Westfield			All
For further information please contact the author of the report			

Background Papers:

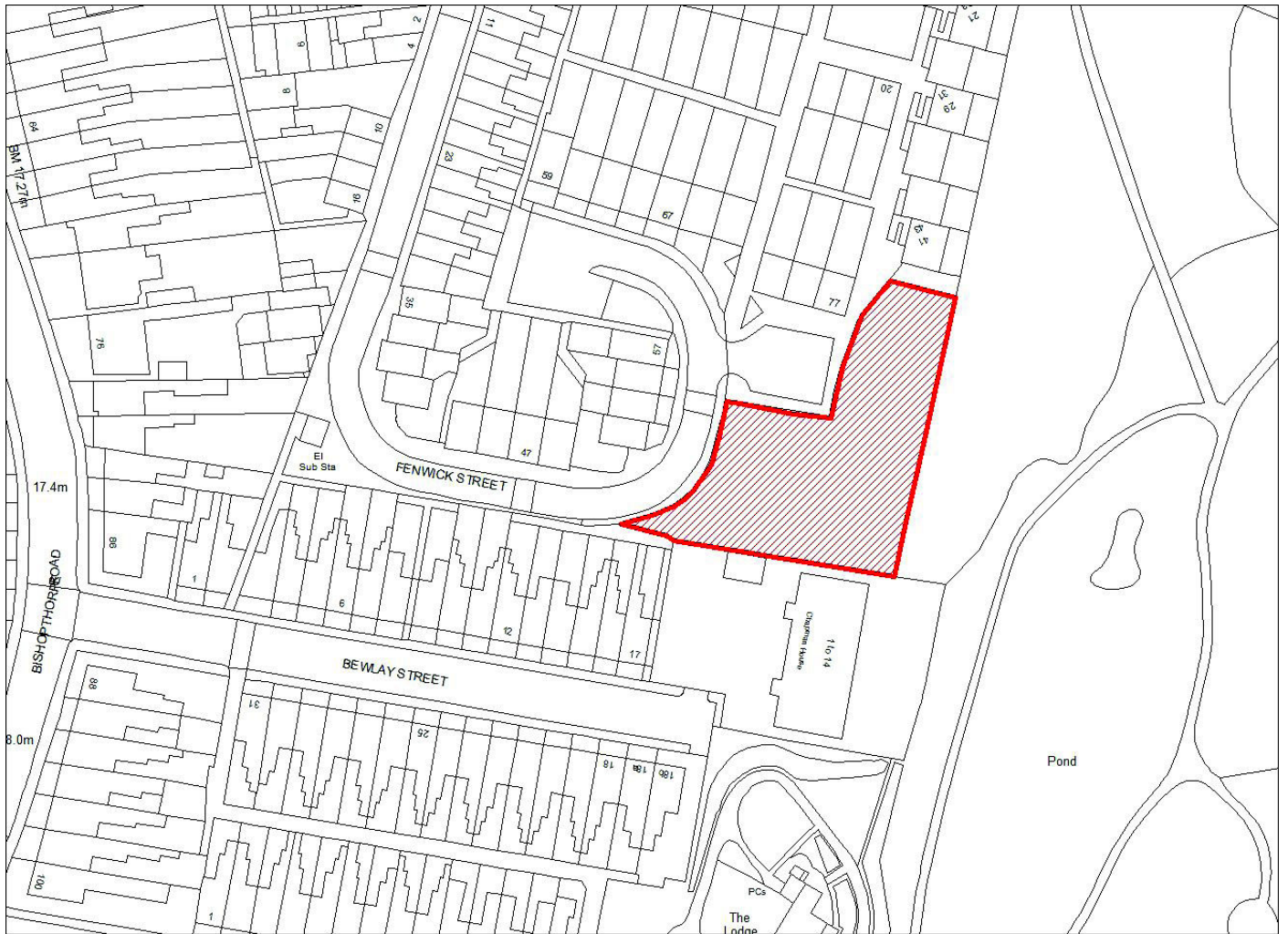
Get York Building – A Case for Change.

Annexes

- Annex A – Fenwick Street site plan
- Annex B – York Rd, Haxby site plan
- Annex C – Beckfield Lane site plan
- Annex D – Chaloners Road site plan
- Annex E – Hewley Avenue site plan
- Annex F – Newbury Avenue site plan

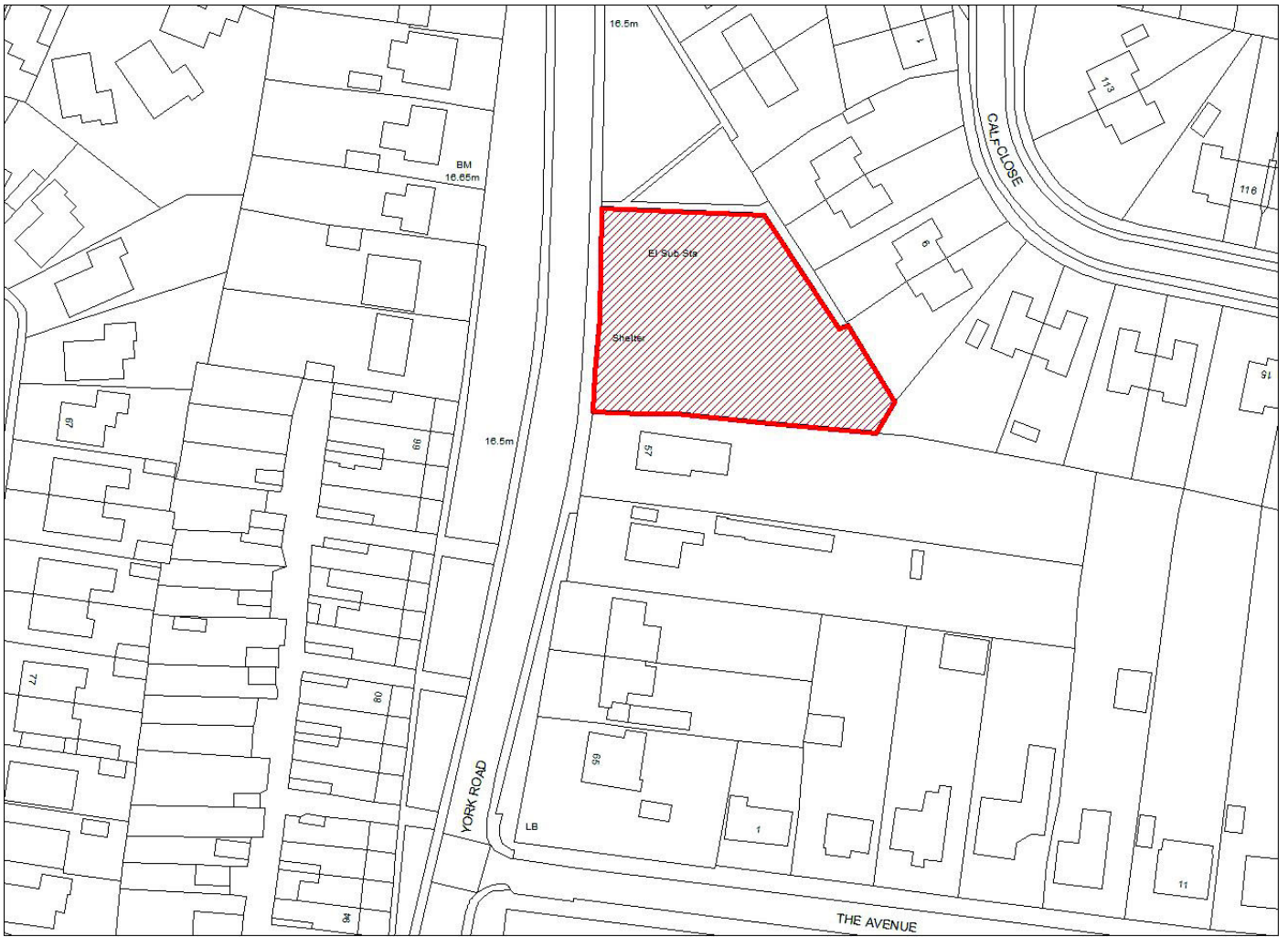
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Annex A – Fenwick Street site plan



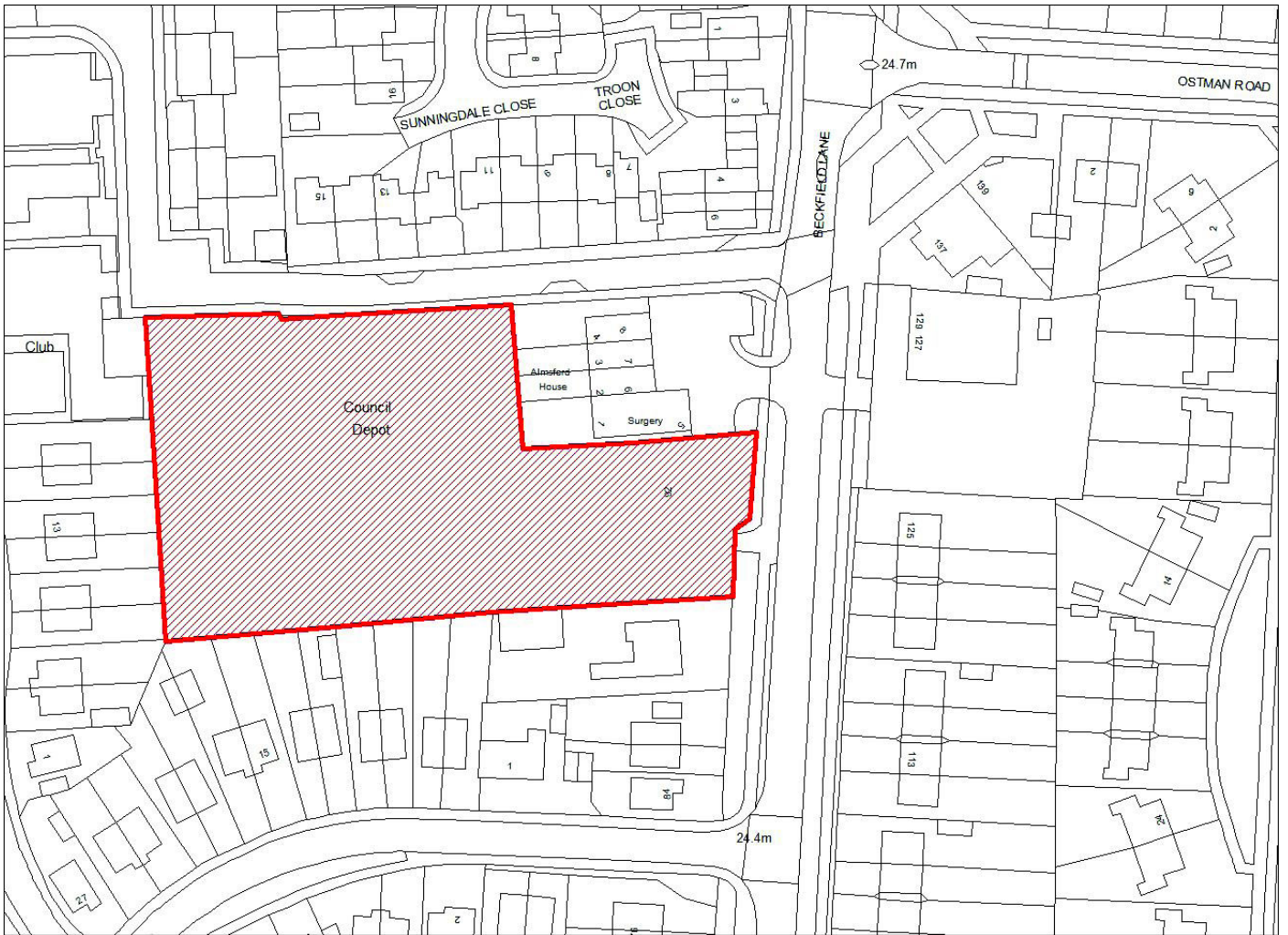
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Annex B – York Road, Haxby site plan



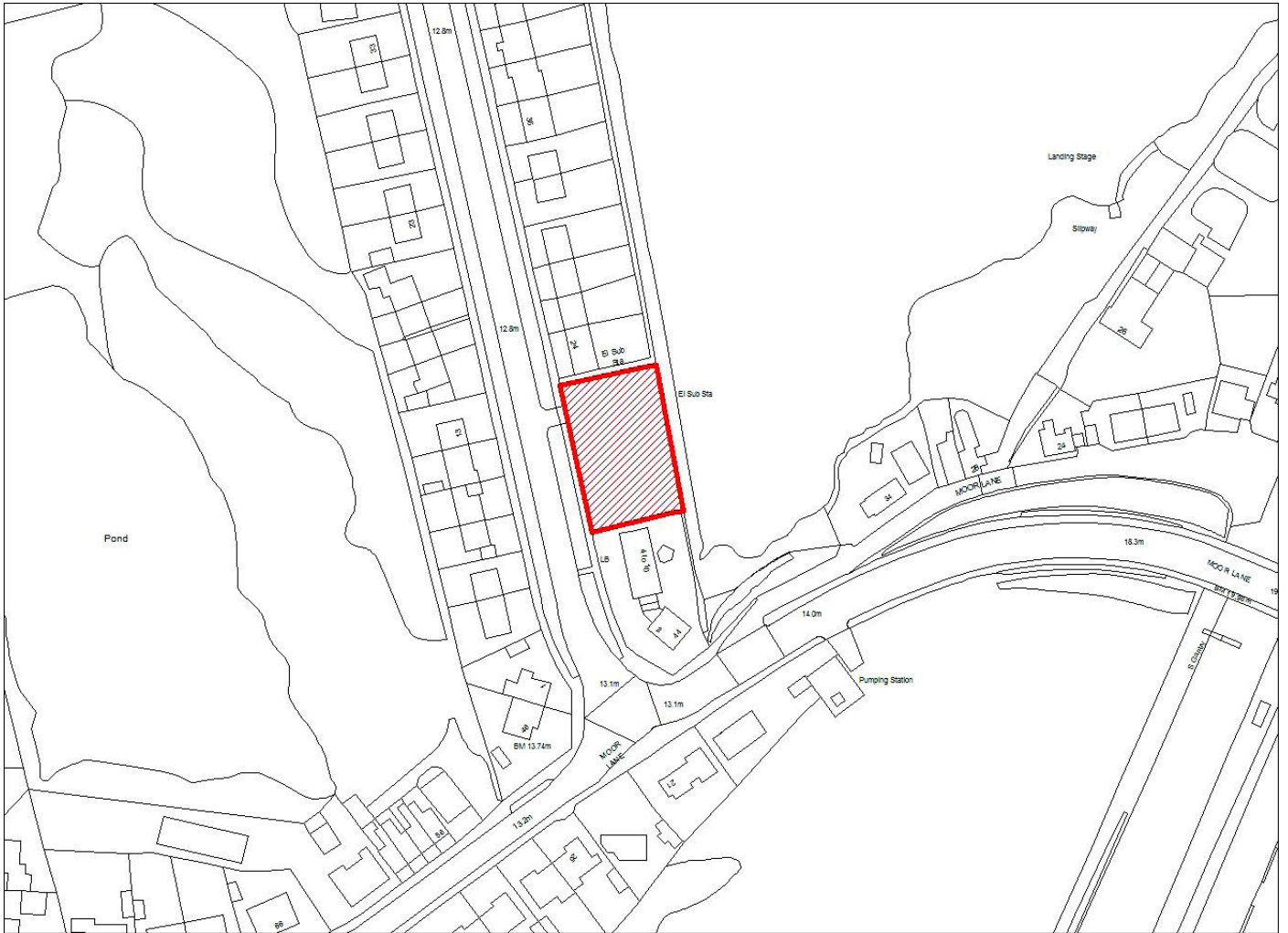
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Annex C – Beckfield Lane site plan



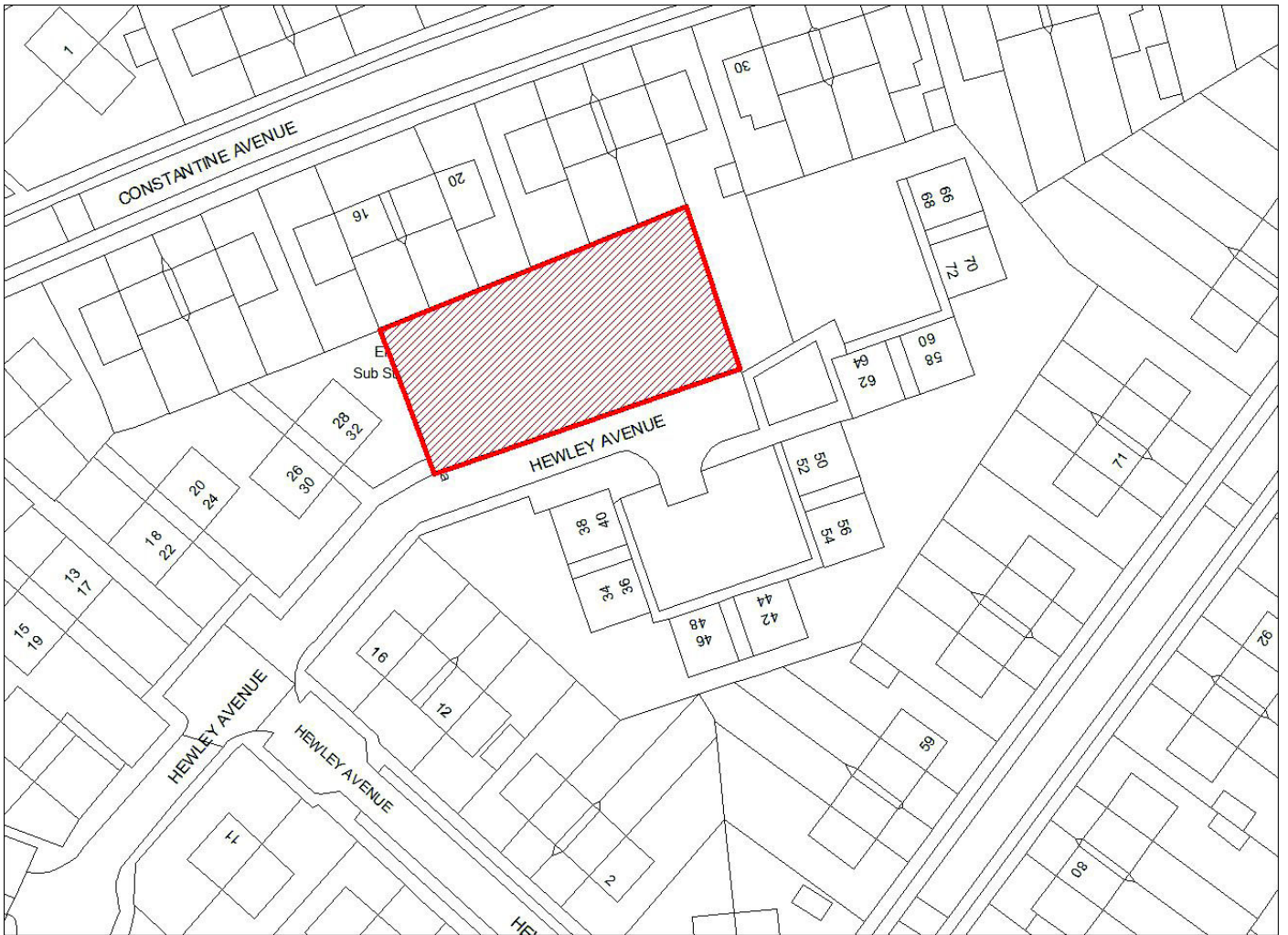
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Annex D – Chaloners Road site plan



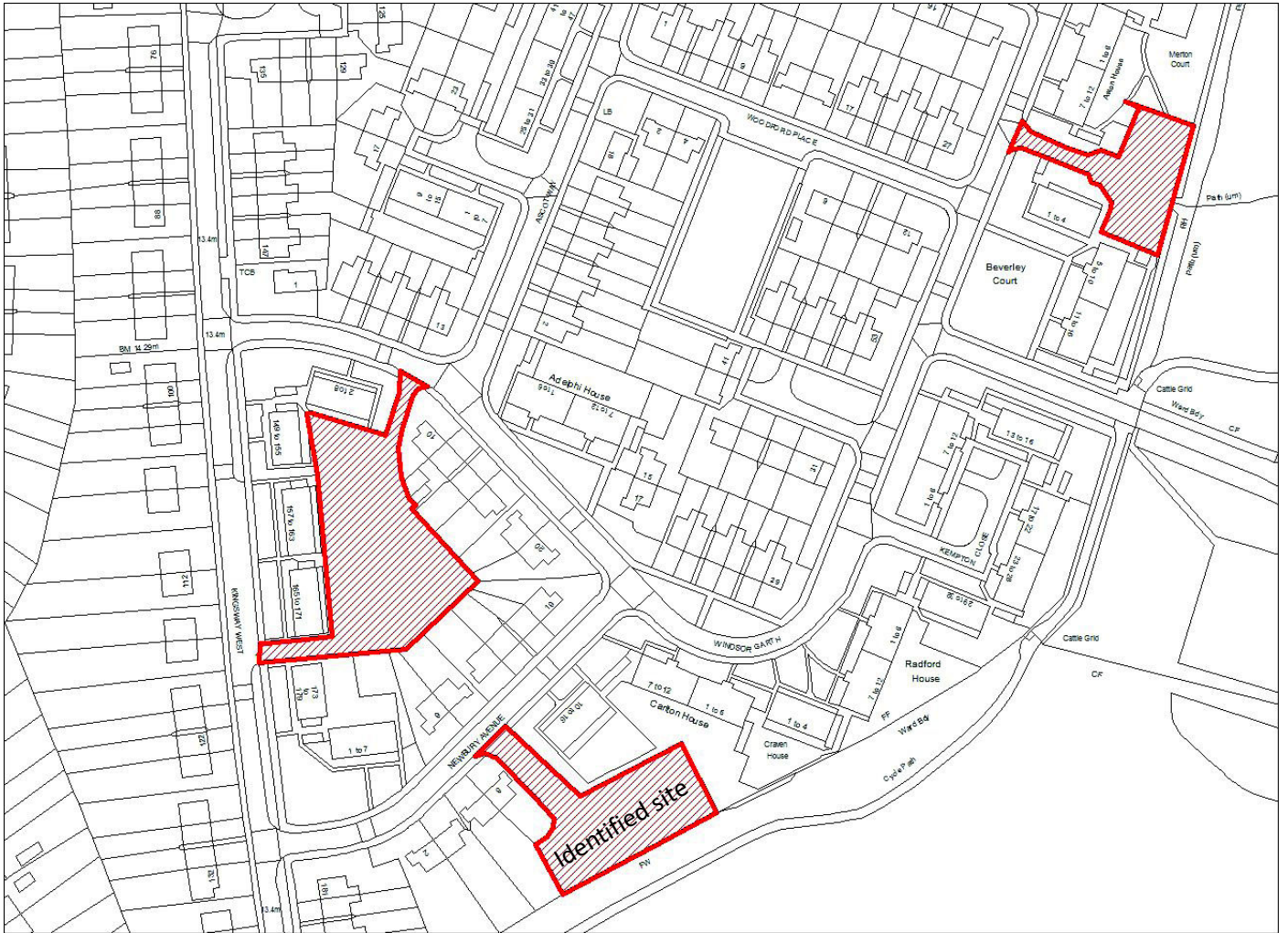
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Annex E – Hewley Avenue site plan



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Annex F – Newbury Avenue site plan



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Cabinet**7th May 2013**

Report of the Cabinet Member for Health, Housing and Adult Social Services

Implementing additional Public Health duties within City of York Council: An update for Cabinet Members**Summary**

1. This report provides Cabinet with an overview of how the council have and are implementing the additional public health duties that came into effect on 1st April 2013.

Background

2. Following the introduction of the Health and Social Care Act 2012, the structure of the National Health Service has gone through major change. These changes came into effect on 1st April 2013. Please see **Annex A** for an [illustration of the health and care system from 1st April 2013](#). As part of these changes, City of York Council will take on additional public health responsibilities which are intended to clearly demonstrate the leadership role for local authorities in:
 - Tackling the causes of ill health, and reducing health inequalities
 - Promoting and protecting health
 - Promoting social justice and safer communities
3. The Cabinet Member for Health, Housing and Adult Social Services, Chief Executive and Director of Public Health and Wellbeing have contributed to local, regional and national debate and policy development. For example:
 - The Director of Public Health and Wellbeing has been appointed by the Secretary of State to be a Member of the Advisory Committee for Resource Allocation, informing Clinical Commissioning Group and Public Health funding and the Pharmacy and Public Health Forum. They also Chair the Healthy

Living Pharmacy Task Group, overseeing the evaluation and national roll out of healthy living pharmacies.

- The Cabinet Member for Health, Housing and Adult Social Services is a member of the regional group for Chairs of Health and Wellbeing Boards and is establishing a Health and Wellbeing group across North Yorkshire, York and the East Riding.
- The Chief Executive is a member of the newly established Health and Social Care Leadership group.

4. The vision for local government leadership of public health is that health and wellbeing is integral to everything local authorities do, and that health impact and maximising health benefit are systematically assessed during policy development. Specifically, local authority responsibilities for public health leadership, commissioning and delivery will include the following mandatory functions and services:

- Production of the Joint Strategic Needs Assessment (JSNA), jointly with the Vale of York Clinical Commissioning Group
- Leadership of the Health and Wellbeing Board and production of the Joint Health and Wellbeing Strategy
- Appointing a Director of Public Health to be responsible for its public health functions, including the planning and response to emergencies that involve a risk to public health
- The Director of Public Health must produce and publish an annual report on the health of the people in the area of the local authority
- Provision of public health advice to the Vale of York Clinical Commissioning Group
- Commissioning or providing certain mandatory services, including:
 - Appropriate access to sexual health services
 - Services to protect the health of the population
 - The National Child Measurement Programme
 - NHS Health Check assessment
- Commissioning a range of other public health and health improvement services, including Sexual Health, Substance Misuse, Child Health for 5-19year olds, Smoking Cessation and Healthy Weight services

From 2015, the following additional responsibilities will be transferred:

- Production of the Pharmaceutical Needs Assessment (PNA), to be published by 1st April 2015, to identify the pharmacy needs of the local population
 - Children's services, aged 0-5 (health visiting)
5. To prepare for and deliver these new duties six public health staff have transferred from the NHS into the council and a number of staff and teams have been brought together from within the council to create York's Public Health Team. The Public Health team now comprises of:
- Director of Public Health and Wellbeing
 - Public Health Consultant
 - Health Improvement Managers x 2
 - Health Improvement Practitioner Specialist
 - Sports and Active Leisure Team
 - Drug and Alcohol Action Team
 - Health and Wellbeing Strategy and Development Officer
 - Health and Community Consultant
 - Strategic Commissioner for Teenage Pregnancy, Substance Misuse and Risky Behaviours
 - Public Health Communications Officer

Consultation

6. This report has been drafted in consultation with the Director of Public Health and Wellbeing and the Cabinet Member for Health, Housing & Adult Social Services.
7. A report outlining the Constitutional Changes relating to public health was taken to the Audit and Governance Committee on 19th March. The recommendations from the Audit and Governance Committee that constitutional amendments be made were approved by Council on 28th March. This is in order to ensure that the Council has made an appropriate response to the transfer of public health powers. Previous relevant reports to Cabinet include:
- 10th October 2011 – Establishing York's Health and Wellbeing Board

- 3rd April 2012 - Recruitment to the role of Director of Public Health and Wellbeing

This report will now go on to provide more information on the:

- Transfer of Public Health
- Health and Wellbeing Board
- Health and Wellbeing Strategy

Transfer of Public Health into the Council

Finance

Public Health Allocations

8. To deliver their additional public health duties, for the first time, from April 2013, local authorities will be granted protected public health budgets. The budget allocations are set by the Department of Health based on the recommendations of an independent expert group, the Advisory Committee on Resource Allocation (ACRA). At the invitation of the Secretary of State, City of York Council's Director of Public Health Dr Paul Edmondson-Jones is the sole local authority director of public health to sit on ACRA.
9. York's opening baseline allocation for 2013-14, based on historical spending in 2010-11, was £6.037 million which equates to £30 per head of the population. But this has since been revised to take account of changes to the functions transferring to local authorities. York's new allocation has been uplifted by 10% (the maximum permitted for any local authority by the Department for Health). A further 10% uplift has also been applied for 2014-15. This means the actual total allocations are:
 - **£6.641m or £33 per head for 2013-14**
 - **£7.305m or £36 per head for 2014-15**
10. Whilst the baseline allocations for 2013-14 have been based on historic spend patterns in 2011-12 and 2013-14, the Government is moving towards an allocations formula in the future that is based on the actual needs of the local population. This formula has been used to create a 'target' future allocation for every local authority. The 10% uplifts applied to years 2013-14 and 2014-15 will help York reach its target allocation.

11. However, in 2014-15, the city will still be 17.6% away from its target allocation, which represents £1.5m per year of underfunding (our target allocation is £8.86m for 14/15). This is therefore lost opportunity to invest in the health and well-being of our population. But it is anticipated that it will move further towards its target in subsequent years.

Health Premium

12. A health premium is being introduced to reward local areas for improving health outcomes. The health premium will be introduced from 2013-14 but will not be paid until 2015-16 to take account of the time delay between public health interventions and improved outcomes, and the effects of population movement in some areas.
13. The Department of Health will convene an expert group to develop recommendations to the Secretary of State for Health on the criteria for awarding health premium incentives. It is likely that the criteria will include key indicators in the Public Health Outcomes Framework together with some local indicators.

Staffing and resources

14. Over the last 18 months Human Resources representatives from City of York Council (CYC), North Yorkshire County Council (NYCC) and NHS North Yorkshire and York (NHS NYY) have been working collaboratively to ensure the smooth transition of Public Health staff from the NHS into the two local authorities. A Public Health partnership forum was established in October 2012 to ensure NHS, CYC and NYCC union representatives were fully consulted on the transfer. Regular individual and team meetings were also held with both NHS and local authority staff.
15. CYC appointed a Director of Public Health and Wellbeing designate in August 2012 who is one of the six staff who transferred under TUPE regulations on 1st April 2013. NHS NYY Human Resources colleagues have been actively working with colleagues in CYC since summer 2012 on the transfer of Public Health responsibilities, under transitional arrangements prior to the formal TUPE transfer.

Public Health Contracts

16. Council Officers have been in discussion with the Primary Care Trust and the existing providers (including York GP's and pharmacies, voluntary organisations and NHS Foundation Trusts) for a number of months in order to arrange the transfer of the commissioning of relevant services from the NHS North Yorkshire and York to the Council. A significant amount of work has been undertaken over recent months (in collaboration with North Yorkshire County Council (NYCC)) to try to ensure that mandatory services can be performed and the transition of commissioning arrangements is as seamless as possible with minimal disruption to service users.

17. Twenty five sets of contracts for services were identified for transfer to City of York Council and these were categorised into the following groups:

Acute: Community contracts with NHS Foundation Trusts

Primary Care Services: Locally developed services to meet local health needs (some of which are mandatory) provided by GPs and Pharmacies

Voluntary Organisations: Contracts provided by the voluntary and community sector

DAAT: Drug and alcohol treatment and support services provided by a number of providers including the voluntary and community sector.

Private Sector: Single contract for condom distribution, provided by a private sector organisation.

18. The majority of the public health allocation (see Paragraph 4a) is already committed to delivering the public health contracts that have transferred to CYC.

19. Service providers have been informed of City of York Council's intention to maintain existing service provision where possible. Specifications have been refreshed to reflect council processes and to ensure references to legislation and qualifications are up to date. Providers are also being asked to sign up to a contract based on a national template.

20. Once the transferred contracts are operational and population needs are better understood, the Public Health Team will plan a more strategic approach to the commissioning of Public Health Services,

which may include service redesign and joint commissioning with other local authorities.

Public Health Outcomes Framework

21. The public health outcomes framework for England sets out objectives for the public health system in the 3 years from April 2013. It consists of 4 domains and over 60 indicators for measuring progress. City of York Council, as the local lead for public health, will be responsible for monitoring against these indicators and evaluating information to inform the design, planning and commissioning of public health services and influence a broad range of activity across the council that impacts on the wider determinants of health.
22. The domains of the public health outcomes framework are:
 - **Domain 1: improving the wider determinants of health**
Objective: improvements against wider factors that affect health and wellbeing and health inequalities.
 - **Domain 2: health improvement**
Objective: people are helped to live healthy lifestyles, make healthy choices and reduce health inequalities.
 - **Domain 3: health protection**
Objective: the population's health is protected from major incidents and other threats, while reducing health inequalities.
 - **Domain 4: healthcare public health and preventing premature mortality**
Objective: reduced numbers of people living with preventable ill health and people dying prematurely, while reducing the gap between communities.
23. A number of indicators within the Public Health Outcomes are shared with the NHS Outcomes Framework and the Adult Social Care Outcomes Framework. This means that the combined efforts of local authorities and the NHS, to reduce premature mortality from cancer and from cardiovascular, respiratory and liver disease, or to improve outcomes for people with mental illness, for example, can be assessed.

Other implications for local authorities following the NHS changes

Emergency Preparedness Resilience and Response

24. The structural changes to the NHS mean that there are new arrangements for protecting health and responding to public health incidents. Local authorities will have a critical role in ensuring that the relevant organisations locally are putting plans in place to protect the population against the range of threats and hazards.
25. In accordance with the Civil Contingencies Act 2004, the Director of Public Health, with Public Health England, will lead the initial response to public health incidents, in close collaboration with the NHS. The introduction of Local Health Resilience Partnerships (LHRPs) formed by NHS and local authority partners will aim to strengthen multi-agency emergency planning.

Public Health Advice

26. Local authorities will be required to provide public health advice to NHS commissioners. York's Director of Public Health and Wellbeing has the responsibility to provide a core offer of public health advice to the NHS locally, particularly the Vale of York Clinical Commissioning Group. NHS Commissioners will need to ensure that local authorities and health and wellbeing boards have access to the information they will need to advise them. Public Health England will provide advice and support to enable Directors of Public Health to fulfil this requirement (see Paragraph 9).
27. A report providing further details about City of York's approach to emergency planning and response and providing public health advice to the NHS will be presented to Cabinet in summer 2013.

The Role of Public Health England

28. Public Health England (PHE) is an executive agency of the Department of Health. Public Health England was established on 1 April 2013 to bring together public health specialists from more than 70 organisations into a single public health service. PHE will work with national and local government, industry and the NHS to protect and improve the nation's health, support healthier choices and will address inequalities by removing barriers to good health.

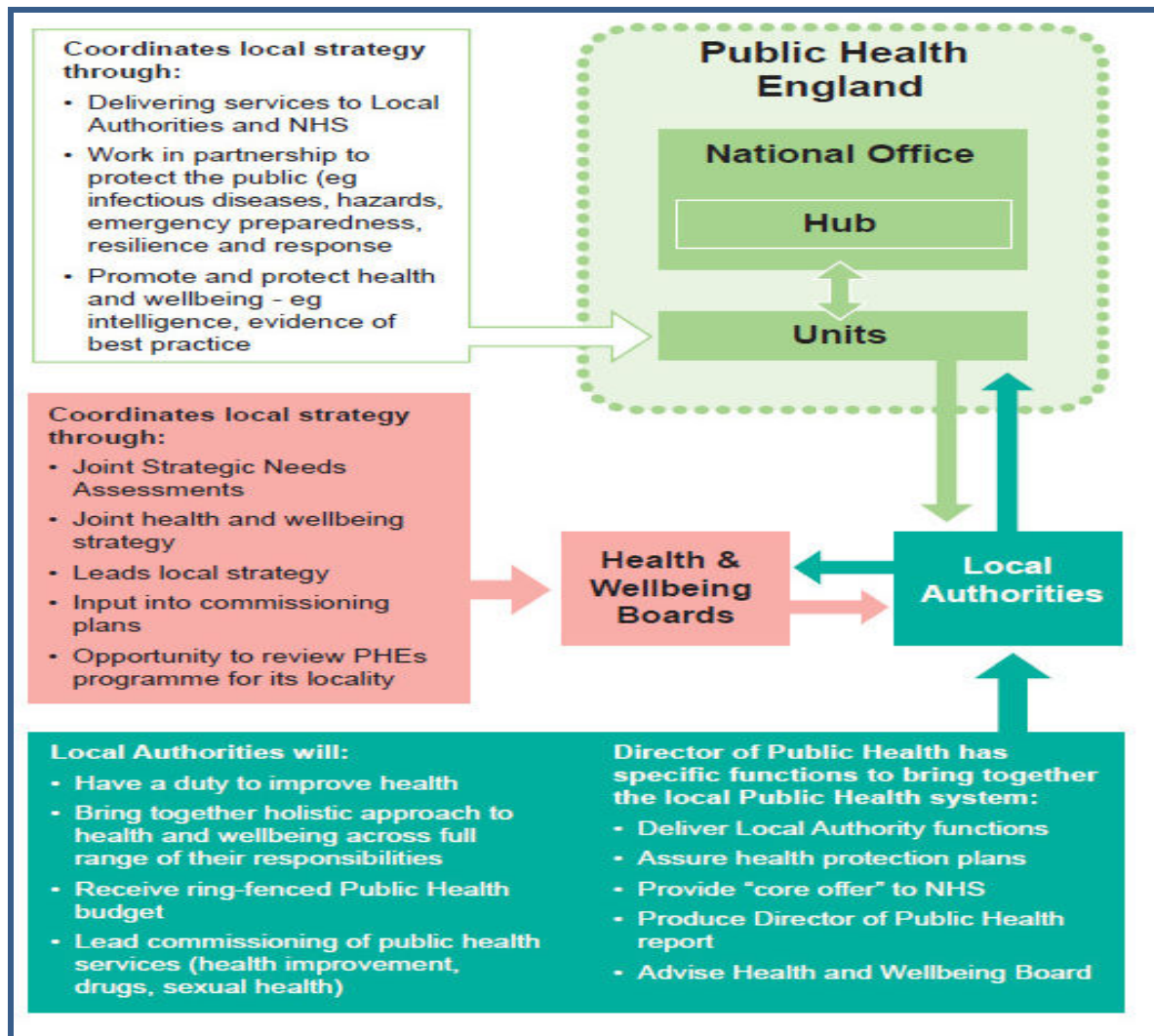
29. Using the new public health outcomes framework to measure our health for the next three years, PHE will help bring about fundamental improvements in the public's health and wellbeing, by focusing its energies on five key priorities:

1. helping people to live longer by reducing preventable deaths from conditions such as heart disease, stroke, cancer and liver disease
2. increasing healthy life expectancy by tackling conditions which place a burden on many lives, such as anxiety, depression and back pain
3. protecting the population from infectious diseases and environmental hazards, including emerging risks and the growing problem of antimicrobial resistance
4. supporting families to give children the best start in life, through working with health visitors, Family Nurse Partnerships and the Troubled Families Programme
5. helping employers to facilitate and encourage their staff to make healthy choices

30. PHE is responsible for:

- making the public healthier by encouraging discussions, advising government and supporting action by local government, the NHS and other people and organisations
- supporting the public so they can protect and improve their own health
- protecting the nation's health through the national health protection service, and preparing for public health emergencies
- sharing our information and expertise with local authorities, industry and the NHS, to help them make improvements in the public's health
- researching, collecting and analysing data to improve our understanding of health and come up with answers to public health problems
- reporting on improvements in the public's health so everyone can understand the challenge and the next steps
- helping local authorities and the NHS to develop the public health system and its specialist workforce

31. The diagram below illustrates the role of Public Health England, local authorities and Health and Wellbeing Board.



York's Health and Wellbeing Board

An introduction to the Board

32. As well as the additional public health duties outlined in this report, the City of York Council also has a statutory duty to establish a Health and Wellbeing Board.
33. York's Health and Wellbeing Board (HWB) will provide joint leadership across the city to create a more effective and efficient health and wellbeing system through integrated working and joint commissioning. York's HWB has been meeting in Shadow form since November 2011 and in public since July 2012. During that time decisions and pieces of work undertaken include:
- JSNA: the production of the assessment was overseen by the Shadow HWB and it was approved in March 2012

- A new structure for strategic Health and Wellbeing Partnership Boards
- The HWB has agreed to be a vehicle for delivering the Fairness Commission principles
- Developing and approving the Health and Wellbeing Strategy

34. York's Health and Wellbeing Board is now a statutory partnership and a Committee of the Council. Over the coming year, York's HWB will explore the following issues in order to progress a joint response and improvements to address some of the key health and wellbeing issues locally:

- Joint commissioning and shifting resource towards prevention
- Improving engagement in local health and wellbeing
- Establishing a peer review for the HWB
- Carers – their voice and influence
- The influence of the HWB in commissioning and budget decisions
- Improving transitions from children's to adults services and between health and social care

Membership of the Board

35. Since its establishment, the Shadow HWB has extended membership to include the North Yorkshire Police Temporary Chief Constable. This is to reflect the strong links between public health, the police and safer communities, for example on issues such as mental health, alcohol and drugs. Due to the changes to health and wellbeing organisations, the following changes to membership have also been made:

- The North Yorkshire and Humber Locality Team Director for the NHS Commissioning Board is now a member, taking the place of the Chief Executive of North Yorkshire and York Primary Care Trust.
- HealthWatch now have a representative on the Board, taking over from the York Local Involvement Network representative.

36. We are confident that we now have the appropriate membership for York's Health and Wellbeing Board, in terms of the organisations and sectors represented and the level of membership to allow effective collaboration and achievement of purpose.

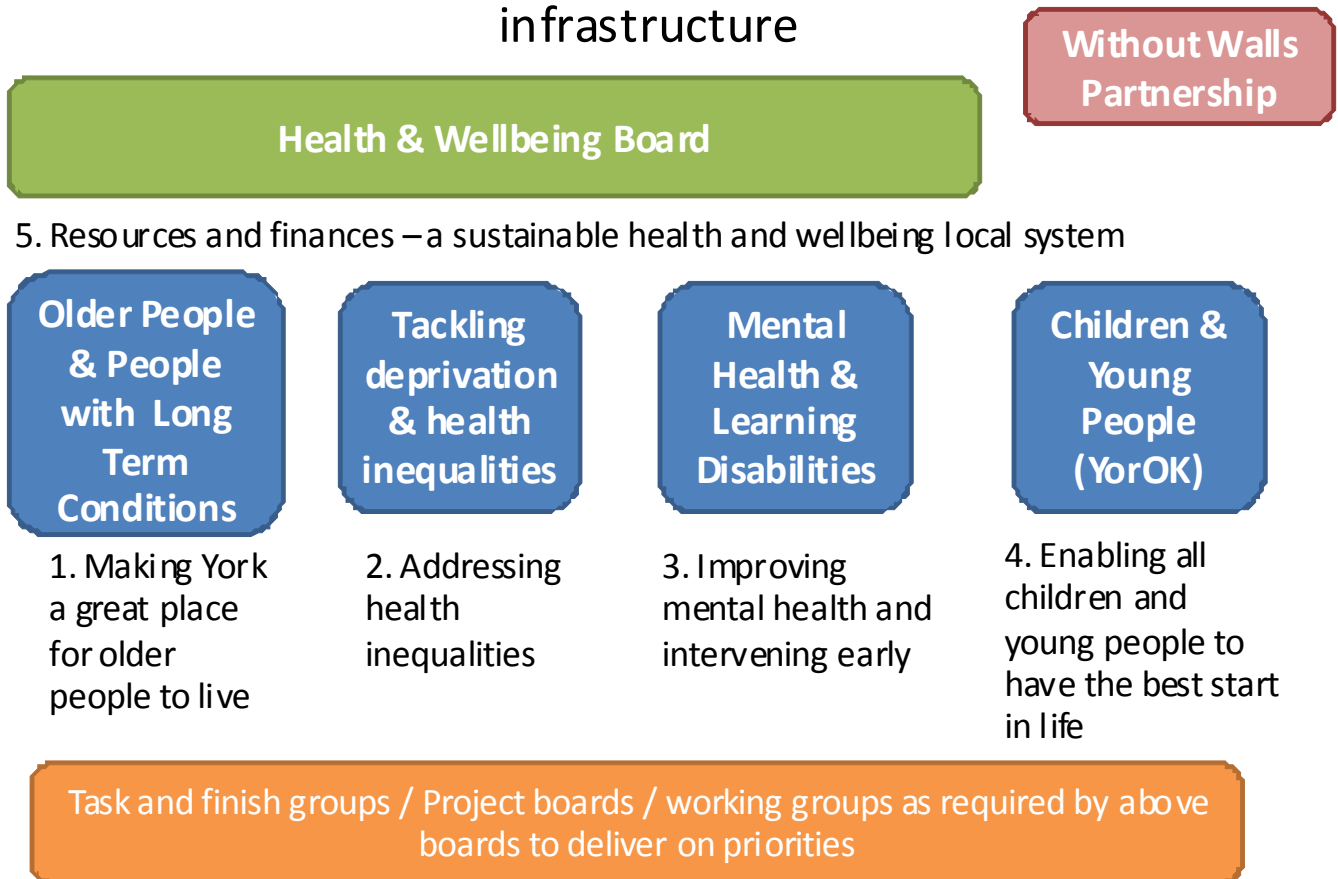
York Health and Wellbeing Strategy

37. As mentioned earlier in this report, developing a joint Health and Wellbeing Strategy is a duty of the council, via the HWB. The Shadow HWB has been overseeing its development since July 2012.
38. The Health and Wellbeing Strategy draws upon the evidence collated and the recommendations made in the JSNA published in 2012. Extensive consultation has been carried out with stakeholders, including, staff, volunteers, community groups, health and wellbeing organisations and people who use health and wellbeing services. We asked stakeholder to identify the most important issues that the HWB should address in its Health and Wellbeing Strategy. We then invited proposals and ideas that could address these issues. Following a debate with the Shadow HWB, these issues and proposals have been brought together and form the basis of the Health and Wellbeing Strategy.
39. The Health and Wellbeing Strategy focuses on the following five priorities:
 - a. Making York a great place for older people to live
 - b. Reducing health inequalities
 - c. Improving mental health and intervening early
 - d. Enabling all children and young people to have the best start in life
 - e. Creating a financially sustainable local health and wellbeing system
40. It is important to note that this strategy does not cover or impact on all health and social care services in York. Instead, it prioritises the issues requiring the greatest attention and those complex issues that can only be resolved by collaboration at the highest level, through the HWB. We realise we cannot take action on everything at once and we will therefore resist the temptation to have an unachievable 'wish list' of everything that might be done. Although the strategy includes many challenges for health and wellbeing organisations to tackle, we want to ensure that this strategy can be delivered over the next three years, and it will have an impact. The HWB will have overall accountability for the delivery of the strategy. The Health and Wellbeing Strategy is attached as Annex B.

Delivery of the Health and Wellbeing Strategy

41. The four partnerships, the sub groups of the HWB, will be responsible for delivering the relevant priorities. There is some cross-over between the five priorities, for example, dementia is both a mental health and older people's issues, however, partnership boards are expected to work with each other, horizontally as well as vertically. The diagram on the next page illustrates the delivery model for the strategy.

Delivery and monitoring – responsibility and accountability for each theme through partnership infrastructure



Health and Wellbeing Partnerships

42. Three of the four sub groups are currently being established, their scope, remit and membership are being considered. However, the Chairs of the sub groups have been confirmed:
- a. Older People and People with Long Term Conditions
Chair: Dr. Tim Hughes, Vale of York Clinical Commissioning Group
 - b. Tackling Deprivation and Health Inequalities
Chair: Dr. Paul Edmondson-Jones, Director of Public Health and Wellbeing
 - c. Mental Health and Learning Disabilities
Chair: Dr. Cath Snape, Vale of York Clinical Commissioning Group
 - d. Children and Young People – The YorOK Board
Chair: Councillor Janet Looker
43. Delivery plans are being drawn up to support the development of the sub groups and to ensure a smooth transition from the development phase of the strategy to its delivery.

Health and Wellbeing Strategy Performance Framework

44. Alongside the delivery plans for the strategy, the performance framework is also being developed. The performance framework aims to provide the HWB with an overview of where improvements in health and wellbeing are being made as well as areas where further work is needed. The framework will bring together performance information from across health and wellbeing organisations to provide the HWB with a rounded overview of their collective impact. We are currently working with performance officers across the health and wellbeing system to agree measures, targets and baseline data. The draft performance framework is attached as Annex C and comprises of five elements:
- a. Joint scorecard
 - b. Exception reporting
 - c. Updates from the four sub groups
 - d. Themed discussions as HWB meetings
 - e. Peer challenge

Council Plan

45. The proposals in this paper have particular relevance to the 'Building Strong Communities' and 'Protecting Vulnerable People' strands of the Council Plan.

Implications

46. The following implications have been identified:

- **Financial:** *The public health allocations for 2013-14 and 2014-15 are below the target allocation for York. Although we are not getting our target allocation, initial indications show that we can continue to deliver public health services. There is however little headroom and the costs will need to be carefully controlled and monitored to be kept within the given allocation.*
- **Human Resources (HR):** *A number of staff have been transferred into CYC from North Yorkshire and York Primary Care Trust following standard TUPE procedures. From 1st April 2013 these staff are formally CYC employees.*
- **Equalities:** *The council's additional public health duties may well affect access to services and service provision. Any decisions about specific services have not yet been taken, as we are currently ensuring services are transferred safely into the council. Any future decisions about public health services will be subject to the usual consultation and democratic process.*

The priorities within the Health and Wellbeing Strategy have been assessed under a community impact assessment (CIA) prior to its sign off in April 2013. Any decisions about specific services will not be taken by the board. Addressing health inequalities is one of the strategy's priorities, which aims to address the differences in life expectancy that currently exist between some areas in York.

- **Legal:** *The Council is obliged to undertake its additional public health duties by virtue of the Health and Social Care Act 2012.*
- **Crime and Disorder:** *There are no specific implications from this report. However, public health is concerned with crime and disorder issues, i.e. hate crime, substance misuse and domestic*

violence. The public health team will work across the council and partners in these areas. North Yorkshire Police are represented on the York Health and Wellbeing Board to facilitate this collaboration at the most senior level.

- **Information Technology (IT):** *No specific implications, however this is linked to the transfer of staff from the NHS into CYC. As part of this transfer CYC and NHS staff have worked collaboratively to ensure that from 1st April public health staff will have the necessary accesses to systems and files.*
- **Property:** *There are no known property implications*
- **Other:** *There are no other known implications*

Risk Management

47. The following risks have been identified:

Capacity

48. York's public health team is one of, if not the smallest in the country. There is significant concern that the public health team does not have the adequate staffing levels to fulfil its duties and requirements and to meet the public health needs of the local population. The public health funding allocation we have received for 2013/14 to deliver our additional public health duties is approximately £1.5m short of what is required to meet the need of the local population.

Fragmentation of services

49. As part of its additional public health duties, the council has a mandatory duty to commission sexual health services and children's public health services. However, the NHS Commissioning Board and the Vale of York Clinical Commissioning Group also have duties to commission various elements of sexual health services and children's public health.

50. With no single organisation taking overall leadership for sexual health services or children's public health to champion a joined-up service across the health and wellbeing system, risks of fragmentation, inconsistency in provision and gaps in services may emerge.

51. The table below summarises the commissioning responsibilities of sexual health and children's public health services.

	Local authorities	Clinical Commissioning Groups	NHS Commissioning Board
Children's public health 5-19	<i>Healthy Child Programme for school-age children, including school nursing</i>	<i>Treatment services for children, including child and adolescent mental health services (CAMHS)</i>	<i>Healthy Child programme (pregnancy to five years old), including health visiting and family nurse partnership Immunisation programmes</i>
Sexual health	<i>Contraception over and above GP contract Testing and treatment of sexually transmitted infections (excluding HIV treatment) Sexual health advice, prevention and promotion</i>	<i>Promotion of opportunistic testing and treatment Termination of pregnancy services (with consultation on longer-term arrangements) Sterilisation and vasectomy services</i>	<i>Contraceptive services commissioned through GP contract Sexual assault referral centres HIV treatment</i>

Recommendations

52. The purpose of this paper is to update Cabinet Members on the preparations the council has made and is making to prepare for and implement its additional public health duties. There are no specific recommendations, however, Cabinet Members are asked to note the content of the report and the implications and risks associated with the transfer of public health into CYC.

Reason: To ensure that Members are aware of the heightened role of the local authority in public health from 1st April 2013.

Contact Details

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Wards Affected: <i>List wards or tick box to indicate all</i>				All <input checked="" type="checkbox"/>
For further information please contact the author of the report				

Annexes (online only)

Annex A – An illustration of the new health and care system post April 2013

Annex B – York Health and Wellbeing Strategy

Annex C – Draft performance framework for the Health and Wellbeing Strategy



Cabinet

May 2013

Report of the Corporate & Scrutiny Management Committee

Sickness Absence Management Scrutiny Review Final Report – Cover Report

Summary

1. This cover report presents the final report arising from the Sickness Absence Management scrutiny review – see Appendix 1.
2. At the same time that the work on this review was being carried out, HR was reviewing the Council's Attendance Management policy and procedures. As part of that work, the findings from this review were taken account of and informed the revisions being made by HR. As a result a number of the recommendations arising from the review have already been implemented. A table of the recommendations indicating their implementation by HR to date is shown in paragraph 7 below.
3. This report asks Cabinet to note the work on the scrutiny review, endorse the implementation of the recommendations by HR and where appropriate, approve the remaining recommendations arising from the review.

Background & Review Objectives

4. At a Scrutiny Event for Members in July 2011, the Committee agreed to carry out a scrutiny review on staff sickness, specifically to identify ways of reducing sickness absence levels across the organisation.
5. In January 2012, the Corporate & Scrutiny Management Committee received a scoping report for the review detailing the Task Group's initial findings and as a result, agreed the following objectives for the review:

Objectives:

- i. To revise the Council's Absence Management Policy & procedures to ensure they take account of iTrent, are in line with best practice, and written in a more formal assertive language;
- ii. To identify improvements in:
 - a. the provision of Management training
 - b. the induction programme for all new staff
- iii. To explore ways of introducing a change in culture within the workforce moving away from a policy of 'managing absence', towards one of 'encouraging attendance'.

Review Conclusions

6. In response to the objectives of this review, the Task Group concluded that:
 - a) The current policy document covering everything for all was not suitable and that a short, clear and succinct policy for employees, together with a separate guide for managers would be more appropriate
 - b) The organisation would benefit from all new starters receiving information on the council's sickness absence procedure and all managers receiving the relevant training.
 - c) Overall, the Task Group concluded that improvements in training and induction, an updating of the policy and a rise in staff morale (there needs to be mutual respect and support to enable all staff to perform to the best of their ability), would over time assist in changing the culture of the organisation. They recognised that this would be difficult and take time, and that there was no 'quick fix'. They therefore agreed it would be necessary to revisit the question of how best to create a change in culture once the revised policy and change to working practices had been embedded throughout the organisation.
 - d) The current processes lacked positive reward and recognition for good attendance.
 - e) The authority did not make adequate use of online training for staff.

Recommendations

7.

Recommendation	HR Response /Implementation	Status
i) The Council's policy be rewritten as two separate documents – one to be a short, clear and succinct policy for employees, and one to be a separate guide for managers	A revised draft Attendance Management policy and procedure has been written - currently in consultation with unions (including school unions) on these documents. Deadline for feedback is 27 th March 2013. A draft manager's guidance is being finalised and will be distributed for feedback with virtual user group and unions beginning of April. The completed policy and procedure aim to be launched end April	Implementation ongoing
ii) Both documents be written in a clear, assertive and more formal language	The policy and procedure has been made shorter. The process for notifying of absence and the procedure for dealing with absence is easier to read and more formal in language.	Fully implemented
iii) Both new documents incorporate the amendments identified in Annexes A & B of final report, as appropriate	The amendments identified in annex A & B have been incorporated into either the policy, procedure or manager's guidance the only exception is the following: <i>Referral to Occupational Health must be done after 1 month.</i> There maybe occasions where it is inappropriate to refer an employee to occupational health after 1 month e.g. if the employee is in hospital or terminally ill. We have included guidance on when an OH referral may be delayed. The procedure states the following: <i>Where absence lasts for four weeks the employee will normally be referred to occupational health'.</i>	Implementation ongoing
iv) Mandatory training on absence	The attendance management training is currently been scoped to be available along side the roll out of	Implementation ongoing

<p>management to be introduced for managers e.g. through the introduction of an eLearning package and use of Team Talk.</p>	<p>the policy. Manager training will initially target areas of the council which have high sickness absence levels or long term cases that require progression through the procedure. This training will be managed and recorded via the Workforce Development Unit as part of the core training offer.</p>	
<p>v) HR should consider the one off purchase of an online training package for managers in an effort to reduce Health Nurse training costs</p>	<p>The initial delivery model for training is expected to be face to face, this is due to the development time, and cost of developing an eLearning package. However the potential to move to an e-learning package will be explored.</p>	<p>Implementation ongoing</p>
<p>vi) Mandatory induction for new staff should be introduced.</p>	<p>The corporate induction training is currently under review. Plans are to conduct bi-annual induction events for all new employees. Managed and recorded via the Workforce development unit. The induction checklist now includes a summary of Attendance Management information to be covered in an employee's first week of employment these include: reporting absence, certification, trigger points, return to work interviews & Occupational Health service.</p>	<p>Implementation ongoing</p>
<p>vii) Manager's should be held accountable for employees in their team failing to attend Occupational Health appointments without an</p>	<p>OH notifies managers of OH appointments made for their employees and informs them if they do not attend. Detailed in the manager's guidance are their responsibilities to ensure their employees attend OH scheduled appointments. The policy also states that sick pay is conditional upon the employee</p>	<p>Implementation ongoing</p>

<p>appropriate reason, and the number of missed appointments should be reported to the Corporate Joint Consultative Committee.</p>	<p>attending an Occupational Health appointment where required. Therefore occupational sick pay can be stopped where an OH appointment is missed and the employee is notified of this deduction in pay. HR business partners will start to provide data to DMT's on the volume of employees who fail to show for OH appointment in their directorates and reasons provided. There is a proposal to recharge the cost of 'No Shows' to manager's own budgets.</p>	
<p>viii) Managers should report quarterly to DMT on absence figures.</p>	<p>iTrent sickness absence reports are currently under development; however the reports are dependant upon development work around management structures and sickness absence reasons. Sickness absence reports will be gradually rolled out across directorates in line with People Manager implementation, Midland HR is required to support this work. It is anticipated that no MI reports will go out to directorates until the structure work is completed, which is not likely to be until the end of June 2013.</p>	<p>Implementation ongoing</p>
<p>ix) HR should look at positive ways of promoting good attendance, e.g. recognition for those employees who have no or low rates of absence e.g. letter from Chief Executive, Xtra Factor Award.</p>	<p>Promotion of good attendance is most successful at a local manager level. Guidance will be included for managers to recognise good attendance in PDR's and 1:1 meetings, to make recognition more personal. A council wide recognition scheme would incur administration costs. Such schemes can also have equalities implications and negative effects on employees where</p>	<p>Implementation ongoing</p>

	<p>absences are unavoidable e.g. to attend an operations or linked to a disability.</p> <p>The staff survey will ask a number of questions to highlight trends and reasons why staff may have poor attendance or are not engaged e.g. pressure of work, stress, bullying. Addressing these issues in subsequent action plans will assist in improving attendance.</p> <p>The following question will also be included in the next survey to help further inform the work to promote good attendance - <i>'I feel good attendance should be recognised'</i></p> <p>In addition HR will continue to a promote ways to maximise attendance e.g. flexible working opportunities.</p>	
<p>x) Two HR officers should be designated as 'GO TO' officers (see 4th bullet point in paragraph 49 of final report).</p>	<p>The First Contact Network is a staff volunteer group available to offer support to employees who are being bullying or harassed at the work. Within HR the Employee Relations (ER) team is the key contact for employees who have queries in relation to the Attendance Management Procedure or who need general guidance on other policy related issues.</p> <p>However, there is currently no provision in place for staff to access completely impartial advice as per the recommendation. This will be reviewed following the completion of the HR restructure.</p>	<p>Implementation ongoing</p>
<p>xi) CYC's Counselling Services should be re-publicised.</p>	<p>The counselling services will be re-published during the launch of the policy, during Attendance management training and on colin, buzz etc. There have been some recent changes to the counselling</p>	<p>Implementation ongoing</p>

	<p>services available for staff. Due to a significant increase in demand for counselling services year on year and the fixed price nature of the previous NHS contract, when the negotiations to extend the NHS contract took place the current level of service across the OH contract could not be maintained for the previous price. Employees will continue to self refer for counselling services; OH will then triage the referral. Where counselling is not the best source of assistance the employee will be signposted to either a specialist charity organisations or mainstream NHS services.</p>	
<p>xii) CSMC should re-visit the question of how best to create a change in culture once the revised policy and change to working practices had been embedded throughout the organisation.</p>		

Update on Cost to Council of Missed Occupational Health Appointments

8. Since the final report was signed off by the Corporate & Scrutiny Management Committee, HR have provided updated figures on the cost of CYCs occupational health provision in relation to 'Do Not Attend and missed appointments' - see the last bullet point in paragraph 60 of the final report attached.
9. The table below shows the number of missed appointments (including late cancelations) for the past three years. In 2010/11 due to the contract

negotiations it resulted in a cheaper cost to CYC than in 2009/10. In 2011/12 and 2012/13 the figure below is an opportunity cost of what the charge would have been if CYC had been charged for these missed appointments, for comparison purposes. During 2011/12 and 12/13 CYC negotiated an all inclusive fixed price service for Occupational Health services which in effect resulted in any costs of missed appointments been absorbed by the occupational health provider. This is because during this period the individual cost of the services CYC received from the NHS was in excess of the fixed price paid.

Year	No. of Missed Appointments	Total cost charged to CYC for missed appointments
2010/11	218	£7,254.40
2011/12	155	£4,697.50
2012/13	222	£6,994.00
Total	595	£18,945.90

Council Plan 2011-15

10. The Council Plan recognises that staff are the most important resource of the Council and without them it could not deliver its services and priorities. Ensuring staff receive the proper levels of support in times of illness etc is one way in which staff can be made to feel valued and engaged.

Risk Management

11. There are no known risks associated with the recommendations arising from the review.

Implications Associated with Above Recommendations

12. **HR** – The HR implications are largely financial. The HR policy on promoting attendance at work has already been redrafted in line with the recommendations in this report; it will be consulted on with the trades unions in March at a meeting of CJCC. There are also plans in place to run a bi annual induction (led by the CE), where we can accommodate messages about the importance of attending work when you are well. There is however costs involved in running mandatory training for managers which HR have no budget for, nor is there a current budget to purchase an e-learning option. The other recommendations in this report

can be easily adopted and accommodated within current workload and budgets.

13. **Financial** – As outlined in the HR implications above, the recommendations of this report have a financial impact that is not included within the current approved budget. Therefore, should the recommendations be approved, it would not be possible to implement those with a financial cost immediately, but as and when resources allow.
14. **Other Implications** – There are no legal or other known implications associated with the recommendations arising from this review.

Options

15. Having considered the scrutiny final report attached, the Cabinet may choose:
 - i. To endorse the recommendations already implemented by HR and approve any remaining Recommendations
 - ii. Not to approve some or all of the recommendations listed above.

Recommendation

16. Taking into consideration all of the information contained within the final report attached and its annexes, the Cabinet are recommended to:
 - i. Endorse the recommendations already implemented by HR and approve any remaining Recommendations arising from the review, as shown in paragraph 7 above.

Reason: To conclude the Scrutiny Review in line with CYC Scrutiny procedures and protocols

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Report Approved



Date

March 2013

Wards Affected:

All



For further information please contact the author of the report

Background Papers:

See information contained within the final report attached

Appendices:

Appendix 1 –Final Report



Corporate & Scrutiny Management Committee

March 2013

Sickness Absence Management Scrutiny Review – Final Report

Summary

1. This report presents the findings of the Sickness Absence Management Scrutiny Review and the arising recommendations proposed by the Task group that carried out the review and endorsed by the Corporate & Scrutiny Management Committee.

Background to Review

2. At a Scrutiny Event for Members in July 2011, the Committee agreed to carry out a scrutiny review on staff sickness, specifically to identify ways of reducing sickness absence levels across the organisation.
3. At a meeting in September 2011, Members received a briefing on City of York Council's (CYC) current sickness absence procedures and policies together with statistics and information on actions previously taken. The Committee agreed to set up a Task Group to gather information on the potential areas of focus for the review for the full committee's consideration.
4. The Task Group met twice to receive information on a range of associated issues including:
 - National survey of annual absence & labour turnover
 - Recent scrutiny reviews carried out by other Local Authorities
 - Comparative figures from other Local Authorities
 - Comparisons with other organisation types
 - CYC Attendance at Work Policy
 - HR Management Information Digests
 - Headlines from CYC Quarter 1 2011
 - Statistics on long and short term sickness & ill health retirements
 - iTrent – new CYC HR management system
 - Occupational Health – NHS Contract & Costs
 - CYC sickness absence management training for managers
 - Induction programme for new staff

- CYCs current procedures for recording and monitoring sickness absence

5. In January 2012, this Committee received a scoping report for the review detailing the Task Group's initial findings and as a result, agreed the following objectives for the review:

Objectives:

- i. To revise the Council's Absence Management Policy & procedures to ensure they take account of iTrent, are in line with best practice, and written in a more formal assertive language;
- ii. To identify improvements in:
 - a. the provision of Management training
 - b. the induction programme for all new staff
- iii. To explore ways of introducing a change in culture within the workforce moving away from a policy of 'managing absence', towards one of 'encouraging attendance'.

Review Findings

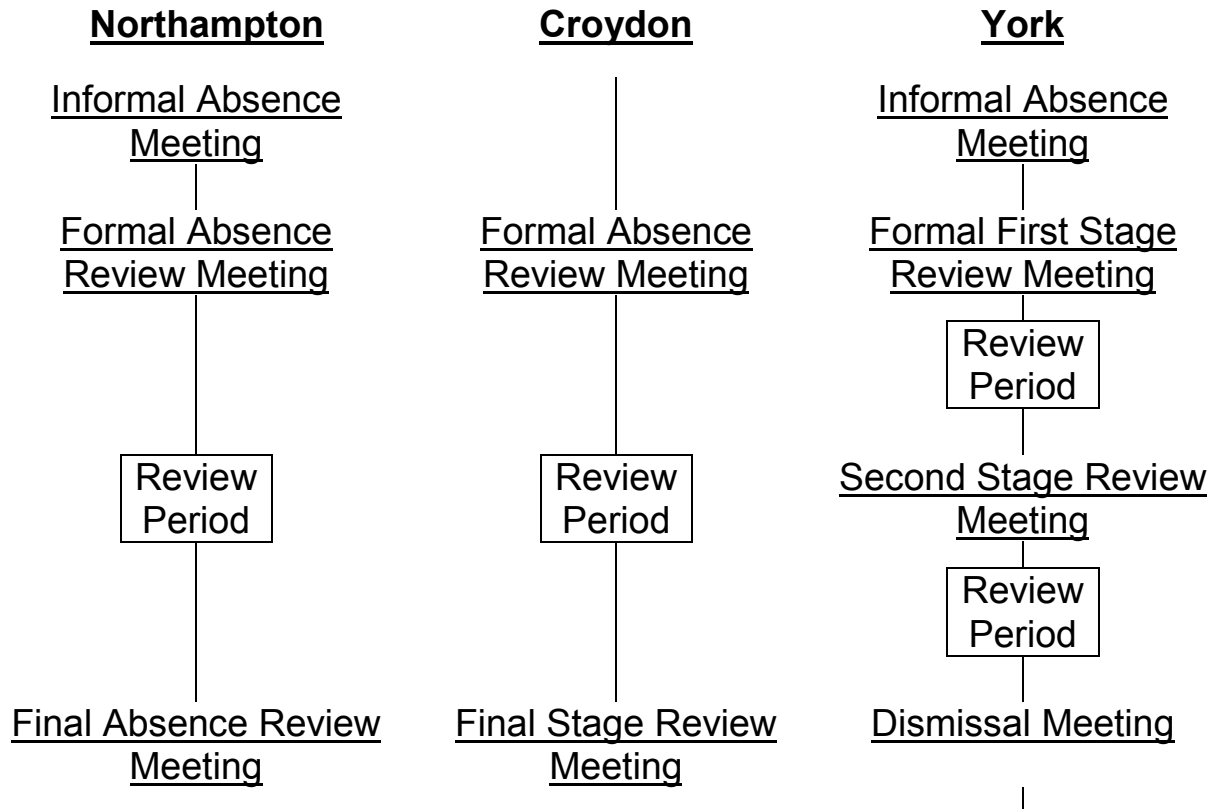
6. Objective i – To revise the Council's Absence Management Policy & procedures to ensure they take account of iTrent, are in line with best practice, and written in a more formal assertive language

As part of their initial investigation, the Task Group looked at a number of previously completed scrutiny reviews on managing sickness absence, carried out by other Local Authorities. They identified that a review completed by Northampton Borough Council in 2011 had been based on a similar remit as that set for this review and therefore agreed to look closely at their review findings. The changes they subsequently made to their policy were based on the best practice they identified as part of their review. Their final report also referred to Croydon Council's Sickness Management Policy which had been noted as another example of best practice, and which had resulted in a significant drop in staff absence since its introduction (see paragraph 9 below). The Task Group therefore agreed to use the policies from both those councils to carry out a comparison with CYC's policy.

7. In March 2012 the Task Group met to consider and compare the policies. Their initial finding was the need for more assertive, clear and formal language within CYCs policy. HR officers confirmed that the council's current working practices and the policy would need to be revised to take account of the introduction of iTrent, and therefore the change in style

suggested by the Task Group could be incorporated into the revised policy at that time.

8. In addition, the Task Group received detailed information on the trigger points and different stages within each Council's policy.



9. The Task Group learnt that following Croydon Council's scrutiny review of their processes which led them to introduce their current trigger points and formal stages shown above, they had managed to reduce their levels of sickness absence from 9.07 days per employee in 2005/6 to 5.9 in 2007/8. Members noted the difference in their trigger points and their limited number of stages, in comparison to those in place in both York and Northampton.
10. The Task Group also noted that:
- Croydon have no informal stage
 - Only York allows for a second stage review period before considering dismissal
11. In order to support a revision of CYC's policy, the Task Group carried out a detailed comparison of the wording of the three Council's policies. Having previously agreed that the language used in City of York Council's (CYC) policy needed to be clearer and firmer, in line with the others looked at, the Task Group also noted that CYC's policy was lengthy, repetitive, in parts not in plain English, and trying to be all things to all

parties. For example, the main body of the policy included links to letter templates for Manager's use, employee's guidance notes, flowcharts etc. The Task Group also found it difficult to find and access the policy on the Council intranet site.

12. As a result of their comparison work, the Task Group identified a series of amendments in regard to wording and format (as highlighted in Annexes A & B). They also agreed with the current policy which allows a Line Manager to use their discretion to either progress to the next stage of the process or extended the review period as appropriate. The Task Group acknowledged CYC's formal process for a further review period between the second stage review meeting and a dismissal meeting, but agreed that in their view this should remain in place.
13. Objective ii - To identify improvements in the provision of Management training & the induction programme for all new staff
In the early stages of the review, the Task Group queried whether there was anything relating to managing staff absence in the Council's training programme for Managers and Team Leaders, and whether as a matter of course, the council's sickness absence process was included in the induction procedures for new officers.
14. They learnt that the Council used to run a corporate induction programme which covered health and safety but made no specific reference to the sickness absence procedures. They also identified that there was currently no compulsory absence management training for managers. And, although there was a specific module on managing absence within the Effective Manager Programme, only 21 managers had participated since its re-launch in September 2010. However, at their meeting in February 2012 the Task Group was informed that the Corporate Management Team had recently agreed that a revamp of management training at the Council was required.
15. In regard to new staff induction, the Task Group learnt that the Council currently provides an induction checklist for managers to use and an employee evaluation form, both of which are made available to officers via the Council intranet. However, as they only cover absence reporting, Human Resources (HR) had already identified there was a need to provide new starters with information on the council's sickness absence procedure as a whole, particularly in terms of expectations of attendance and how the Council manages non attendance.
16. The Task Group endorsed HR's view, and agreed that in order to enable managers to properly monitor absence within their individual service areas and allow them to properly support their staff through periods of absence,

all managers should be required to carry out relevant training. They agreed that suitable absence management training for managers and induction for new officers should be introduced to coincide with the introduction of the absence management module which is part of phase II of the introduction of iTrent, as it could incorporate the new working practices as appropriate. The Task Group have requested that HR draft some proposals for such training and induction for their consideration.

17. Objective iii - To explore ways of introducing a change in culture within the workforce moving away from a policy of 'managing absence', towards one of 'encouraging attendance'

The Task Group acknowledged that changing the culture of any organisation is difficult and takes time, and that there is no 'quick fix'. They agreed their suggested amendments to the current CYC Attendance at Work Policy and the introduction of appropriate training and induction, would be a good start to making a positive change within the organisation, particularly in conjunction with the introduction of iTrent. The Task Group also agreed that it would be helpful if the Corporate & Scrutiny Management Committee continued to closely monitor sickness absence levels following the completion of this review, and revisited the question of how best to create a change in culture once the revised policy and change to working practices had been embedded throughout the organisation.

18. In June 2012, the Corporate & Scrutiny Management Committee (CSMC) received an interim report detailing the Task Group's work on the review to date and agreed to reform the Task Group to enable work on the review to be completed. CSMC agreed the following additional tasks for the Task Group :

Task 1 - To consider and comment on officer's suggested revisions to:

- Staff induction
- Absence management related training

Task 2 - To consider and comment on officers draft revisions to the council's 'Attendance at Work' policy, which should incorporate the Task Group's earlier findings.

Task 3 – To facilitate some initial (informal) consultation with a number of managers, employee representatives and suitable external organisations– CSMC acknowledged that any revisions to the policy would require wider consultation with officers and the unions in line with the council's HR procedures and wanted it made clear to all interested parties that any consultation carried out by the Task Group would not in any way hinder/undermine or effect that formal process.

Task 1 - Revisions to Induction & Training

19. In September 2012, the Task Group met to consider a re-drafted 'Introduction to Team York' Training Programme which included the changes they had previously proposed. The relevant slide and the accompanying notes are shown at Annex C.
20. The 'Introduction to Team York' training programme is a half day seminar aimed at introducing employees to the organisation, its core priorities and vision. It welcomes employees into the council and provides them with an understanding of what's expected from them and how they will be supported.
21. The Task Group were pleased to see that there was also a manager's checklist linked to the programme, for managers to use when they have new employees, to ensure they receive all the appropriate information they need to be successful in CYC's employment. This had also been revised to include changes previously proposed by the Task Group - see copy at Annex D.
22. In regard to absence management related training, the Task Group learnt it had previously been run completely separate to the induction training above, as part of an Effective Manager Programme of training. It was confirmed by HR that they were carrying out a review of that training programme and therefore the courses previously delivered as part of it were on hold.

Task 2 - Revisions to the 'Attendance at Work' Policy

23. The Task Group recognised there was a complex set of dependencies around the timing of the work to revise the Attendance at Work policy, including the further development of iTrent. Phase II of iTrent's implementation would see the introduction of further features such as employee self service, people manager, e-recruitment and health and safety. As part of that phase, officers would also be expected to complete timesheets, submit leave requests, record their sickness absence and complete travel and subsistence forms via iTrent.
24. As the policy was made up of a number of different policies relating to absence(s) from work, the Task Group recognised that for those to work successfully across the council, HR would need to fundamentally review all of them, whilst taking into account the findings from this scrutiny review, and agree the principles which underpin the policy with the Unions. And, that this would need to happen prior to the amending,

redrafting, formal consultations and process changes which would be required, for implementation within and alongside the new iTrent system.

25. The Task Group were informed that in terms of timelines, pending Union consultations, HR aimed to have all the changes made to the CYC Attendance at Work Policy by the end of this financial year. In understanding more about HR's formal procedures, the Task Group recognised it would not be possible for them to present a revised draft of the CYC Attendance at Work Policy as part of the final report arising from this review i.e. the formal consultation process would need to take place before the revised policy was presented for sign off and implementation. Also the Task Group noted that whilst their scrutiny review final report would be presented to Cabinet for approval, the revised CYC Attendance at Work Policy would be sign off by the Corporate Joint Consultative Committee following Union negotiations etc .

Task 3 – Informal Consultation

26. With the above timeframe in mind, the Task Group agreed to proceed with their informal consultation to support their work on this review. They invited representatives from all of the Unions to meet with them to discuss any issues they might have with the council's current policy and CYC's handling of staff sickness absence in general.
27. The **Unison** representative highlighted a number of issues their Members had raised:
- Levels of understanding and confidence in dealing with staff sickness issues vary amongst Managers across the organisation.
 - Managers are not confident enough to use their discretion
 - Managers are not facilitating the appropriate adjustments to the workplace to enable a staff member to return to work.
 - It was unclear whether all Managers were aware that there was funding available to make permanent adjustments. It was later confirmed by HR that funding for reasonable adjustments for disabled staff was held within departmental budgets. The Task Group asked that HR remind Managers aware the funding exists and who the budget holders are.
28. The Task Group recognised that the issues were all a good indication of the lack of understanding amongst Managers of what they are empowered to do and of the lack of appropriate management training.
29. They agreed with the Unison representative that to enable a sick staff member to return to work, Managers should consider temporary or in

some cases permanent changes to working hours and workload/tasks. The acknowledged that although the existing policy allowed them to do that, in practice, it was not always happening.

30. The Unison representative queried whether the council was aware that Unison had a national policy on Disability Absence, and suggested that this could be looked at to ensure the Council's policy enabled the appropriate management of disability related absence, and its proper identification. The Unison representative cited an example of a staff member with Diabetes, who had experienced instances where their sickness absence arising from health issues associated with their diabetes, had been treated in the same way as other general sickness absences. The Task Group noted that Managers currently have the discretion to handle those types of absence differently but questioned whether all managers were applying it.
31. In regard to short term dependant care leave and bereavement leave, the Unison representative suggested they were not always properly identified and that a different approach to handling them needed to be adopted. In her view, it should not be lumped into an employee's sickness statistics, which she believed had previously happened in some cases.
32. In regard to stress, the Unison representative highlighted the knock on negative effects of back filling to cover sickness absence, and of workforce numbers being reduced due to budget cuts etc and suggested that Team Stress Risk Assessments could be carried out early to identify stress points in order to try and circumvent the effects of stress.
33. The Union Rep questioned whether CYC HR was providing the right level of support to staff and Managers in regard to stress, and the Task Group suggested HR may be able to provide access and/or links to MIND, to allow staff to consider their simple ideas for relieving stress. Another option may be to offer staff a 'GO TO' Person / Listener / Mentor.
34. In regard to staff Personal Development Reviews (PDRs), it was suggested that there needed to be more equality in the process because they appear to focus more on what the employee can do for the Council and less about the employee.
35. Finally, the Unison representative highlighted the long term benefits of pro-active workforce development, stating the Council needed to accept that the cost of training is necessary as it would be more cost effective in the long run.

36. The Task Group also met with representatives from the University of York and Aviva to discuss their company's approach to managing staff sickness absence.
37. The **University of York** provided a written briefing on how they manage absence (see Annex E), and a flowchart showing their management of short term sickness absence. This included 4 trigger points which Managers are responsible for identifying:
- Informal stage – Trigger 1 - covering infrequent short term absences periods totalling 8 days or 3 instances in a rolling 12 month period
 - Formal stage – Trigger 2 = 3 or more instances of sickness absence or a continuous period of absence amounting to a total of more than 10 days in a 12 month period (including those handled under the informal stage). A formal meeting will be held and may result in the issue of first written warning
- Their formal stage allows for consideration of the potential underlying health conditions that may be dealt with under long term sickness absence management, including referral to Occupational Health, reasonable adjustments such as increase in length of trigger points, discounting of sickness absence as a result of diagnosed conditions
- Trigger 3 = further infrequent short term absences within the rolling 12 month period. A further formal meeting will be held which may result in the issue of a final written warning.
 - Final Stage (Dismissal) – Trigger 4 = 3 or more further instances of sickness absence, or a continuous period of absence, amounting to a further 10 or more days in 12 months. Considered under ill Health Dismissal Process. Other options will be considered i.e. being given a different role (if one available), a pay cut, reduction in hours.
38. The Task Group learnt that in order to get managers to own the issues and address them, the University had recently:
- brought in 1-2-1's with staff in order to build trust and confidence (held every 4-6 weeks), and quarterly PDRs
 - Invested in Leadership in Action' programme, providing the appropriate training to Managers to give them confidence. The Task Group queried whether an annual absence management training refresher could be provided to CYC Managers?
 - Brought in induction training for managers so they know what is expected of them

- Provided a copy of their absence management policy to all new staff as part of their induction
39. In regard to stress, university staff have access to a confidential stress questionnaire to help them understand what their stress relates to. The University has also entered into a contract with an external provider for the provision of anonymous confidential support for all their staff, offering financial/debt/health advice and counselling – www.well-online.co.uk
40. The Task Group were interested to learn that elsewhere in the country, some universities have entered into a joint contract with their local authority for this type of external provision, and the University representative questioned whether a similar joint contract would be of interest to the Council.
41. Finally, the Task group learnt that the University also has:
- An in-house Occupational Health Nurse and buy in a physician for ½ a day a month.
 - An Equality & Diversity Team which offers support to staff in harassment cases.
 - A range of discretionary leave - some are paid leave but the majority are unpaid. The University also has a generous sick pay policy entitlement (after 5 years of service) – 8 months at full pay and 4 months at half pay.
42. In regard to **Aviva**, the Task Group learnt they have on average 8-9% sickness absence days per annum, although levels vary across teams within the company. Also, that their sickness policy is made up of two stages:
- Informal Stage – following 3 sickness absences or total of 4 days or more within a rolling 26 week period.
 - Formal stage – 2 further absences or a total of 2 days or more sickness absences
43. Responsibility for recording sickness absence at Aviva lies firmly with Managers. Managers are expected to have a feel for what is happening with their staff members, and to hold an informal ‘return to work’ interview after every absence. They are expected to complete a return to work form which should include information on the absence, and dates and reasons

for any absences in the previous 26 weeks. The Manager is responsible for keeping those records up to date.

44. In addition, Aviva has a Management Advice Team that sits within HR. Primarily it is a telephone based responsive service, but there is a move towards it being more face to face and pro-active. The Team have looked at pockets of high levels of sickness absence across the organisation to try to identify root causes. In one instance it was found that annual leave was being denied to staff due to the computer system calculating how many staff was needed on any given day. This had led to leave being denied and as a result sickness absence had risen. The work of the HR Team led to a change to the system for calculating appropriate staffing levels thus allowing more leave to be granted.
45. New managers are inducted by fellow managers and therefore Aviva recognise that their induction is only as good as the manager giving it. There is some other training available for new managers but this is not offered as a matter of course. It comes in the form of a ½ day workshop which includes role playing and policy sharing. There is also some web-based training available for groups of managers but again this is not mandatory.
46. In 2011 Aviva ran a pilot scheme which trialled on-site Occupational Health and lifestyle clinics. They also offered more pro-active intervention e.g. offering to pay for physio, cognitive behaviour therapy, counselling etc, and ran sessions for managers on managing absence and stress. Since then, the organisation has seen the benefits of Managers working more closely with Occupational Health.
47. The Task Group were interested to learn that as with the University of York, Aviva also has a contract with an external provider for the provision of anonymous confidential support for all their staff. The service offers financial/debt/health advice and counselling etc. Aviva confirmed that they see it as a way of reducing stress amongst their staff thereby reducing sickness absence levels caused by stress related illness.
48. Outside of sickness absence, the Task Group were informed of Aviva's other categories of time off –some of which are paid; some unpaid. They were interested to hear that in an effort to reduce false sickness absence claims, Aviva had taken a pro-active approach to non-sickness absence which they felt was beneficial to the company. For example, the Company highlights forthcoming events to their staff e.g. the Olympics, recognising that staff may want to be more flexible in their working hours during that time, and they encourage managers to make appropriate arrangements to enable staff to do so.

HR Response to Task Groups Findings from Consultation

49. In response to the issues raised by the Unison Representative, HR confirmed that:

- Short term dependent leave or bereavement leave should not be counted as sickness absence (see paragraph 31), and agreed to investigate any such instances brought to their attention.
- In regard to stress (see paragraph 32), the Health and Safety Team confirmed they had been working with managers on delivering both training on Stress Risk Assessments and on Managing Workplace Stress. The Staff Survey carried out in 2011 incorporated the HSE's stress survey questionnaire and resulted in a breakdown against the six standards (demand, control, role, relationships, change and support) for each department and directorate. This information had been used to identify teams and departments who were required to undertake Team stress risk assessments and this work is ongoing. Equally work has been undertaken by the Occupational Health provider and Health & Safety team to carry out team stress risk assessments in areas that have been identified through sickness absence figures and OH referrals.
- In regard to providing the right level of support to staff and Managers (see paragraph 33), HR recently ran a course on Building Personal and Organisational Resilience for managers but it was poorly attended. However HR intends to put learning points from the course on line so that staff can access them whenever they want to. The H&S team has designed and ran Mental Health in the workplace for line managers – to date there have been 5 sessions (12 delegates per session) each run in targeted areas identified from the risk assessment and survey process. They have also offered open courses for managers to sign up to but those too have been poorly attended. HR have also held drop in sessions open to any member of staff to come for a one hour session to discuss stress and its effects etc. However, although they have organised numerous sessions and advertised them on Colin and in Buzz they have only ever had one person attend. Currently, they are preparing to launch a CYC wellbeing web portal to help inform employees of help and advice on a wide variety of wellbeing initiatives ranging from debt management; stress; healthy eating and exercise. As well as containing a lot of help and advice the webpage will act as a gateway to link to external organisations such as MIND; Macmillan Trust etc.

- In regard to offering staff a 'GO TO' Person / Listener / Mentor, in October 2012 the Council relaunched its First Contact Network which performs a similar function. First Contacts are Council employees who are trained to offer confidential support and information. They are there primarily to listen and to talk to staff about ways in which they can deal with bullying or harassment, and signpost them to relevant help or processes within the Council.
- the purpose of a PDR process (see paragraph 34), is to measure an employee's contribution and agree their development needs to help them to do their jobs and prepare them for promotion if that's what they want.
- They endorse the views of Unison expressed in paragraph 35, that the cost of training and pro-active workforce development is necessary to ensure the council reaps the long term benefits. Also, that training needs to be monitored and managed to ensure that people attend the training they require, and that it is kept up to date. Non attendance at training is monitored and reported as it is costly to the council – see paragraphs 57-58 below. The Task Group suggested that it would also be useful to look at positive ways of promoting good attendance, for example recognition for those employees who had no or low rates of absence.

50. Following the Task Group's discussion with the University representatives, HR confirmed that:

- In regard to stress, every member of staff can complete a confidential individual stress risk assessment which is used in the same way as the University's confidential stress questionnaire i.e. to help staff understand what their stress relates to (see paragraph 39). These individual stress risk assessments are submitted to the health & safety team who along with HR officers, respond to each one on a case by case basis to find the solution to support the employee in work whilst maintaining business performance – for more information on handling stress and the counselling service, see: http://colin.york.gov.uk/beSupported/health_safety/SMS/compliance_notes/stress/
- The Council already offers a confidential Counselling Service as part of its Occupational Health (OH) Contract, which staff can self refer to for a range of issues including stress related matters. This is similar to the service offered by the University via an external

provider, referred to in paragraph 39. The counselling service at York Hospitals NHS Foundation Trust Centre is an external organisation contracted to the council to provide a counselling service for staff. The service is free of charge, completely independent of management, completely confidential, and can be used for personal and/or work related difficulties. Staff can contact the service directly by telephone or email.

- In regard to the suggestion of a joint contract (see paragraph 40), HR are already in the process of talking to the York St John University about such a contract. The opportunity for which was promoted through the Higher York – health & safety and procurement groups.

51. In regard to the University's other provision (detailed in paragraph 41), HR confirmed they also provide an on site Occupational Health Nurse part time on CYC sites - she has two and half days of clinics, with the remainder of her time spent dealing directly with HR and managers, and a range of discretionary leave in line with legislation. In addition, they have just rewritten and started training managers on the Council's Dignity at Work Policy.
52. In response to the findings from the meeting with the representatives from Aviva, HR confirmed they offer a number of courses for managers e.g. on Stress Risk Assessments, Managing Mental Health in the Workplace (see Annex F), and Promoting Dignity at Work. They have also held a number of wellbeing events see paragraph 56 below.
53. In addition, CYC also provides information on its intranet site on a range of health issues. For example, before Christmas the importance of flu vaccination for vulnerable groups, and World Aids Day was highlighted. And in the New Year, campaigns are running to highlight sources of help for staff in debt or facing a relationship breakdown after the festive break is being provided and on how to prevent the norovirus.

CYC Occupational Health Provision

54. York Hospitals NHS Foundation Trust provides CYC Occupational Health provision to the Council. The contract was a 3-year contract that started in April 2008, with an annual review built in to allow for review of the service levels and pricing. The Council has extended the contract for one year and is currently testing different options for service delivery before going back out to tender.
55. The contract was made up of three main elements:

- i. Pre-employment screening - Members noted that the cost of pre-employment screening was £23 per person. Recently consideration was being given to putting in place a system whereby HR would filter the completed pre-employment health forms and only forward forms to the NHS where further consideration was required. The Task Group supported this suggestion to refine the processing of the pre-employment checks and this system has since been implemented.
- ii. On-going health surveillance looking at occupational disease lung function, noise, skin, hand arm vibration (havs) as well as immunisation such as Hepatitis b and flu vaccinations for frontline social care staff – a legal requirement under the control of substances hazardous to health and the health and safety at work etc act 1974
- iii. Ill-health referrals following either an accident at work or long term illness etc - from CYC premises and the NHS Offices enabling colleagues more choice for their appointments

56. During the period of the contract, the Occupational Health Service has increased the resources they were providing CYC to 58hrs per week to enable both a reactive and proactive service. In summary, the service has provided:

- Three Proactive health fairs in the past year - blood pressure, cholesterol checks and weight management (these events were also attended by other external organisations)
- A flu vaccination campaign for front line social care staff
- a self referral counselling service
- Health profiling to identify suitable health promotion campaigns for CYC staff

57. The CYC Lead Occupational Health Nurse is seconded to work full time with CYC. She reports into CYC's Health & Safety Manager and the Occupational Health's Clinical Nurse Manager. She meets weekly with HR colleagues on sickness absence cases, and is currently carrying out a proactive intervention in targeted areas to help to reduce sickness absence. This work was targeted from CYC sickness absence figures.

58. In conjunction with the health and safety team, the Lead Occupational Health Nurse also provides:

- Case conferences with Managers;
- Manager training on Managing Sickness Absence;
- Review CYC's inoculation and Health Surveillance program's;
- Co-ordinate health promotion campaigns and wellbeing events
- Ensure current policies and procedures represent best practice

59. The NHS invoiced for all services delivered and this was then recharged to each Directorate. The recharge levied for each directorate included a 10% uplift on the charge from the NHS, as agreed by CMT with the revenue-raised being ring fenced for proactive occupational health usage.
60. In 2008-2009, the Council paid on a charge per appointment basis. In 2009-2010 CYC paid an all inclusive price of £133,440, but received a service costing the NHS Trust £178,033.91. A breakdown of the cost for 2009-10 is shown below:
- Health Surveillance - £38,981.31
 - Ill Health Referrals/Manager referrals - £53,505.60 (including £12,532 on follow up appointments)
 - Counselling- £37,280.00
 - Pre-employment health questionnaires £34,523
 - Do Not Attend and missed appointments £13,744.00
61. The Task Group were concerned to note the costs incurred by the council when employees did not attend NHS appointments arranged through the council's Occupational Health contract. The agreed it should be made clear within the council's Managing Absence Policy that Managers would be held accountable for the number of missed OH appointments within their teams, and that it would be reported on at the Corporate Joint Consultative Committee. Within the contract the health and safety team has negotiated with the OH provider that all employees who provide a mobile number on their referral form will receive a reminder text message; also due to current contract negotiations CYC have in the extension period secured a reduction in the amount charged for missed appointments. The Task Group agreed that their should be more encouragement of self-referral rather than formally being referred by Managers.
62. HR are due to take an options paper to the Corporate Management Team, that outlines the different mix of services that can be incorporated in the next occupational health contract as well as the financial implication of each model. HR have confirmed that one of the potential options in the next OH contract will include health profiling, to ensure that that the OH provider undertakes proactive health promotion work most relevant to the CYC workforce, based on the health challenges staff are likely to face. The Task Group noted that the one off purchase of an eLearning Manager training package may help reduce the overall cost of the services provided by the Health Nurse.

Review Conclusions

63. In response to the objectives of this review, the Task Group concluded that:
- a) The current policy document covering everything for all was not suitable and that a short, clear and succinct policy for employees, together with a separate guide for managers would be more appropriate
 - b) The organisation would benefit from all new starters receiving information on the council's sickness absence procedure and all managers receiving the relevant training.
 - c) Overall, the Task Group concluded that improvements in training and induction, an updating of the policy and a rise in staff morale (there needs to be mutual respect and support to enable all staff to perform to the best of their ability), would over time assist in changing the culture of the organisation. They recognised that this would be difficult and take time, and that there was no 'quick fix'. They therefore agreed it would be necessary to revisit the question of how best to create a change in culture once the revised policy and change to working practices had been embedded throughout the organisation.
 - d) The current processes lacked positive reward and recognition for good attendance.
 - e) The authority did not make adequate use of online training for staff.

Recommendations Arising from the Review

64. Having considered the current CYC Attendance at Work Policy and all of the information gathered, the Task Group has previously agreed to recommend that:
- i) The Council's policy be rewritten as two separate documents – one to be a short, clear and succinct policy for employees, and one to be a separate guide for managers
 - ii) Both documents be written in a clear, assertive and more formal language
 - iii) Both new documents incorporate the amendments identified in Annexes A & B as appropriate

- iv) Mandatory absence management training for managers should be introduced e.g. through the introduction of an eLearning package and use of Team Talk.
- v) HR should consider the one off purchase of an online training package for managers in an effort to reduce Health Nurse training costs
- vi) Mandatory induction for new staff should be introduced.
- vii) Managers should be held accountable for employees in their team failing to attend Occupational Health appointments without an appropriate reason, and the number of missed appointments should be reported to the Corporate Joint Consultative Committee.
- viii) Managers should report quarterly to DMT on absence figures.
- ix) HR should look at positive ways of promoting good attendance, for example recognition for those employees who have no or low rates of absence e.g. letter from Chief Executive, Xtra Factor Award.
- x) Two HR officers should be designated as 'GO TO' officers (see 4th bullet point in paragraph 49).
- xi) CYC's Counselling Services should be re-publicised.
- xii) CSMC should re-visit the question of how best to create a change in culture once the revised policy and change to working practices had been embedded throughout the organisation.

Implications Associated with Recommendations

65. **HR** – The HR implications are largely financial. The HR policy on promoting attendance at work has already been redrafted in line with the recommendations in this report; it will be consulted on with the trades unions in March at a meeting of CJCC. There are also plans in place to run a bi annual induction (led by the CE), where we can accommodate messages about the importance of attending work when you are well. There are however costs involved in running mandatory training for managers which we have no budget for, nor is there a current budget to purchase an e-learning option. The other recommendations in this report can be easily adopted and accommodated within current workload and budgets.

66. **Financial** – As outlined in the HR implications above, the recommendations of this report have a financial impact that is not included within the current approved budget. Therefore, should the recommendations be approved, it would not be possible to implement those with a financial cost immediately, but as and when resources allow.
67. **Other Implications** – There are no legal or other known implications associated with the recommendations arising from this review.

Council Plan 2012-15

66. The Council Plan recognises that staff are the most important resource of the Council and without them it could not deliver its services and priorities. Ensuring staff receive the proper levels of support in times of illness etc is one way in which staff can be made to feel valued and engaged.

Risk Management

67. There are no known risks associated with the recommendations above.

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Report Approved **Date**

March 2013

Wards Affected:

All

Background Papers: Task Group Interim Report dated June 2012

Annexes:

Annexes A & B – Suggested Amendments to the Council’s Absence Management Policy & procedures

Annex C – Relevant Slide & Accompanying Notes From Re-drafted ‘Introduction to Team York’ Training Programme

Annex D – Managers Checklist Linked to ‘Introduction to Team York’ Training Programme

Annex E – University of York Briefing on Managing Absence

Annex F – Example of Management Training Module

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Best Practice Local Authority Sickness Absence Policies - Trigger Points & Stages

Short-Term Absence

	<u>Northampton</u>	<u>Croydon</u>	<u>York</u>
Definition	Absences that are intermittent and sporadic and are usually unconnected and normally last for a period of less than four weeks	Applies to short term sickness absences or health concerns	Defined as any absence lasting no more than 4 weeks <i>Task Group preferred definition in use by Northampton</i>

Long-Term Absence

	<u>Northampton</u>	<u>Croydon</u>	<u>York</u>
Definition	A continuous absence of 4 weeks or more.	A continuous absence of 4 weeks or more.	Absence which lasts more than 4 weeks, is continuous and can usually be traced to an underlying medical condition.

Informal Procedure

Absence Meeting Trigger Points	An employee is required to attend an Absence Meeting with their LM when their level of absence meets any of the trigger points below: > 10 days absence within a rolling 12 month period (either single, or multiple absences self-certified or certified), or > 3 periods of absence within a 6 month rolling period (either self-certified or certified), or > Any unusual pattern of absence i.e. Friday, Mondays, day after a bank holiday	An employee is required to attend an Absence Meeting with their LM when their level of absence meets any of the trigger points below: > 7 days absence in the previous 12 months, or > 5 occasions of sickness absence in the previous 12 months These should be adjusted for part time staff and for those with a flexible work pattern	A review of an employees attendance at work will be triggered by the LM informally in the first instance, taking into account all the circumstances, when their level of absence meets any of the trigger points below: > 3 periods of absence in a <i>rolling</i> 3 month period, or > 4 or more periods of absence in a <i>rolling</i> 6 month period, or >10 or more days in a 12 month period, or > a trend or an unacceptable pattern of absence e.g. Regular Mon/Fri
Informal Absence Meeting	Purpose of the meeting to: > discuss employees attendance record and reasons for absence	Croydon Council do not hold 'informal' absence meetings as a first stage in their process	Purpose of meeting to: > Offer advice, guidance and support in order to reduce the absence level

<ul style="list-style-type: none"> > seek to identify any underlying causes for the absence > consider whether to offer any independent advice, or additional support > consider whether any reasonable adjustments are appropriate > consider whether OH advice should be sought > reiterate the standards of attendance expected of all employees > put together an agreed action plan and targets if appropriate, for improved attendance 		<ul style="list-style-type: none"> > consider changes to working practices > identify if additional support in the workplace is needed e.g. training or workplace adjustments > consider use of flexible working or other similar policies > Set specific targets and clarify attendance will be monitored over the next 6 months > reaffirm the standards of attendance expected and to be achieved > Issue where appropriate, an informal warning, indicating formal procedure will be implemented if the necessary improvements in attendance are not achieved.
<p>In the case of a long term absence, consideration should also be given to the extent of the employee's illness, the treatment they are receiving and the progress towards recovery, when they are likely to return to work and identify if any adjustments are needed to facilitate their return to work.</p>		<p>Persistent short term absence could lead to the formal process being invoked</p>

Formal Procedure			
Formal Absence Review	If there is insufficient improvement in attendance or where the attendance has improved for a period of time but has not been maintained, a formal Absence Review Meeting will be conducted.	A formal meeting will be arranged with an employee whose absence has reached a trigger point or whose pattern of absence or health is a concern although none of the trigger points have been reached, or following a long term absence.	If the employee's absence record does not improve to a satisfactory level during an 'informal' review period, a formal first stage review meeting will be arranged
Conducted by...	Conducted by the Senior Manager of the department with advice from HR.	Conducted by Manager	Chaired by LM
Notice Given...	Employee will be given a minimum 5 day's notice in writing of any formal absence review meeting, be advised of the reason for the meeting and of their right to be accompanied by a representative.	Employee will be given at least 7 working days written notice of any meetings they are required to attend. The outcomes of all formal meetings will be confirmed in writing.	Employee will be given no less than 5 working days notice in writing of the meeting, and the key contents and outcomes should be confirmed in writing within 5 working days of the meeting.
Purpose of Meeting...	<p>Purpose of meeting to reaffirm the issues discussed at previous meetings</p> <ul style="list-style-type: none"> > up-to-date medical advice > the likelihood of improved attendance as advised by OH, where appropriate <p>> The employee's overall absence record for the 12 month period</p> <p>> Actions taken by the employee and LM to enable the employee to continue in employment</p>	<p>Purpose of meeting is to:</p> <ul style="list-style-type: none"> > set a review period of 3 months, during which time the attendance or effect of ill > set a target for improvement of no uncertified absence in the next 3 month review period. If any absence occurs > Formally caution the employee that a meeting under the Final Formal stage will be arranged if during or at the end of the review period, the required improvement was not made to the manager's satisfaction (which could lead to dismissal). This may take place before the end of the 3 month period. 	<p>Purpose of meeting to encourage open discussion between LM and Employee on reasons for absences causing concern, to enquire into the health and wellbeing of the employee, to identify work related factors causing absences and to take action on those inc. risk assessments, to offer advice and support, to reaffirm standards of attendance and clarify attendance will be monitored.</p>

<p>In the case of long term sickness absence...</p>	<p>If the absence continues a Formal Absence Review Meeting will be conducted. The likely outcomes of this meeting are: > no further action, or > a further referral to OH and a reconvened date to review the > a further Absence Review Meeting within a specified period, or > where no return is expected within a reasonable period the case may be referred to a Final Absence Review Meeting, and/or > a formal warning may be issued and held on the employee's personal file for 12 months (employee has right to appeal)</p>	<p>Once OH advice is received, a Formal meeting will be arranged. Action may include: > establishing a time-limited sickness rehabilitation programme accompanied by a formal caution that if the required improvement is not made, a meeting under the Final Stage will be arranged, or > referral to Final Stage where the matter is sufficiently serious and the employee is unable to return to work within a reasonable timeframe, taking into account service needs</p>	<p>Following options will be considered: > Rehabilitation > Phased return to work > Permanent reduction in hours > Return to different or less onerous duties for a set period of time > Adjustments to the job > Provisions of adaptations/aids > Additional Support > Alternative employment > A further review period > Termination of employment > Ill-health retirement due to permanent incapacity</p>
	<p>The employee will also be asked to provide further information or any change in circumstances since the last meeting was held. The Senior Manager will also need to consider the impact of the absence/s on service provision.</p> <p>The employee should be told that failure to improve their absence during any review period could result in the termination of their employment.</p>		<p>A review period will be set, & the employee warned that if the options agreed do not result in a successful return to work and their sustained attendance, further actions will be taken. However if progress is satisfactory and employee returns to work, no further action will be taken.</p>
	<p>N/A</p>	<p>N/A</p>	<p>If the agreed actions have not resulted in a return to work in the agreed timescale, a second review meeting should be convened.</p>

Likely Outcomes...	<p>> No further action</p> <p>> a further review period with targets if appropriate, and a timescale for improved attendance is set. The employee should be told that failure to improve their absence during any review</p> <p>> a formal warning is issued - to be kept on the employees personel file for 12 months.</p>	N/A	<p>a) decide what further action is needed such as setting targets for improvements during next 12 months and,</p> <p>b) to set an action plan to achieve improvement in attendance and set review</p> <p>Under normal circumstances an employee will also be issued with a formal warning. However, if exceptional circumstances are identified it will be at the manager's discretion, in consultation with HR, not to issue a formal warning but to extend for a further 6 months the informal warning of the original review period.</p>
End of Review Period...	No mention	If satisfactory improvement has been made in level of sickness absence, the employee will be advised in writing and reminded of the need to sustain the improvement.	Where it becomes evident that an employee has met the targets set during the review period, employee will be advised in writing but will continue to be monitored.
		if during the 12 months following a successful review period, the employee's absence reaches one of the trigger points, or further health concerns arise, they will be automatically referred to the Final Formal Stage.	Where an employee has not demonstrated sufficient and/or sustained improvment, LM should move onto next step of the procedure.
Second Stage Review	N/A	N/A	If the agreed actions have not resulted in a return to work in the agreed timescale, a second review meeting should be convened.
Conducted By...	N/A	N/A	Service Head, LM & HR Rep

<p>Purpose of Meeting...</p>			<p>To explore again the reasons for the continued poor attendance and why the employee has been unable to show a significant and/or sustained improvement.</p>
<p>Potential Outcomes...</p>	<p>N/A</p>	<p>N/A</p>	<p>If there is still some prospect of the employee returning to work, options for support and adjustments will again be explored. Alternatively, if it is now evident that the employee will not return to work or respond to the adjustments and support already offered, and ill health retirement is not possible, then the employee will be advised that they will be referred for a dismissal hearing.</p> <p>In addition:</p> <ul style="list-style-type: none"> > an immediate and significant improvement in attendance is required, which has to be sustained > an action plan and review dates will be set as appropriate - this may include a further referral to OH > the absence record will continue to be monitored

	N/A	N/A	<p>A formal (final) warning lasting 2 years will be also issued that if the required improvement does not take place, the employee will be referred to the Head of Service with a view to termination of employment. Where an employee has a history of persistent absence, the 'final' warning may be required to last upto 4 years.</p> <p>If at this stage however, exceptional circumstances are identified, it will be at the manager's discretion, in consultation with HR, to extend the review period of the first stage warning rather than proceed to a further (final) warning.</p> <p>Key contents and outcomes from second stage formal review meeting will be confirmed in writing within 5 working days of the meeting.</p>
<p>Final Absence Review In the case of persistent short term absences...</p>	<p>If the absence does not improve during the period of formal warning, a referral to OH will be sought and a Final Absence Review meeting arranged.</p>	<p>A final stage meeting will be arranged if:</p> <ul style="list-style-type: none"> > the targets or timescales set during the First Formal Stage have not been met to the manager's satisfaction, or 	
	<p>Where there is no immediate return to work, a further review should be carried out no later than 3 months after the Absence Meeting</p>	<ul style="list-style-type: none"> > the initial improvement made at the end of the First Formal Stage has not been sustained over the following 12 months 	

		<ul style="list-style-type: none"> > medical advice suggests that the employee will not within a reasonable period be able to return to work or undertake the full duties of their post and/or is suitable for medical redeployment 	
In the case of a long term absence...	<p>Where OH advise that the employee will not be able to perform the duties of their substantive post in the future, even with reasonable adjustments, management needs to consider the options available and discuss this with the employee, including:</p> <ul style="list-style-type: none"> > any further reasonable adjustments that could be made to the employee's current post to assist a return to work > redeployment to a suitable alternative post > eligibility for Ill Health Retirement subject to OH recommendations <p>Once all options and the factors above have been considered, a Final Absence Review meeting will be convened.</p>		
Conducted By...	Conducted by a Head of Service with guidance from HR	Conducted by a panel of at least 2 officers including a HR rep. Meeting will be chaired by the Director or designated Senior Officer	
Purpose of the Meeting...	To consider whether there is any further action the Council can take to assist the employee in continuing their employment, or whether employment	<ul style="list-style-type: none"> > confirm the facts of the case, the action taken to date, any developments > ensure proper consideration is given to the factors 	

	should be terminated due to the employee's incapability to undertake their duties effectively due to their absence record.	> consider any representations made by or on behalf of the employee and any statement of intent they wish to make regarding their future attendance	
Likely Outcome...	A decision is reached whether: > further actions are possible to enable the employee to continue in employment, or > the employee's employment is terminated due to their incapability to undertake their duties effectively	Notice of dismissal is issued. In exceptional circumstances such as new information becoming available, the panel may set a final review period of 3 months (during which the employees attendance will be monitored on a monthly basis) and a final caution will be issued. If the required improvement is not met, the panel will reconvene to consider giving notice of dismissal.	
Dismissal	Where all options have been explored without success: > In the case of short term absence, the employee will be dismissed with immediate effect on the grounds of Ill Health Capability , or > In the case of long term absence, retirement on the grounds of Ill health or termination of employment on the grounds of Ill Health Capability.	Where the panel consider the level of absence is unacceptable, that sufficient opportunity to improve has been provided and adequate warnings of the consequences given, the employee shall be given notice of dismissal. In the case of long-term absence the panel will also consider, timescales within which the employee may be able to return to work, the impact of the continuing absence on the organisation and what alternatives to dismissal may be appropriate under the circumstances.	If there continues to be no improvement during the further review period a further meeting should be arranged. Employee will be given a min 14 calendar days notice in writing of a Dismissal meeting. To be conducted by LM's Chief Officer, and a HR advisor must be present. The employee will be dismissed if the Chief Officer is satisfied that the employee is unable to maintain an acceptable attendance level and all reasonable measures have been taken to assist the employee.

		<p>However, if the circumstances are such that a dismissal is not an appropriate sanction the Chief Officer may issue a further 'final warning' instead advising that dismissal may arise if there is not a sustained improvement for a further 2 years.</p>
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Best Practice Local Authority Sickness Absence Policies - Key Points

	Northampton	Croydon	York
Introduction	Contains Key principles and information on who the policy applies to	Contains similar key principles to Northampton, and information on who the policy applies to and the responsibilities of Employees and Management	Includes purpose, objectives and the responsibilities of Directors and Service Managers, LMs, HR, Payroll and Employees.
Notification of absence	<p>Within 1 hr of normal start time on 1st day of absence to either Nurse led Absence Service (NLAS) or Line Manager (LM)</p> <p>If unwell at work and need to leave, must inform both LM and NLAS</p> <p>For absence longer than 1 day, employee must contact NLAS on 2nd, 4th & 8th day, & as advised thereafter.</p>	<p>As near to usual start time as possible but no later than one hour after to LM or if unavailable to senior manager - details not to be left with colleagues.</p> <p>No mention</p> <p>If absence is longer than 1 day, employee must contact LM on 4th and 8th calendar day, and every working week thereafter (or as agreed with LM) to report on health and indicate when they expect to return to work.</p>	<p>Personally notify Supervisor or LM asap, preferably by normal start time but no later than 1 hr after this, giving reason, possible date of return, and info on work that needs covering</p> <p><i>Task Group agreed that CYC Policy should say same as Northampton's i.e. 'If unwell at work and need to leave, must inform both LM and NLAS'</i></p> <p>For absences longer than a day, employee must contact LM or Supervisor on 4th day giving possible date of return. Contact must continue to be made in person on a regular basis. Absence of 7 calendar days or less inc. w/ends require a self-certification form - to be completed on 1st day of return and signed by both employee and LM.</p>

	Must inform NLAS of date when they know they will definitely return to work or on day of return, to close absence	No mention	As soon as the employee knows a definite return date, they must inform LM giving 1 days notice if poss, so that temp cover arrangements can be ended.
Industrial Injury	Absences resulting from a reported industrial injury are still recorded and employees need to notify their absence. These are not included for the purpose of calculating trigger points.	Absences due to a recognised industrial injury whilst working for the Council to be managed in the same way as other absences.	To be managed in the same way as other absences. LM must follow laid down Industrial Injury procedures. for reporting and investigating such occurrences inc. referral to H&S and/or OH. Payroll should also be informed so that OSP is implemented correctly.
Maternity Absence	Pregnancy related absences are still recorded. Employees need to notify their absence, inc time off for antenatal care. Pregnancy related absences are not included for the purpose of calculating trigger points	Pregnancy related absences to be managed in the same way as other absences.	Needs referring to - needs cross referencing to appropriate procedures
Sick Whilst on Annual Leave	No mention	No mention	Employees who become sick whilst on annual leave will be regarded as being on sick leave from the date of any medical cert or equivalent provided. Employees should notify LM as normal, where possible
Disability Related Absences	Disability related absences of disabled employees inc time off for disability related specialist treatment are still recorded and employees need to notify their absence. These are not included for the purpose of calculating trigger points.	Due consideration should be given to the Council's responsibilities under the Equalities Act	Some level of absence form work may be considered a reasonable adjustment under the Disability Discrimination law for a disabled employee.

	<p>Where all reasonable adjustments have been made to accommodate an employee's disability, in liaison with GPs and HR, but the absence is still cause for concern, it may be appropriate to use the absence management procedure.</p>	<p>Need to consider reasonable adjustments</p>	<p>Other reasonable adjustments to improve an employee's attendance may include adaptations of equipment, retraining, adjustments to working hours/duties /place of work, discounting of disability related absence,</p>
<p>Long Term Absence - Important Actions</p>	<p>> Maintaining Contact > Referral to Occupational Health - where a medical condition is clearly established, with a predictable and defined period of time off work, a medical referral may not be necessary.</p>	<p>Referral to OH and advice from HR.</p>	<p>>LM will keep in regular contact either by telephone, letter or face to face. LM > Referral to OH unless it is clear that the employee will return to normal employment in the not to distant future.</p>
<p>Fit Notes</p>	<p>Contains brief para on Fit Note replacing GP sick note</p>	<p>No mention</p>	<p>No mention</p>
	<p>If absence continues for more than 7 calendar days, employee must provide a Fit Note</p>	<p>On 8th day, employee must provide a fit Note</p>	<p>If absence continues for more than 7 calendar days, employee must provide a Fit Note to LM</p>
	<p>If Fit Note is issued, employee must inform NLAS so records can be updated and advice given</p>	<p>N/A</p>	<p>N/A</p>
	<p>If absence continues for longer, employee must continue to provide medical certs to cover absence. These must be consecutive and cover all days inc. w/ends. Failure to do so, will effect <u>employees entitlement to SSP</u> Any period not covered by a self-cert or Fit Note, will not be paid and will be considered unauthorised leave - a reasonable time will be given to obtain a retrospective Fit Note</p>	<p>No mention</p>	<p>If absence continues for longer, employee must continue to provide consecutive medical certs to cover absence Unauthorised absence should be dealt with under the Disciplinary Procedure</p>

	An employee cannot return to work prior to the expiry of a Fit Note	No mention	No mention
Costs Incurred for Fit Note	Any costs incurred in obtaining a Fit Note requested by Council will be reimbursed on production of a receipt	Reasonable costs incurred by the employee will be reimbursed.	
Sick Pay	Council policy to pay employees full or part salary for defined periods of time during periods of sickness absence - this is conditional upon the employee following the absence reporting procedure, attending a return to work interview and producing a medical certificate where appropriate	No mention	Where an employee is absent sick but repeatedly fails to follow the reporting of absence, consideration should be given to suspending sick pay and disciplinary action being taken. Council policy to pay employees full or part salary for defined periods of time during periods of sickness absence - this is conditional upon the employee following the absence reporting procedure, attending a return to work interview and producing a medical certificate where appropriate. Sick pay will also be stopped if employee fails to visit OH when referred.
Maintaining Contact	More than 4 continuous weeks - shared responsibility for Council, NLAS and employee to maintain contact at agreed intervals to help and support employee	No mention	Beyond 3rd day, contact must continue to be made in person on a regular basis.

	<p>If employee does not make contact during absence and absence is unexplained, LM will take all reasonable steps to contact employee (tel, letter, home visit), in order to:</p>		<p>If employee fails to follow adopted reporting of absence procedure, following actions should be implemented: If employee does not make contact during absence and absence is unexplained, LM will take all reasonable steps to contact employee (tel, letter, home visit), in order to:</p> <ul style="list-style-type: none"> > employee contacted and identify reason sought why they have not followed procedure > employee should be reminded remind them of their obligation to follow procedure as a condition of the entitlement to sick pay
<p>Home Visits</p>	<p>LM will plan to visit employees to discuss wellbeing and anticipated return to work. Where an employee feels their LM would not be appropriate, an employee can request a different Manager attend with a rep from HR. The employee can also request a suitable venue and ask for a trade union rep to be present.</p>	<p>In recognising Council's duty to care to employees, managers are expected to address concerns as soon as they arise. Informal reviews including home visits and referrals to OH may therefore take place before trigger points are reached.</p>	<p>During long term absence, manager will arrange a home visit. If the employee does not wish to have a home visit, the manager will arrange a meeting at another mutually agreed place. Employee will also be given info on support available in the Council.</p>

<p>Referral to Occupational Health</p>	<p>If GP has recommended restrictions to duties the NLAS will advise Line Manager of necessary adjustments - could lead to a referral to OH to ensure app adjustments are made in workplace</p>	<p>Referral to OH at first formal stage if not already done so</p>	<p>Persistent short term absence could lead to a formal warning process and ultimately dismissal. During this process employees can expect to be referred to OH for assessment. In the case of long term absence, employee will be referred to OH to explore various options available. This may be done after 1 month's absence and will certainly be done after 3 months. Employees will be informed why the referral is being made and the process involved.</p>
<p>Return to Work</p>	<p>NLAS will notify LM of when the employee is to return to work</p>	<p>Required to fill out a return to work form for each period of sickness. Failure to do so may result in loss of pay.</p>	<p>In certain circumstance a doctor will advise an employee that they may be fit for work earlier than would normally be the case, if the employer is able to accommodate one or more options for support e.g. A phased return to work, amended duties and/or workplace adaptations</p>
<p>Return to Work cont...</p>	<p>All Managers must carry out a routine return to work interview each time an employee has a period of absence on the 1st day of return - LM may nominate an appropriate Manager to do this on their behalf.</p>	<p>LMs should contact employees asap following return to work. This may take the form of an informal discussion or a more structured meeting depending on circumstances, and LM should ensure form has been completed.</p>	<p>Managers will carry out a return to work interview & update employees on work developments where appropriate</p>

	<p>Purpose of interview to establish reason for absence, to check the employee is fit to return, and what if anything can be done to support the employee</p>	<p>No mention</p>	<p>Purpose of interview to allow LM to welcome back and express concern for employees wellbeing, explore and confirm reasons for absence especially where triggers for action have been met, and ensuer they are properly recorded. Purpose of interview to establish reason for absence, to check the employee is fit to return, and what if anything can be done to support the employee.</p>
	<p>If LM thinks employee is unfit to return for any reason, the employee can be medically suspended and/or referred to OH for a medical assessment - LM should seek advice from HR</p>	<p>No mention</p>	<p>If LM thinks employee is unfit to return for any reason, the employee can be medically suspended and/or referred to OH for a medical assessment - LM should seek advice from HR. If OH feel an employee is permanently unfit to carry out their duties the employee may be redeployed to other work. HR will help facilitate this. Alternatively, or in the event that no alternative employment is available, employees in the pension scheme may apply for ill health retirement.</p>
<p>Medical Advice/ Evidence</p>	<p>Employee is entitled to remain on full pay whilst on Medical Suspension. Council may request details from OH on specific condition of employee</p>	<p>No mention Managers should seriously consider any medical advice given before making decisions. Whilst action is taken in light of medical advice, the decisions</p>	<p>No mention Decisions about an employees sickness absence are managerial not medical, even where an OH report has been obtained.</p>

<p>Purpose of referral to establish employee's health & how Council can support employee & make appropriate decisions re their employment.</p>	<p>themselves are management responsibilities, not medical ones.</p>	<p>Purpose of report is to establish the true medical position so that an informed and fair decision can be made.</p>
<p>Employee will be asked for their permission to contact GP/ Consultant via Medical Consent Form. They will be informed of the reasons why info is being sought and can request to see a copy or referral docs</p>	<p>No mention</p>	<p>employee will be asked to sign a consent form allowing OH to contact their GP.</p>
<p>Content of report will be discussed with employee before any further action is taken</p>	<p>No mention</p>	<p>If OH report indicates there is an underlying medical problem, a formal first stage review meeting should be convened by LM</p>
<p>If an employee refuses to co-operate in the obtaining of medical evidence or undergo a medical assessment, Management will make decisions based on the info available at the time.</p>	<p>No mention</p>	<p>Employee is responsible for attending agreed appointments - if they cannot attend because of health, alternative arrangements will be made</p>
<p>Employee is responsible for attending agreed appointments - if they cannot attend because of health, alternative arrangements will be made</p>	<p>No mention</p>	<p>Employee is responsible for attending agreed appointments - if they cannot attend because of health, alternative arrangements will be made</p>
<p>Council has the right to recover overpaid OSP and will try to seek agreement with the employee on the amount and method of payment from each salary or wage payment (not exceeding 10% of normal gross pay) until full recovery of overpayment.</p>	<p>No mention</p>	<p>No mention</p>
<p>Recovering OSP</p>		

	<p>Where an employee claims loss of earnings for a private insurance or medical company for any period of absence from work, the Council reserves the right to make a third party claim or seek repayment of OSP if an employee receives any income exc. compensation payments made.</p>	<p>No mention</p>	<p>No mention</p>
<p>Invoking Disciplinary Procedure</p>	<p>If an employee refuses to speak to NLAS or LM re their absence and without justifiable reason, it may be dealt with under the Council's Disciplinary Procedure.</p> <p>Where it is suspected that an employee has misled the Council and has not been absent due to sickness, the matter will be dealt with under the Council's Disciplinary Procedure.</p>	<p>No mention</p>	<p>Persistent refusal to visit OH may lead to disciplinary action.</p>
		<p>No mention</p>	<p>Where it is suspected that an employee has misled the Council and has not been absent due to sickness, the matter will be dealt with under the Council's Disciplinary Procedure.</p>
<p>Return to Work Programme</p>	<p>To reassure the employee on their return to work that their return has been carefully thought through.</p> <p>This should include advice from OH and consideration of a phase return to work, to include the following:</p> <ul style="list-style-type: none"> > shorter hours > flexible working > training new equipment/processes > new developments in the Council > how they wish to handle the subject of their absence with work colleagues 	<p>At formal Meeting stage a time-limited sickness rehabilitation programme to support return may be established.</p> <p>If a return to work or normal duties is achieved within the time specified, the employee will be advised in writing and reminded of the need to sustain the improvement.</p>	

	> lighter duties for a defined period of time	No mention	
Risk Assessment / Work-place Assessment	Council has a duty of care to conduct a risk assessment / work-place assessment on the first day of the employee's return to work, to ensure the safety of the work environment	Employee may return to work earlier than date given on Fit Note if both employee and LM agree. In those circumstances it may will be necessary to undertake a risk assessment	Employee may return to work earlier than date given on Fit Note if both employee and LM agree. In those circumstances it may will be necessary to undertake a risk assessment
Representation	Employee has the right to be accompanied by a rep of a trade union or a work colleague. The employee is responsible for making the necessary arrangement with their rep. If they are unable to be represented on the date of the meeting an alternative date will be organised.	Employees have a right to be represented by a trade union official or fellow worker at all formal meetings of the procedure. It is the responsibility of the employee to arrange for her/his representation. Legal representation is not allowed.	Employees are entitled to be accompanied by a trade union official or fellow worker at all formal stages of the procedure. Trade union reps are encouraged to contact their local branch for assistance and guidance. Question: Does it have to be an employee - could it be a parent etc??
Right to Appeal	This should be in writing and set out the reasons for the appeal, and needs to be done within 10 days of receipt of the letter confirming the outcome of any formal stage of the process.	Appeals must be submitted in writing within 10 working days from the date of receiving written confirmation of outcome and must specify grounds for appeal.	Appeals must be submitted in writing to the manager who made the decision, within 14 10 working days from the date of receiving written confirmation of the outcome of any formal stage and must specify grounds for appeal.
	No mention	Employees may appeal against a decision to: set targets or timescales for improvement, or give a formal caution, or terminate employment.	Employee has the right of appeal against any formal review warning or dismissal against them under both the short or long term sickness absence procedures
		Employee may appeal on the following grounds: a) the proper procedure was not followed - appeal panel will consider	

Purpose of Appeal...	No mention	b) considering the info provided the decision reached was unreasonable c) new evidence has become available	Before reaching a decision, the panel will: > confirm the facts of the case, the action taken to date, any developments since the last meeting and latest medical > consider any representations made by or on behalf of the employee and any statement of intent they wish to make regarding their future attendance > ensure proper consideration is given to the factors	To consider whether: a) there is new or additional evidence not available at the original hearing b) there is evidence to support a conclusion that the original hearing manager made an error of judgement i. whether or not a breach of the Attendance at Work Procedures. ii. The most appropriate action to take c) there is evidence to support a conclusion that the procedure was wrongly applied.
In the case of a formal warning...	If a formal warning is issued as a result of a Formal Absence Review Meeting the employee has the right to appeal to the next level Manager (name to be supplied at meeting).	Short of dismissal, appeals will be arranged and heard by a Senior Manager within the department, who has no previous involvement in the case.	Upto and including a formal (final) written warning, will be heard by a manager at the same level or above who has not previously been involved in the process.	
In the case of a dismissal...	Employee has the right of appeal to the Director (name to be supplied at the Final Absence Review Meeting).	Decisions are not stayed pending the outcome of an appeal, therefore employees who are dismissed will be removed from the payroll and only reinstated if the decision is over-turned.	Appeals will be heard by the Council's Corporate Appeals Committee, and there will be 3 possible outcomes: a) Appeal will be turned down and original decision will remain b) The appeal will be allowed with conditions c) The appeal will be allowed without conditions	

In the case of a long term absence dismissal...	where an employee disagrees with the OH recommendation to retire them on medical grounds, or disagrees with the tier of ill health retirement, the employee will be referred to an independent doctor, to be agreed with the employee.		
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Relevant Section on Absence Reporting from the new 'Introduction to Team York' Training Programme

The Slide

4

We Care About Your Health and Well Being

- ▶ Carry out your work in a healthy and safe way
- ▶ Expectation that you will attend work
- ▶ Suitably trained and informed in your responsibilities to carry out work in a safe manner – see CYC SMS
- ▶ Occupational health support and well being initiatives
- ▶ Attendance at work policy and procedure

Expectation

Support

Notes to go with the Slide

1. As an organisation – We care about your health and well being
 - We will ensure you are suitably trained and informed in your responsibilities to carry out work in a safe manner
 - CYC Safety Management System which sets out the minimum expected standard for managers and employees to follow in relation to specific topics such as Asbestos or Stress
2. Good health and safety is an essential part of our values
 - All staff need to be suitably trained and informed in their responsibilities to carry out work in a safe manner, mgr should explain during local induction, but check this if you are unsure when you return to work.

- CYC Safety Management System (SMS) sets out the minimum expected standard for managers and employees to follow in relation to specific topics such as Asbestos or Stress.
 - Wellbeing initiatives designed to improve the health & wellbeing of all employees both at work and at home. Eye care, Occupational health, discounted memberships – Health & Wellbeing Fair 12th June 2012 stands representing
 - Expectation that you attend work
3. Understand there may be occasions when you are unfit to attend work – where this is the case you must:
- notify your manager you will not be able to attend work by your normal starting time;
 - Cover your absence by completing a self cert or if 8 calendar days + a statement of fitness for work from your GP or medic;
 - Keep in contact with your manager, so we know how you are doing and how long you are likely to be off for.
4. Attendance at Work Policy & Procedure - Return to work interview
- The Policy and Procedure is there to help your managers support you when you are ill back into the workplace and we will let you know if we have any concerns about the amount of absence, using triggers that apply to everyone.
 - Occupational Health support/ long term sick absence and we run wellbeing initiatives designed to improve the health and wellbeing of all employees both at home and at work e.g. eye care; occupational health; discounted membership

WELCOME TO CITY OF YORK COUNCIL
Local Induction Checklist

This document is intended as a tool for managers and teams to welcome new staff to the Council. It includes most things that all staff should know. However as this covers all areas of the Council, not everything on this list will be relevant to all; please mark N/A where appropriate.

The timescales given are an indication of how quickly certain items should be covered. Not all points are equally urgent, however they can be addressed sooner if appropriate.

There will also be some items that are job or department specific, and that new starters need to know. These can be included in the “LOCAL” sections before saving or printing the document.

This checklist can be:



- 1) Printed out – to allow you or your employee to tick off the items as they are covered. Both should sign it when completed.



- 2) While the document is open on screen – you can click on the links, in order to access other documents or areas on Colin, where you can find out more information.

Since the links can become out of date, please only use the latest live version from Colin each time, rather than a locally saved version.

If you do find links that do not work, or where documents are out of date, please can you email the [HR Business Centre](#) so that they can be corrected. Many thanks.

WELCOME TO CITY OF YORK COUNCIL

Local Induction Checklist

This form is to be completed by the Manager and new starter as appropriate.


It must be sent to HR Business Centre (HRBC) to be saved on the individual's personal file, at the end of the 3 month induction period.

This checklist covers standard information which should be provided for new starters, and may be supplemented by directorate specific information as appropriate to the nature of the post.



Casuals should receive the information that is in the "1st day" column.

Before use, please check that you have the latest version from Colin.


Employee Name :		Emp No:
Job Title :		
Department:		Directorate:
Date of Commencement :		Work Location :
Manager's Name :		


PRE-COMMENCEMENT	Things to do:	Completed
	<ul style="list-style-type: none"> Payroll notified of start date, pay details etc and ensure establishment is up to date. See New starter - guidance and forms Meetings with manager diarised + Meet the team Nominate a 'Buddy' to look after them on first day Office equipment / tools / protective clothing made available Place booked on "Introduction to York" briefing. Booking Form Contact ICT to arrange: PC access via ICT self service. Send email to ICT Service Desk Mailbox to arrange Telephone number (+ Pick up or Hunt groups if applicable). Arrange appropriate access to relevant systems eg iTrent, FMS, P2P Appointment made to obtain CYC ID / swipe card(s) Identify appropriate H&S assessments for job see SMS compliance notes Identify and arrange any essential on the job training <i>Other LOCAL action:</i> 	

WELCOME TO CITY OF YORK COUNCIL
Local Induction Checklist

TOPIC	Key Learning Points (tick when completed, or show N/A)	<input checked="" type="checkbox"/> By end of:			
		1 st Day	1 st Week	1 st Month	3rd Month
OVERVIEW OF THE DEPARTMENT	Welcome! 				
Structure	• How the team / department / directorate fit together				
	• Other key teams the jobholder will come into contact with				
	• How the Council operates: be Connected				
Key people	• Names / job titles of supervisors / managers within the department. Show the reporting line up, through to the Director				
	• Link to Corporate Leadership Group page on Colin				
	• Other key names the employee will need as part of their job				
Job Description	• How the job fits into the organisation				
	• Review understanding of the Job Description				
	• Make clear job + team objectives (especially for first few months) + set Personal objectives				
ADMINISTRATION & PROCESSES at CYC	What does that mean for employees? 				
Official paperwork completed and returned to HRBC	• ID card + security				
	• Copy of appointment form signed with Contract No.				
	• Pension form completed, if necessary				
	• Collect P45 / P46 if possible				
	• Ensure all paperwork / iTrent input is completed and forwarded to payroll before monthly deadline				
	• Explain/issue Statement of Main Terms and Conditions including salary progression – ask to sign and return 1 copy				
• Next of kin form (to be completed and returned)					

Administration	• IT user name				
	• phone set up + use (voicemail/transfer/hold)				
	• Stationary / tools + where to access more				
Payroll / Time management	• Break / lunch times				
	• Flexi sheets				
	• Rota / shift work				
	• Holidays, and local rules (eg dates that cannot be taken due to service needs)				
	• Annual Leave card				
	• See Annual Leave entitlement calculator and other useful documents				
	• Overtime claims				
Claims	• Expenses, travel costs, making bookings, training courses / conferences				
Transport Issues where applicable	• See Workplace Transport information to explain the use of CYC cars, or for employees using their own vehicles for work				
	• If using CYC vehicles: check and take copy of Driving licence and Insurance				
	• Explain and issue Car Mileage Sheets see travel & subsistence policy				
	• Explain the use of Pool bikes see e-motion				
Information systems	• Colin + add personal/ team info, inc photo				
	• Outlook calendars				
	• iTrent self service				
	• FMS (if necessary)				
Building	• Open hours + access				
	• Kitchen facilities				
	• Protocols				
	• Re-cycling				
Useful Contacts / Support	• IT helpdesk				
	• Payroll + Benefits				
	• Switchboard / name finder				
	• Medical: York Hospitals NHS Foundation Trust				
	• Employee Counselling service				
	• First Contact Network (FCN)				
	• Trade Unions				
In your team	• Teas/coffee/milk				
	• Emergency contact details				
	• Post in / out				

Further Management Responsibilities (during first three months of employment)	<ul style="list-style-type: none"> Meet regularly with manager to review progress as part of the probationary procedure. Set objectives in accordance with staff appraisal scheme and review development needs Ensure employee has attended “Working for York” briefing/received notes of briefing 					
POLICIES AND PROCEDURES		How does the Council support its employees?				
Benefits	<ul style="list-style-type: none"> Ensure employee has received the Voluntary Benefits booklet from Your Rewards - staff benefits and understands how to access benefits, savings and discounts Application / forms for benefits to non-casual staff eg default entry into pension scheme, Staff Lottery etc Pay scales: Where job sits, and how increments work Bus ticket loan Salary sacrifice schemes for Childcare Vouchers and Cycle 2 Work loan 					
Performance management	<ul style="list-style-type: none"> Team York programme PDR's Learning & Development Capability process 					
Absence management	<ul style="list-style-type: none"> Reporting absence Self certification + RTW interviews Sickness triggers Employee Counselling (self referral) + Occupational Health service 					
Codes of conduct	<ul style="list-style-type: none"> Code of Conduct Declaration of Staff Conflict of Interests Gifts & Hospitality Confidentiality Electronic Communications policy ECP 					
Equality	<ul style="list-style-type: none"> CYC's Equality policy + what to be aware of in this particular job Ensure employee is aware of the Employment of Disabled People procedure and guidelines 					

Dignity at Work	<ul style="list-style-type: none"> • Policy and Guidelines • First Contact support 				
Disciplinary & Grievance	<ul style="list-style-type: none"> • Overview of policies and access to HR pages and A-Z on Colin 				
PROTOCOLS & HOUSEKEEPING	Working for the Council 				
Health & Safety	<ul style="list-style-type: none"> • Risk assessment – need for job specific training? (eg manual handling / use of specific equipment) • Access to Health & Safety information on Colin • Arranged attendance on specialist training courses e.g. manual handling/food hygiene as appropriate • First Aiders + Accident book • Eye Test examination information - eye test form and recommendation of optician • <i>Other LOCAL specific aspects:</i> 				
Evacuations	<ul style="list-style-type: none"> • Fire Evacuation procedure and test arrangements for <u>all</u> locations they work from • Fire Warden system + last one in office/workplace to take card from blue box 				
SMART working	<ul style="list-style-type: none"> • Explain Hot-desking • Principles behind Flexible working opportunities • Discuss working from home needs where appropriate (eg Entrust card or other equipment) 				
Communications	<ul style="list-style-type: none"> • Team meeting arrangements • Colin + buzz • standard signatures / out of office • Standard formats (CYC logo/departmental and styles) 				
Decision making process	<ul style="list-style-type: none"> • <i>Sign off process i.e. what goes to cabinet / members, role of CMT etc</i> 				
Finances	<ul style="list-style-type: none"> • <i>Authority to sign off (where relevant)</i> • <i>Who to request authorisation from</i> 				

<p>Other LOCAL requirements:</p>	<ul style="list-style-type: none"> List local action points here: 				
---	--	--	--	--	--

Confirmation of Induction process:	
<p>I confirm that all of the above information has been provided to me</p> <p>Signed by Employee _____ Date _____</p>	
<p>I confirm that all the above tasks have been completed</p> <p>Signed by Manager _____ Date _____</p>	

A copy of this signed form must be sent to the HR Business Centre to be added to the employee's file.

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Managing Absence

University of York Brief to City of York Council

Friday 23 November 2012

Background

- Primary area of absence management is sickness absence management.
- University sickness absence provision is generous! Up to 8 months full pay and 4 months half pay – which can encourage absence if not managed properly.
- Important to manage early, appropriately and consistently

Process

- We encourage use of the informal intervention mechanism:
 - Ownership by lowest possible level of manager as early as possible
 - Encourage discussion between line managers and employees at 1:1 meetings to address any particular difficulties that may lead to absence.
 - Creating a good working relationship between line managers and employees so trust and openness occurs
 - Where absence happens using the Return to Work mechanism properly to discuss the absence and identify any potential solutions
- Where absences intermittent we use various trigger points to step up our management of individuals absence – see flowchart:
 - At 8 day point higher level of management gets involved (Team Leaders rather than Supervisors).
 - At 10 day point move to First Formal - Team Leader level
 - At 20 day point move to Final Formal – Facility Manager level
 - At 30 day point move to Dismissal – Head of Section.
- Also have sanctions less than dismissal and Dismissal due to Ill Health

Alex to speak on how it works practically

Management

- Provision of management training to enhance managerial skills.

- Induction training sets expectations.
- On the job training team sessions and away days
- Management in Action programme that covers range of capabilities required by first line managers
- Provision of focussed training on specific issues; sickness absence management to line managers at relatively regular intervals/by request

Support

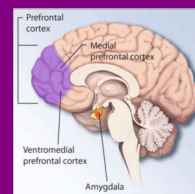
- Use of our Employee Assistance scheme particularly where there are issues outside of work.
- Dedicated HR support which covers operational day to day issues at informal and formal levels – HR Officer.
- Longer term absence support includes Occupational Health service.
- Organisational approach to Stress Management is through line managers and use of Individual Stressor Questionnaire resulting in a Well Being Action Plan (if appropriate).

Other Absence Provisions

- To minimise time taken off as sickness absence where other reason may be more appropriate
- Discretionary Leave – discretion vested in line managers with HR guidance
 - Covers a range of circumstances that may be supported by the University; e.g. public/community leave.
 - However, some are unpaid – e.g. Care for Dependents.
- Use of annual leave and flexitime encourages to support leave that is not sickness based.
 - Note – need to record sickness accurately to identify potential trends/issues (catch 22 !)
- Flexitime system useful to enable where possible for managers and staff to manage time in conjunction with work and home pressures.
 - Defined boundaries of flexitime; e.g. can only save up to 3 days in any accounting quarter, time above that is lost.
 - May only use up to one day as flexileave in any month
 - But can use portions of flexi to start later/finish earlier in agreement with manager.

MENTAL HEALTH IN THE WORKPLACE – SKILLS FOR LINE MANAGERS

(CYC/HS/T22)



COURSE OBJECTIVE	WHO IS THE COURSE AIMED AT
<p>The workshop will provide you with sufficient information to help:</p> <ul style="list-style-type: none"> • Promote mental well being in the workplace by taking an holistic approach to managing your employees • Recognise stress, distress and mental health conditions in the workplace at an early stage • Develop practical strategies to help staff who experience mental health problems to retain their employment • Consider how to maintain or regain good mental health themselves, including strategies to help cope with stress at work 	<p>The training is aimed at Line Managers and will help increase their skills and confidence in managing the mental health of employees</p>

COURSE CONTENT
<p>Module 1 – Introduction to the programme Module 2 – What is Stress? Module 3 – What is Mental Health? Module 4 – Communication Module 5 – Commonly Diagnosed Health Conditions Module 6 – The Management Standards Approach</p>

COURSE/WORKSHOP LENGTH	1 Day
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METHOD OF DELIVERY	Presentation, practical exercises, discussion, case studies
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COURSE SIZE	Maximum 12
-------------	------------

PROVIDED BY	Health & Safety Team
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COURSE ARRANGEMENTS

There is no charge for this course. A hard copy of the completed booking form is available on Colin or Skillspace/LA Portal, and should be sent to the Training and Development Centre, 20 George Hudson Street, York, YO1 6WR (fax 554216 / tel 554147).

- If you have any queries contact CYC Health and Safety Team on 01904-554131
- Access the SMS system on Colin or Skillspace/LA Portal



“Helping Managers to manage Health and Safety”



Cabinet

7 May 2013

Report of the Corporate & Scrutiny Management Committee

Improving Community Resilience Scrutiny Review Final Report – Cover Report

Summary

1. This cover report presents the final report arising from the Improving Community Resilience scrutiny review – see Appendix 1, and asks Cabinet to approve the recommendations arising from the review.

Background & Review Objectives

2. At a meeting in September 2012, the Committee agreed they would like to carry out a review on adaptation to climate change. Their concerns centred on the increase in localised surface water flooding (not river flooding) and they questioned what plans the Council had in place to respond.
3. In November 2012, the Committee received a presentation on the changing climate, flood risk and emergency planning in respect of flooding in general. They considered information on York's vulnerability to past events e.g. flooding, snow, wind and storms etc, and, the consequential disruption to Council and/or Partner organisations processes i.e. interference with day to day service delivery and normal operational regime. They also looked at the predicted changes in climate for the future and its potential impact and a December 2012 Cabinet report on Surface Water Management.
4. Having considered all of the information provided, the Committee agreed that a review of Surface Water Management was not required following Cabinet's recent approval of the Council's new Surface Water Management Plan. The Committee queried if surface water management planning was being carried out at a ward/community level, but learnt that the new plan was generic for across the whole city. This raised the question of community preparedness for any form of

emergency, as the Committee perceived a gap in emergency preparedness at community level. They therefore agreed that the focus of their scrutiny review should be on the arrangements in place to enable communities to be more resilient in times of emergency.

Review Conclusions

5. Having received a detailed presentation on the approach taken by East Riding of Yorkshire Council, the Committee agreed it could be adapted and combined with current practices e.g. Snow Wardens, Flood Wardens etc, for introduction across York.
6. They also suggested that the introduction of community emergency plans could be supported by the Council's Emergency Planning Unit and the Communities & Equalities Team could assist with community engagement.
7. Officers confirmed that a number of the council's partners i.e. North Yorkshire Fire & Rescue and Yorkshire Water, would be willing to support and help fund the process of introducing community resilience plans.
8. Finally, the Committee agreed it would also be useful to provide individual households with advice and guidance on emergency preparedness.

Recommendations

9. In order to ensure community preparedness for any form of emergency and enable Communities to build their own resilience, the Cabinet are recommended to:
 - i) Strengthen Community Resilience by following best practice as implemented by others (e.g. East Riding of Yorkshire Council) through the introduction of Community Resilience Plans,
 - ii) Work with Communities to help them identify any available external funding,
 - iii) Work with appropriate partners to encourage their support and assistance.

Council Plan 2011-15

10. The introduction of Community Emergency Plans would support the Council's aim to make Communities safe, resilient and cohesive.

Implications & Risk Management

11. During their development project, East Riding of Yorkshire Council successfully managed the associated risks and addressed the issues around insurance. If such a project were to be undertaken in York, the risks, and financial and HR implications could be similarly managed.

Options

12. Having considered the scrutiny final report attached, the Cabinet may choose
 - i. To approve the recommendations
 - ii. Not to approve some or all of the recommendations listed above.

Recommendation

13. Taking into consideration all of the information contained within the final report attached and its annexes, the Cabinet are recommended to:
 - i. Approve the recommendations arising from the review, as shown in paragraph 9 above.

Reason: To conclude the Scrutiny Review in line with CYC Scrutiny procedures and protocols

Contact Details

Author:

Melanie Carr
Scrutiny Officer
Scrutiny Services
Tel No.01904 552054

Chief Officer Responsible for the report:

Andrew Docherty
Assistant Director of ITT & Governance

Report Approved**Date**

April 2013

Wards Affected:

For further information please contact the author of the report

All**Background Papers:**

See information contained within the final report attached

Appendices:

Appendix 1 –Final Report



Community Safety Overview & Scrutiny Committee
Report of the AD Governance & ITT

23 April 2013

Improving Community Resilience Scrutiny Review - Final Report

Summary

1. This report presents information gathered in support of the Community Safety Overview & Scrutiny Committee's review on Improving Community Resilience and asks Members to agree the recommendations arising.

Background

2. At a meeting in September 2012, the Committee agreed they would like to carry out a review on adaptation to climate change. Their concerns centred on the increase in localised surface water flooding (not river flooding) and they questioned what plans the Council had in place to respond.
3. The Committee requested that their potential review be scoped out to include information on:
 - The Changing Climate
 - Current controls/policy decisions, emergency planning, maintenance programmes, planning policy, community resilience etc
 - National best practise
 - Other interested partners e.g. Environment Agency, Drainage Boards, Farmers, Communities etc
4. At a meeting in November 2012, the Committee received a presentation on the changing climate, flood risk and emergency planning in respect of flooding in general. They considered information on York's vulnerability to past events e.g. flooding, snow, wind and storms etc, and, the consequential disruption to Council and/or Partner organisations processes i.e. interference with day to day service delivery and normal operational regime. They also looked at the predicted changes in climate for the future and its potential impact.

5. In January 2013, the Committee considered a report on Surface Water Management which had been considered by Cabinet in December 2012. Members queried if there were ways in which the community could assist the council in identifying flood risks, and learnt that the Local Flood Risk Management Strategy included consultation and engagement with the community. Also, that the council encouraged residents to notify them when persistent surface water problems occurred in order that they could be assessed.
6. Having considered all of the information provided, the Committee agreed that a review of Surface Water Management was not required following Cabinet's recent approval of the Council's new Surface Water Management Plan. The Committee queried if surface water management planning was being carried out at a ward/community level, but learnt that the new plan was generic for across the whole city. However, officers confirmed that if there were particular issues in a ward a specific plan could be put in place. This raised the question of community preparedness for any form of emergency, as the Committee perceived a gap in emergency preparedness at community level. They therefore agreed that the focus of their scrutiny review should be on the arrangements in place to enable communities to be more resilient in times of emergency.

Community Resilience

7. The importance of community resilience was highlighted in York during the severe weather in winter 2010. The city experienced the worst weather conditions for around 25-30 years, including heavy snow falls and extremely cold conditions over a sustained period. Many residents were adversely affected, in particular the vulnerable and elderly. The conditions placed services delivered by the council under extreme pressure, and limited day to day activity in the city.
8. During that time, many residents across the city had to fend for themselves because responding organisations had to prioritise their response. Many individuals offered help and assistance to family, friends and neighbours. As a result, there are a small number of communities who now have an emergency plan in place – see example at Annex A. However, it is acknowledged that they not been regularly refreshed since their introduction, nor does the Council regularly pro-actively communicate with communities on the benefits of being resilient.

Best Practice Elsewhere

10. Communities in the UK already involved in preparing for emergencies show some or all of the following features:
 - Are aware of risks that may affect them (both nationally and locally) and how vulnerable they are to such risks. This helps motivate them to personally take action to prepare for the consequences of emergencies.
 - Work in partnership to complement the work of the local emergency responders and other organisations before, during and after an emergency.
 - Use of existing skills, knowledge and resources to prepare for, and deal with, the consequences of emergencies.
11. In February 2013, the Community Safety Overview & Scrutiny Committee received a presentation from the Emergency Planning Manager from Humber Emergency Planning Service at East Riding of Yorkshire Council. The presentation detailed the work undertaken by East Riding to improve community resilience across their region through the introduction of Community Resilience Plans. Community Resilience is defined as 'Communities and individuals harnessing local resources and expertise to help themselves in an emergency, in a way that complements the response of the emergency services'.

Information Gathered

12. In the East Riding of Yorkshire, following flooding in 2007, Town and Parish Councils across the region were asked to lead on the development of community resilience through the development of Community Resilience Plans.
13. A Community Resilience Plan will usually identify:
 - a local emergency co-ordination team
 - a place for the team to work from during an emergency
 - a safe place for any evacuees to shelter
 - a list of the vulnerable people that might need additional support
 - contact details for people with skills or resources that may be helpful during the response to an emergency

14. Every year East Riding of Yorkshire Council asks its Town and Parish Councils if they have a Community Resilience Plan in place, or if they intend to produce one. To assist them in their development of a community resilience plan, East Riding of Yorkshire Council provide a series of guidance documents, a DVD and templates.
15. There are now currently 71 Town and Parish Councils with Community Resilience Plans, and 47 in the process of preparing one, which is 70% of the Town & Parish Councils across the East Riding region. The completed plans are shared with emergency services partners, and the contact details extracted from the plans have been used to provide regular email updates during severe weather conditions.
16. A number of Town and Parish Councils across the East Riding area have gone on to successfully implemented their community resilience plan. For example, in October 2012 Snaith and Cowick Town Council triggered their community resilience plan and worked with the Environment Agency, the Council and other organisations in response to unstable flood defence. The Town Council were able to mobilise a team to assist with alerting the community, to open up a sports hall to act as a shelter as required and to open their Council offices to provide an operation hub for responders.
17. However, it does not have to be a Parish Council that prepares the Community Resilience Plan. It could be a Residents Association, Neighbourhood Watch Group or other community group.
18. Creating a Community Resilience Plan
Building on what is already in place in York in a small number of communities; it would take between 2-6 months to complete a Community Resilience Plan template, subject to the level of community engagement. Asking for the help of community residents is at the heart of community resilience planning, and in most areas it will be possible to find an abundance of skills, resources and equipment that can be used in an emergency.
19. There are a number of methods that can be used to request assistance including:
 - Writing to all members of the community to ask for assistance
 - Placing a request on community notice boards and community news letters

- Holding an open day for the emergency plan and requesting support from people as they pass
- Targeting businesses that operate in the community and requesting support
- Targeting community groups who help people, or who have resources or skills that could be useful in an emergency

20. Available Resources

There are no specific financial or HR resources available to the Council for assisting communities to develop a Community Resilience Plan. However, the focus is on each community to create their own plan so the cost to the council and CYC officer support would be minimal. At the time when East Riding of Yorkshire Council were introducing Community Resilience Plans, local communities across their region were able to access some funding from a number of new funding schemes. So it may be possible to work with community groups across York to help them identify available external funding.

21. Interaction with the Emergency Plans of other Responding Organisations

All other responding organisations will have their own emergency plans. East Riding produced a DVD which gave an overview of how they fit together – this is available to view at www.heps.gov.uk

22. The DVD also provided information on:

- The benefits of producing an emergency plan
- Running an emergency shelter
- Running an incident room
- Running an exercise to test the plan

23. Informing Town and Parish Councils of an Emergency

There is often an information vacuum at the start of an emergency, with responding organisations trying to ascertain exactly what has happened and what the consequences are. However, the Local Authority should provide notification as soon as possible after their arrangements have been put in place to implement their response to the emergency. The type of notification will always depend on the type of emergency e.g.:

- In the event of a localised emergency that impacts on one or a small areas, the designated person e.g. parish clerk or a member of the local emergency co-ordination team, would be telephoned by the Head of Service who is co-ordinating the Council's response to the

emergency. The Head of Service would be designated as the Control Centre Manager when they are in this co-ordination role.

- In the event of a wide area emergency that impacts on many wards initial notification is likely to come from an email sent from the Emergency Planning team or from the Control Centre Manager.
- A text alert service could also be utilised to send notification by SMS to a member(s) of the local emergency co-ordination team

24. Identifying Local Risks

The emergency services, local authorities, NHS, Environment Agency and other key organisations such as Yorkshire Water complete a regular risk assessment looking at the type of hazards that might create an emergency in the area. Some of the higher risks are:

- Industrial Accidents
- Seasonal & Pandemic Influenza
- Severe Weather
- Flooding

25. Completed Plans

Once a plan is completed, it needs to be distributed. It is likely that it will contain confidential information e.g. addresses of vulnerable people, so it needs to have a restricted distribution list. It is recommended that key members of a local emergency co-ordination team keep a copy, that a copy be provided to the Council to share with the emergency services, and that a copy be kept in an emergency box together with a copy of all the other information and equipment that might be needed during an emergency e.g.:

- a street map of the area
- maps showing areas likely to flood
- the register of electors (this can be provided by Electoral Services)
- paper and pens
- battery operated radio
- battery operated torches

26. Community Plans for Areas with Insufficient Resources

If a community is not in a position to prepare an emergency plan due to insufficient resources in the area, they could be encouraged to contact a neighbouring area and suggest preparing a joint plan in advance and splitting the work required.

Review Conclusions

27. Having received a detailed presentation on the approach taken by East Riding of Yorkshire Council, the Committee agreed it could be adapted and combined with current practices e.g. Snow Wardens, Flood Wardens etc, for introduction across York.
28. They also suggested that the introduction of community emergency plans could be supported by the Council's Emergency Planning Unit and the Communities & Equalities Team, and the completed plans could lie beneath the Community Contracts currently being drawn up.
29. Officers confirmed that a number of the council's partners i.e. North Yorkshire Fire & Rescue and Yorkshire Water, would be willing to support and help fund the process of introducing community resilience plans.
30. Finally, the Committee agreed it would also be useful to provide individual households with advice and guidance on emergency preparedness.

Council Plan 2011-15

32. The introduction of Community Emergency Plans would support the Council's aim to make Communities safe, resilient and cohesive.

Implications & Risk Management

33. During their development project, East Riding of Yorkshire Council successfully managed the associated risks and addressed the issues around insurance. If such a project were to be undertaken in York, the risks, and financial and HR implications could be similarly managed.

Recommendations

34. In order to ensure community preparedness for any form of emergency and enable Communities to build their own resilience, the Cabinet are recommended to instruct officers to:
 - i) Strengthen community resilience by following best practice as implemented by others (e.g. East Riding of Yorkshire Council) through the introduction of Community Resilience Plans

- ii) Work with Communities to help them identify any available external funding
- iii) Work with appropriate partners to encourage their support and assistance.

Reason: To conclude the work on this review

Contact Details

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Wards Affected:

Chief Officer Responsible for the report:

Sally Burns

Director of Communities & Neighbourhoods

Report Approved



Date

11 April 2013

All

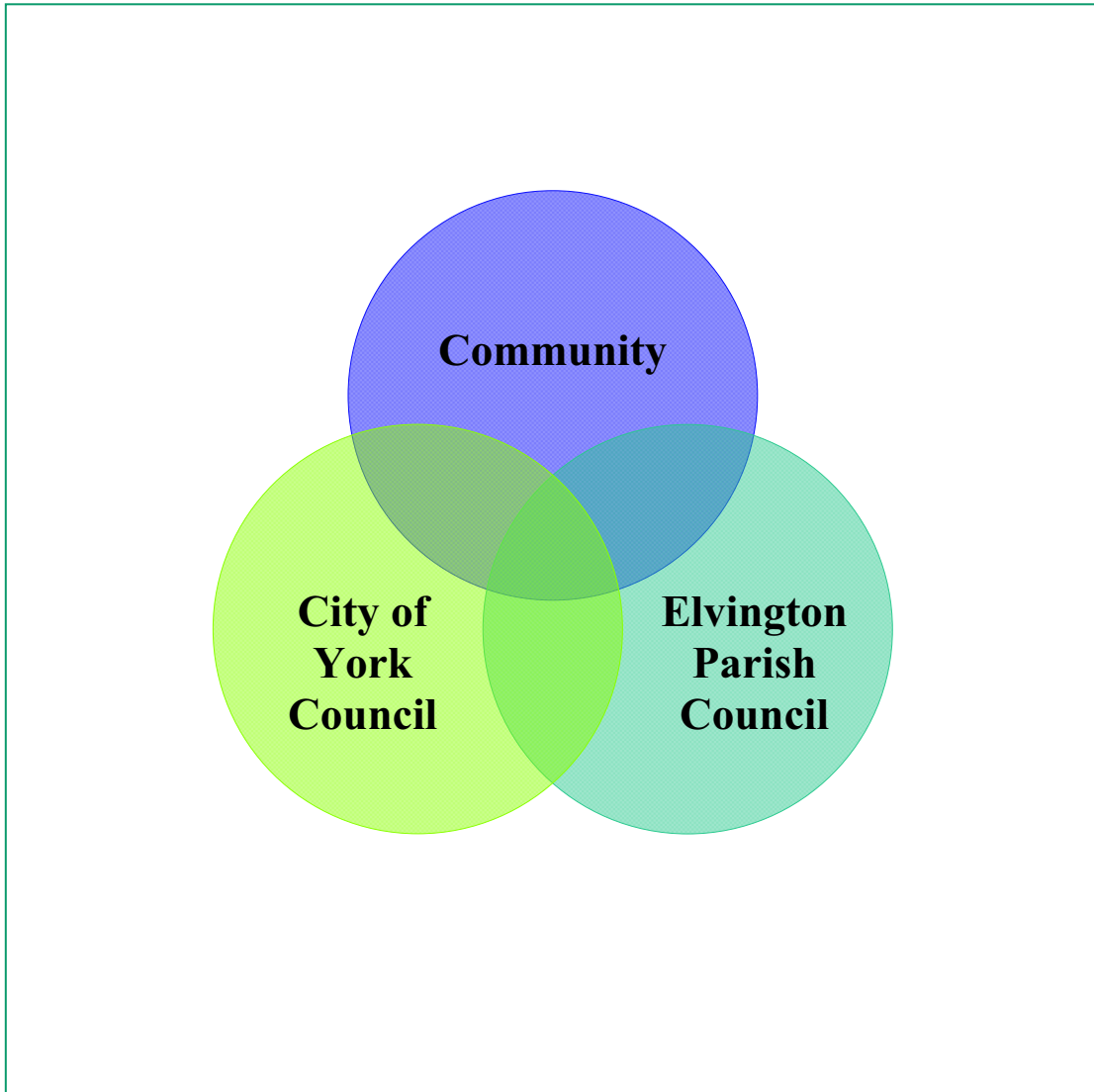


Background Papers: N/A

Annexes:

Annex A – Example of a current Community Emergency Plan in place in York

Elvington Parish Council



Emergency Plan

September 1st 2007

Updated 17th January 2012

Elvington Parish Emergency Plan

Introduction

The widespread flooding and severe weather events over the past few years have highlighted the difficulties for the Emergency Services and Local Authorities in responding fully without the assistance of local communities affected. These incidents, amongst others, have shown that there are actions the local parish can take to help themselves, particularly in rural areas. These actions will be more effective if the local parish has a planned and co-ordinated response in place before an incident occurs.

Aim of the plan

To increase short-term parish resilience.

Objectives

- Identify vulnerable elements of the Parish
- Identify hazards and possible mitigation measures
- Identify resources and key contacts in the parish

Role of the Chairman of the Parish Council

- Provide a vital link between the Parish and other organizations planning and responding to an emergency.
- Maintain the Parish Plan
- Provide a link to the City of York Emergency Planning Officer
- Call a Parish meeting during an emergency (if deemed necessary)
- Provide the focal point for the Parish response to an emergency

Parish Emergency Meeting

First consider the following:

- Is a meeting necessary?
- Is the venue safe for meeting and access?
- Has York Council been informed?
- Has parish been informed?
- Take a copy of First Agenda

N.b.: Elvington Village Hall will be the focus for the Parish response and will act as the rendezvous point. In the event of the hall not being accessible, the Parish Council will relocate to the School, or ultimately the Sports Club, which is located next to the Surgery and Sports Field.

Emergency Action Check List

- **Dial 999, ensure the emergency services are aware of the emergency and follow any advice given**

- **Contact City of York Council
(Duty Emergency Planning Officer)
on: 07880 505369**

- **Use the log sheet at the back of the plan to record:**
 - 1. Any decisions you have made**
 - 2. Who you spoke to and what you said**

- **Contact other members of the Parish that need to be alerted:**
 - 1. Those specifically under threat**
 - 2. Parish Councillors (via the Parish Clerk)**
 - 3. Volunteers and Key-holders that may be needed**

(Contact initially may be to inform them of the emergency or to inform them of current Emergency Service advice regarding any action to be taken)

PARISH COUNCILLORS AND CLERK		
Name	Telephone Number	Address
Ian Bailey (Chairman)	01904 608294	Glen House Main Street
Phil Rees (Vice- Chairman)	01904 607902	Beech Cottage Main street
Terry Wilson	01904 607221	4 The Cottages The Village Green
John Nicholson	01904 608301	Spring Lodge Main Street
John Webster	01904 608520 01904 608620	Bramley House 3 Derwent Close
David Forster	01904 608569	The Grey Horse Main Street
Anne Taylor	01904 607857	18 Riverside Close
David Headlam (Clerk)	01904 608721	Bramland House Dovecote Garth

Communication with Residents

1. Information Boards

- a) Outside Village Hall**
- b) Dauby Lane (opposite School)**
- c) Elvington Park (entrance)**

2. Parish Council meetings

3. Cascade phone system

4. Village website

www.elvington-york.co.uk

5. Parish Magazine distributors

6. Local Radio and TV

N.B.: Information regarding residents needing or requesting assistance will rely on the Elvington Electoral Roll, local knowledge, surgery and district nurses.

CONTACTS

Emergency Services	999	
Chairman of Parish Council	01904 608294	parishchairman@elvington.net
Vice- Chair of Parish Council	01904 607902	
Clerk	01904 608721	Clerk holds Electoral Roll
CYC Emergency Duty Team (Social Services)	01904 551550 0845 034 9417	www.york.gov.uk
Police HQ	101	
Fire Service HQ	01609 780150	
Chairman Sutton upon Derwent Parish Council	01904 608412 01904 607434	Pete Kirby (Chairman) Victoria Fletcher (Clerk)
Environment Agency Floodline	0845 9881188 then 0214211	www.environment- agency.gov.uk
Major Incident Response Team	07974 745194	Practical / Emotional Support
Road Watch AA	0113 2049111	
NHS Direct	0845 4647	www.nhsdirect.nhs.uk
Elvington Medical Practice	08450 717170 607606(ex/d)	www.elvingtonmedicalpractice. co.uk
District Nursing Sister	01904 627635 0845 0568060 (Out of hours)	
School Caretaker	01904 608398 01904 608493	
Gas – Transco	0800 111999	
Electricity – National Grid	0800 375675 0800 668877	
Drinking Water:	08451 242424	
Waste Water:	08451 242429	
BT	0800 8001 250	
Local Ministers: Peter Burgess Taff Morgan	01904 448309 01904 607121 / 07902 033174	
Radio York	01904 601606 (Helpline) 01904 622033 (News)	
Radio Humberside	01482 211202	
Minster FM	01904 488011	
Radio Aire	0113 2457822	

PARISH RESOURCES			
Resource	Contact/Key-Holder	Phone	Capacity
Village Hall- Kitchen, hall, toilets, tables, chairs, utensils	Village Shop Grey Horse Richard Pearce Jean Ripley	01904 608264 01904 608335 01904 607780 01904 608789	150+
Surgery	Dr Longmore	01904 607676 (ex-directory number)	Computer with internal connection system to York District Hospital
Sports Club and Field- Kitchen, hall, tables, chairs, utensils	Mick Barker Bill Pigg Sue Challis	01904 607123 01904 608114 01904 608143 01904 608398	100+ Large open field
Church	Minister (Taff Morgan) Churchwarden (Gill Jones)	01904 607121 07902 033174 01904 608287	250 No facilities other than seating and good solid walls
NAAFI and Air Museum Spaces, toilets, tables, chairs, kitchen, utensils	Director (Ian Reed)	01904 608595	There are many and varied spaces, with toilet and kitchen facilities in the NAAFI
School-- Hall, classrooms, kitchen, toilets, etc.	Head Teacher Caretaker	01904 608398 01904 608493	250+
Grey Horse Inn (usual public house facilities)	Jason Butler / David Forster	01904 608335 01904 608569	C 100

ELVINGTON SKILLS & EQUIPMENT

NAME / TEL	ADDRESS	SKILLS / EQUIPMENT
Jeff Stubbins 01904 608517	The Bridge	Lifting and welding equipment
John Nicholson 01904 608301	Main Street	Contact with farmers
A1 Haulage 01904 608463	Drome Farm Elvington Lane	Plant and transport
Smallwoods 01904 607825	Main Street Sutton on Derwent	Road sweeping and Drain cleaning
John Webster 01904 608520	Elvington Industrial Estate	Joinery
Surgery 08450 7171 70 01904 608224	York Road Elvington	Medical expertise
Elvington Village Store 01904 608264	Main Street	Food supplies etc.
The Grey Horse 01904 608335	Main Street	Refreshments
Rolawn 0845 604 6050	York Road Elvington	Tractors
Elvington Air Museum 01904 608595	Airfield	Fire Trucks

The Flood Defence Scheme

The village is protected by a scheme in the vicinity of the Church, consisting of an embankment with a culvert beneath it for the Beck to flow through. At the exit end is a 'loose' flap valve which closes by river pressure when the Derwent rises. There is a manually operated penstock at the opposite end which is precautionary against the flap valve failing to fully close, most probably because of obstructions. The embankment and penstock are controlled and maintained by the Environment Agency.

A pumping station, located in the vicinity of the embankment, controls two pumps that discharge water from the Beck when the flap valve and penstock are closed. The pumps operate automatically when switched to do so – for safety reasons, they are normally maintained on 'manual' control. A red warning light is located on the outside of the building to warn of possible malfunctions, though this is only easily visible from Northumberland House. The pumping station and associated equipment are controlled and maintained by the Ouse and Derwent Internal Drainage Board, who are also responsible for ensuring that the Beck and culverts/grills are free from obstructive debris.

The scheme, which is located on private land, must not be accessed by the general public at any time; it is a particularly dangerous area at times of flooding.

Emergency Arrangements

The Environment Agency notify the IDB of any forecasted flooding from the Derwent, who then ensure that the pumps are set to automatic, following which the EA will close the penstock. The IDB will also check that culverts/ grills are free from debris.

Water depth gauges are located in the Derwent upstream by the Bridge, at either end of the embankment, and in the Beck adjacent to the telephone box. They are all calibrated to identical reference levels.

The pumps will start automatically when water in the Beck reaches 5.8m; they will switch off when the level falls to 4.6m. At the danger level of 6.3m there is a severe likelihood of properties being flooded and water flowing across the road.

The EA, IDB and CYC have their own detailed Emergency Flood Plans for the village.

Emergency Actions

- **If the Beck rises to 5.9m (on the scale by the telephone box), this is a potential emergency and one of the Emergency Contacts below must be notified urgently.**
- When the warning light of the pumping station is lit, notify one of the contacts below without delay.
- The **Emergency Contacts**, who have emergency details for all the necessary service providers are:

The Chairman of the Parish Council	(Ian Bailey – 608294)
The Deputy Chairman	(Phil Rees – 607902)
The Parish Clerk	(David Headlam – 608721)

- In an extreme situation, City of York Council have an emergency (24 hour) contact number: (York) 625751 (or 551550 during normal office hours).

Log Sheet

Date and Event	Time	Information / Decision / Action	Name

ADMINISTRATION

- **Guidance Notes for Councillors**
- **Risk Assessment**
- **Plan Distribution List**
- **Review and Amendment Record**
- **Health and Safety**
- **Data Protection**
- **Freedom of Information Act**
- **Communications**
- **Media Enquiries**
- **Local Radio and Local TV**

Guidance Notes to Councillors

(RECOMMENDED ACTIONS)

Act as a point of reference for your parish by:

1. Maintaining regular contact with the City of York Council.
2. Liaising with Ward Councillors and council representatives.
3. Talking to residents affected by the situation.
4. Visiting Rest Centres, if established in your area.
5. Contributing to the media response as requested by the City of York Council Marketing & Communications department.
6. Providing feedback to fellow members.
7. Directing any questions or queries through the City of York Council Emergency Control Centre (if established).

In all cases, keep notes of information received, actions, times & dates and contact details of those persons providing the information. Verify information for accuracy and co-ordinate relevant information that should be passed to the Council Emergency Control Centre for action or to the relevant Emergency Service if it is of a life-threatening nature.

ACTIONS YOU SHOULD AVOID

Do not:

1. Become involved at the scene of an incident unless specifically requested to do so. This could prove counter-productive.
2. Interfere in operational matters.
3. Put yourself at risk
4. **Remember that in the early stages of an incident there will be an element of confusion and misinformation.** By following these guidance notes you will become the eyes and ears of the emergency responders and your contribution could make a difference to how well the integrated emergency response is managed.

RISK ASSESSMENT				
Hazard	Impact	Measures in place	Other measures possible	Risk
Flooding	Population Roads & traffic Buildings	Flood defences	Sandbags	Medium
Total or partial loss of gas	Domestic Industrial			Low
Total or partial loss of electricity	As above			Medium
Total or partial loss of water	As above			Low
Total or partial loss of telephone	School Surgery Domestic Industrial			Low
Severe Weather	Population Roads Buildings School Livestock			Medium to High
Major Fire	Population Buildings Traffic Pollution			Low to Medium
Loss of road access Transportation, toxic release	Population Emergency Services Industry			Medium
Bridge Collapse	Pos: loss of life Disruption			Low
Industrial explosion or fire. Toxic release	Personnel Pollution Buildings and traffic in vicinity			Low
Terrorist incident	Everyone			Low
Nuclear Incident	Everyone			Low
School Incident	Children Staff Community			Low

PLAN DISTRIBUTION LIST

#	Agency	Named Person	Contact Tel:	Plan Location
1	Parish Councillors and Parish Clerk	David Headlam (Clerk)	01904 608721	Homes
2	City of York Council Emergency Planning Officer	Emergency Planning Team	01904 551009 07880 505369	emergency.planning@york.gov.uk
3	Elvington Medical Practice	Julie Lund	08450 717170	Reception
4	The Grey Horse, Elvington	David Forster	01904 608335 01904 608569	Alarm Cupboard
5	Village Hall	Keys to Village Hall held at: Village Shop & Village Pub		Filing Cabinet
*	Electoral Roll	David Headlam Clerk	01904 608721	parishclerk@elvington.net

REVIEW & AMENDMENT RECORD

#	Date	Review	Amendment	Name
1	01/02/09	General	Contacts	D Forster
2	30/11/09	General	Contacts	D Forster
3	20/12/10	General	Contacts & Update of Flood Plan	D Forster
4	17/01/12	General	Contacts	D Forster
5				
6				
7				
8				
9				
10				

Health & Safety

No member of the Parish Council, whilst undertaking activity in furtherance of this plan, will expose themselves to danger. Members are responsible for their own safety and should undertake a risk assessment of proposed activities before embarking on a particular course of action. This is especially important whilst at or near the disaster scene (operational area).

Members should only attend the operational area of an incident if so requested by one of the emergency services present at the scene. They will obey any Health & Safety directives issued by any Emergency Service Safety Office or, in that person's absence, any of the emergency service personnel at the location.

Data Protection

The plan contains personal information on *living individuals* and is subject to regulations and restrictions as laid down in the Data Protection Act. Such personal information as is contained within this document is provided with the consent of the named individual, on the understanding that it is used only for the purpose for which it was given.

Freedom of Information Act

All personal information in this document is held in confidence and will not be subject to disclosure by virtue of the Freedom of Information Act. Information not containing personal details may be released under disclosure rules. Personal details of individuals holding Public Office (Parish Councillors) are not protected; however, any additional information above the statutory requirement will not be disclosed under the Freedom of Information Act. **Other information** will not be subject to disclosure except to those persons or organisations shown in the plan distribution list.

Communications

There are no special arrangements to provide Parish councillors with radios or other communication tools in an emergency. Members will be self-sufficient and provide their own mobile phones or make use of fixed telephone lines.

***NB:** Mobile communications cannot always be guaranteed. The emergency services can, if the situation becomes necessary, close access to each of the main networks, thus restricting use to those secured against such shutdowns. This is known as MTPAS (Mobile Telecommunication Privileged Access Scheme).*

Media Enquiries

Following any major incident, demands from the media for prompt and accurate information will exert extreme pressure on all the agencies involved. It will be both immediate and sustained, and must be co-ordinated so that conflicting information is avoided. **The Police are the co-ordinating agency** for the multi agency response and will lead on this. This does not prevent other agencies from speaking to the press on issues that are within their remit; anything released by one agency to the press is shared with the others. The Press Liaison Officers for each of the agencies are key to successful handling of the media; they will facilitate all enquiries and requests for interviews.

There are agreed joint arrangements in York and North Yorkshire for providing a co-ordinated response to the media during and following a major incident, as specified in the York and North Yorkshire Media Plan. It is important that any contact with the media is managed by the appropriate Press Liaison Officer. For Parish Councils the appropriate officer will be the Duty Press Officer of the City of York Council (*24 hour cover*). The Chairperson of the Parish Council has the relevant contact details.

Where there is multi agency involvement in the emergency response, the interface with the media may be undertaken by another agency in accordance with the agreed arrangements and protocols. Normally, a City of York Council spokesperson will speak on behalf of the Authority. The Parish Council may be asked to provide a spokesperson in these circumstances. The Parish Council should not proactively seek out the media without first contacting the City of York Council Duty Press Officer.

Local Radio Stations

Requests for radio interviews should be passed to the City of York Council Duty Press Officer; they will assist in the arrangements and be able to offer professional advice on how to deal with particular aspects of the interview. It is unlikely that the Parish Council would be approached directly, as most news desks route all of their requests through the Press Officer of the relevant agency.

Local Television Stations

The arrangements for local radio will apply to television interviews.

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Cabinet

7 May 2013

Report of the Cabinet Member for Health, Housing and Adult Social Services

Business Case for the creation of a Warden Call/CELS Social Enterprise**Summary**

1. This report provides a summary of the planning underway in developing and evaluating the Integrated Business Plan for the Community Equipment Loan and Warden Call/Telecare Service (CELTAS) to become a social enterprise. This report is seeking approval:
 - of the proposed governance structure and legal form
 - to proceed initially in shadow form to facilitate a smooth transition
 - and receive a further report in December 2013 to update on progress and seek approval for a 1 April 2014 start date for the social enterprise

Background

2. CYC CELTAS provides a 24 hour monitoring and response service to approximately 3,000 customers in York. The telecare service has over 1,600 customers who have at least one piece of telecare equipment installed. In 2004/5, the Community Equipment Loan Store provided 19,000 pieces of equipment. A year-on-year increase to 46,046 pieces being provided in 2011/12 (including health and social care products) represents a 142% increase.
3. A new social enterprise for this service will, if created, be the first of its kind in the UK. The unique combination of service areas (Warden Call and Community Equipment Loan Store) is not provided in this way anywhere else. If approved, this will also be the first service to 'spin out' of City of York Council to create a

mutual that is majority staff-owned and with the council continuing to have part ownership.

The Development of Public Service Mutuals

4. The desire to create social enterprises as an alternative delivery model to public services has been driven by the Cabinet Office where the Mutuals Team states:

“The case for public service mutuals is a simple one. Mutualisation can transform the delivery of public services. Mutuals can deliver substantial benefits to a wide range of public service stakeholders.”

5. Evidence demonstrates the benefits of greater employee ownership and/or control includes:

- **Increased productivity** - eg Central Surrey Health made 41% productivity gains – creating 76 more treatment slots for patients per week
- **Increased motivation** - eg In Central Surrey Health 98% of co-owners say they go beyond what is normally required. The industry norm is 84%
- **Increased innovation** - eg Central Essex Community Services, following a staff proposal, is funding a pilot using iPads to give patients requiring speech and language therapy their interventions remotely and save them travelling to clinics
- **Increased employee wellbeing** - eg Employee wellbeing tends to be higher in mutuals. Absenteeism is often lower, for example Sandwell Community Caring Trust saw absenteeism fall from 22% to less than 1% over a 10-year period

6. Drivers for change:

- service needs to consider alternative options in the face of current fiscal pressure
- “personalisation” of services and emergence of personal budgets will lead to a more direct relationship between customers and providers leading to more competition between providers
- City of York Council’s services will need to change, to become more competitive and to keep up with these developments, if they are to survive and thrive

- transfer of services to new social enterprise will help meet dual aims: modernisation and the reduction of costs
 - development as a social enterprise will help the service, which is highly valued by the people who use it, to develop and thrive in a competitive market
7. The team developing the CELTAS Social Enterprise believe that:
- the new service will be more flexible and responsive to client needs
 - new business opportunities can be realised to help secure financial efficiency and sustainability
 - the new organisation is intending to work closely with Science City York to ensure it is at the forefront of technological developments thereby providing the customers with the most innovative solutions possible to maintain their independence
 - staff working within the new organisation will be more motivated and driven to work harder, smarter and more consistently as they have greater ownership of and involvement with the business
 - financial surpluses will be invested in the organisation to fund development of the service, technology and workforce to ensure the service is as good as it can be
 - innovation in equipment and provision of a wider range of options will be invested in (using financial surpluses) and the new organisation will be flexible enough to be able to respond quickly to new market developments
8. The CELTAS project team also believe that to be able to function successfully in the changing market, the service needs to be able to compete on price as well as quality. By being able to use innovative and creative business ideas they hope to create a business that can use any surplus money to allow greater service provision to more customers (ie in line with the demographic projections) at no extra cost to the council.

Consultation

9. The CELTAS project team have been engaging with staff since the concept of Right to Provide/social enterprise development became a viable option. The project team recognise that they must continue to engage with all staff to ensure they understand and

can then decide if they agree with the vision and development of the social enterprise.

10. Three workshops were held for the CELTAS staff. The first workshop in October was to address any issues/concerns and answer any questions that they had, as well as introducing the 'spinning-out' process and running a 'visioning' session to help shape the look and feel of any new enterprise. In the second workshop we discussed the vision, mission and values of the potentially new organisation, and again addressed any issues, concerns or questions that they had. A further session was held (in early December) with staff to communicate the progress that had been made and, again, answer any issues, concerns or questions that they had. We also produced and issued a Frequently Asked Questions paper to address the 60+ questions raised by staff during the business planning process.
 - at the time of writing the majority of staff have had a 1:1 sessions during which all have agreed that they will completely commit to this if the decision is that we proceed to a Social Enterprise
 - staff have also attended workshops with the CEO of Social Adventures who spoke to them about having been through the process and what life is like on the other side. These workshops were very well received by staff
 - discussions have taken place with health and other external stakeholders. Meetings with staff have been held with Unison and GMB in attendance where possible and discussions held at the ACE DJCC
 - in addition Unison and GMB have fed back the concerns of staff in meetings they have held during the work to date on the Social Enterprise. These have then been responded to by managers in the service, in a Frequently Asked Questions document and the provision of HR advice on TUPE and pensions
11. The initial work completed by the whole staff group is shown below in the vision, mission and values that they have set for the new organisation.
12. The Social Enterprise's vision describes its ambition and what it is the organisation hopes to achieve:

We will create a high quality, comprehensive and sustainable telecare and equipment service that redefines care delivery, and helps people manage their lives and stay independent in their own homes through life enhancing equipment solutions.

13. The mission sets out how the enterprise will achieve this vision. The enterprise would achieve the vision by:
 - supporting social, health and wellbeing by offering advice, signposting and a wide range of solutions to our customers
 - working with partner organisations across all sectors to prevent hospital admissions and prolonging, wherever possible, a quality of life at home
 - providing support and reassurance for both formal and informal carers
 - being committed to equality and fairness

14. The customers are at the centre of everything the business will do; the organisation understands that every customer is unique and will treat them that way. The values will be at the heart of the organisation and will create the culture and influence the way the organisation and its members conduct themselves:
 - COMMITMENT - we pride ourselves on our commitment to maintaining the public trust and respect through a commitment to the highest standards of customer service
 - INTEGRITY – we will be truthful, open and honest; we will maintain consistency in our actions, values and principles
 - RESPECT – we keep our promises. All actions are guided by absolute honesty, fairness and respect for every individual
 - SERVICE EXCELLENCE – we strive to be the best that we can be and to deliver excellence in everything we do
 - PASSION – we will use energy, dedication and commitment to make a difference by helping our customers improve their health and to change their lives for the better
 - COMMUNITY - we are perceived as a trusted partner and dependable community resource
 - TEAMWORK - respect the value and contribution of each individual

15. Two externally facilitated focus groups have been held to assist understanding of the views of customers and interested others. They were well attended and a number of local groups as well as customers and family members were represented.
16. The proposal has also been discussed within the Older Peoples Provider Forum, Age UK and at the York Older Peoples Assembly. The themes running through all of the discussions held so far are:
 - overall that they were extremely happy with the current service and were passionate advocates of its continuation
 - concerns regarding whether there will be a financial impact on customers
 - some were worried about changes to the service as they appreciated its quality and wanted as many people as possible to enjoy the service in the future
 - customers (and carers) of the service were most interested to hear about benefits of any planned changes to the organisation of the service
 - requests were made for a prompt update of the outcome of the Cabinet decision and a clear explanation of the advantages of the move from a council-provided service to a social enterprise
17. An information sheet was prepared for customers with the assistance of our communications team and this was sent out to all warden call customers along with a feedback form to allow customers to be able to voice their thoughts.
 - to date 559 replies have been received and 67.4% are in favour, 19.7% would like more information and 12.9% disagree
 - ten telephone messages have been left on the dedicated phone line, two of which were in favour, three did not have any comments to make, three wanted more information, one left no message and one was cut off
18. A dedicated email address has been available to allow customers and their families to provide us with their comments electronically.
 - so far five emails have been received three requesting further information and two in favour as long as the price does not change

19. The information sheet has also been available on the CYC website showing the email address for anyone to leave comments if they wish to do so.
20. It is the intention to use this feedback to continue dialogue with customers and third sector organisations throughout the transition phase to ensure all are being included in the process and kept up to date with information on progress.
 - the greatest number of comments relate to concerns that the SE will mean increases in charging
21. There is a proposed consultation with customers on the introduction of a tiered charging system for warden call customers due to take place through the end of April and into the beginning of May. A report will then be presented in June to the Cabinet Member for Housing, Health and Adult Social Care.

Options

Proposed governance structure and legal form

22. Expert legal advice has been taken from Bates, Wells and Braithwaite (the UK's leading charity and social enterprise lawyers) on appropriate legal forms for the new enterprise¹. They have recommended two potential options as being the most appropriate for meeting the requirements, both of which would involve constituting the new enterprise as a Company Limited by Guarantee.
23. A Company Limited by Guarantee in an incorporated legal form meaning that it is able to enter into contracts (including employment contracts) and own property in its own right. It has limited liability so that its members cannot be held liable for more than the nominal guarantee of £1. Members will generally not incur personal liability unless it can be shown they failed to fulfill their duties.
24. The first option would be to establish the enterprise as a Company Limited by Guarantee in the form of a Community Interest Company (CIC). A CIC is a particular type of company that uses its assets and profits for the community benefit and is regulated by both Companies House and the CIC regulator. To be registered

¹ Refer BWB Governance and Legal Form Options Paper

as a CIC, a company must show that it is established in the interests of the community; and each year the directors must complete a form demonstrating how it has met the community interest. The Articles must also conform to the statutory requirements; in particular it must have an asset lock which means that the wealth of the company can never be distributed privately to individuals or for non-community interest purposes. Therefore, the assets must be used solely for the community interest or transferred to another organisation which also has an asset lock such as a charity or another CIC.

25. The second option is to establish the enterprise as a Company Limited by Guarantee in the form of a Charitable Trust. Charity is a status that attaches to an underlying legal form rather than a legal form of itself. There are potential financial benefits associated with charity status. The first is that any surpluses generated by the enterprise would be exempt from corporation tax. The second is that the enterprise may be able to benefit from zero rated VAT on some of its services as a charity, meaning that the new enterprise would not be required to charge customers VAT and would be able to recover any VAT it is charged on supplies and other inputs.
26. It is recommended that the new organisation is established as a Community Interest Company (CIC), in the form of a Company Limited by Guarantee. As a CIC there is the flexibility to offer staff ownership in the form of membership of the enterprise. This would be difficult if not impossible as a charity as trustees of charities must be unpaid. The Community Interest Company form also provides a degree of regulation and an asset lock.
27. It is proposed that the new organisation will have a governance structure that is proportionate and appropriate to the scale of the organisation. Two forms of membership of the new enterprise are proposed. Staff would be “staff members” with the power to nominate and elect a “staff director” from their group to take a position on the board of the new enterprise. There will be five “members” who will be responsible for the strategic management of the business and will hold the statutory responsibilities of company directors under company law. Alongside the “staff director”, will be the chief executive officer and three non-executive directors. We propose that the City of York Council in the first instance appoints the chief executive officer (with future performance management, removal and appointment of this

position then becoming the responsibility of the board). The LA will retain the power to appoint one non-executive to the board, thereby influence but avoiding the need to consolidate accounts or take on any future liabilities of the enterprise – the LA would effectively retain 20% ownership through the non-executive director. See Figure 1 below – proposed governance structure.

28. In addition to the governance structure proposed, one or more advisory committees will be established to enable different key stakeholders/stakeholder groups, including users, to be involved and have their input to the new organisation. Whilst these committees would not have any formal decision making abilities, it is anticipated that any key outcomes/requests/etc. From these meetings would be tabled at the management team meeting, and latterly the board meeting.
29. As well as user representation on one or more advisory committees, a user could also be appointed a non-executive director provided that they have the appropriate skills and experience.

Rationale for ownership model

- ownership by staff increases buy-in and involvement in design and delivery of services, productivity, innovation and organisational resilience
- aligns with Localism Act, Open Public Services, National policy and changing delivery landscape
- recognises that the LA is a customer of services and has a need to secure delivery of statutory services
- LA power to appoint one non-executive to the board, thereby influencing but avoiding the need to consolidate accounts or take on any future liabilities of the enterprise
- 20% is the threshold of influence – LA ownership stake >20% would mean that the council would be required to account for liabilities of the SE in annual reports

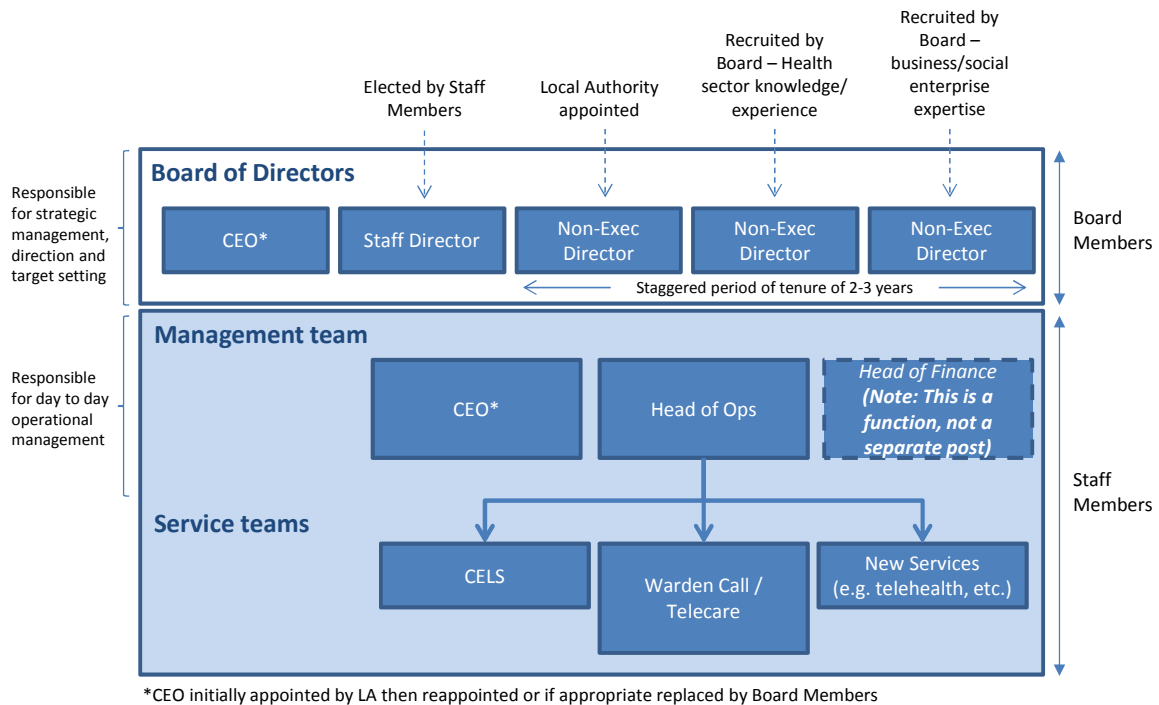


Figure 1 – Proposed governance structure

30. It is proposed that the above governance structure is established and run in shadow form from May/June 2013 up until go-live in January/April 2014 (timescales to be confirmed). This will enable coaching and mentoring of the management team (and board), as well as any issues to be identified and rectified before the new organisation is formally awarded the CELTAS contract.

Analysis

31. The options and recommendations presented above regarding the legal form and governance structure for an independent social enterprise assumes that CYC, by approving the Expression of Interest, has agreed that the preferred option for the future service delivery of CELTAS is by an independent social enterprise.
32. Below is a summary of the main options that are available to CYC/CELTAS team and the impact that each option has on the key considerations addressed during the development of the Business Plan. The 'Do Nothing' and 'CELTAS is outsourced' options have not been covered below as it is felt that these options are least in-line with the intention of the Business Plan. (Note: This summary focuses on the delivery models rather than different legal forms, as this has already been addressed in the BWB Governance and Legal Form Options Paper).

Key Considerations	Alternative Options	
	1	2
	CELTAS as an independent social enterprise with part ownership by CYC.	CELTAS as an independent staff-owned social enterprise.
Ownership	20% ownership by CYC, 40% by staff (incl managers) and 20% by each of the two other non-executive directors.	100% owned by CELTAS staff.
Asset (and Liabilities) Transfer	It is proposed that assets will be transferred to the new organisation at market value (given the relatively low value of the equipment and also that no buildings or land is being transferred), else they will be leased at a 'peppercorn rent' rate. If the latter approach is used (which is the default method that has been used by groups spinning-out under 'Right to Provide') the responsibility for the maintenance and replacement of assets would lie with the new organisation (or if CYC prefers the responsibility could remain with CYC). This avoids the issue of state aid ² as these assets would be made available to the successful bidder as part of the contractual terms, rather than specifically to the new organisation.	As per option 2.
Procurement / commissioning route	No automatic procurement exemption for any contracts, but uncontested contract agreed for initial (current) contracts.	As per option 2.

² The total de minimis aid provided to any undertaking must not exceed 200,000 Euros over any period of three fiscal years.

Key Considerations	Alternative Options	
	1	2
	CELTAS as an independent social enterprise with part ownership by CYC.	CELTAS as an independent staff-owned social enterprise.
Access to Local Government Pension Scheme	The new organisation would need to apply to North Yorkshire County Council LGPS to gain admitted body status (ABS), or possibly the comparable admitted status for community bodies (CAB) - the appropriate route for the new organisation will be decided by the LGPS - to enable continued access to the LGPS.	As per option 2.
Mutualisation Benefits (ie from staff ownership)	As a 40% staff (incl managers) owned organisation, Mutuals Taskforce evidence would suggest that the benefits and efficiencies will be greater than an LATC but less than a 100% staff owned enterprise.	Evidence shows that the greatest benefits and efficiencies are achieved when organisations are wholly owned by the staff.
Consequences of failure (ie making continual losses)	Limited liability status would protect staff/owners against liability of losses. Service would be closed or staff could be TUPE'd back to CYC/to a new provider and staff continue to run the service.	Limited liability status would protect staff/owners against liability of losses. Service would be closed or staff could be TUPE'd back to CYC/to a new provider and staff continue to run the service.

Key Considerations	Alternative Options	
	1	2
	CELTAS as an independent social enterprise with part ownership by CYC.	CELTAS as an independent staff-owned social enterprise.
Summary & Conclusion	<ul style="list-style-type: none"> • Similar levels of transitional activities required to establish organisation as a CYC-owned organisation. • Through its ownership (20%) there is, to an extent, a 'safety net' if service fails/continually operates at a loss. (CYC ownership of >20% would mean that the council would be required to consolidate the accounts of CELTAS and therefore any liabilities of the organisation would still fall to the council should the organisation fail. • Joint ownership increases buy-in and involvement in design and delivery of services, possibly including a user as a non-executive Director. • Aligns with Localism Act, Open Public Services, National policy and changing delivery landscape. • High level of benefit from mutualisation. • High level of flexibility to grow and diversify service. • This is our preferred option as it provides the non-centralised approach required to grow the business, whilst also having direct involvement and ownership from key stakeholders, including CYC. 	<ul style="list-style-type: none"> • Similar levels of transitional activities required to establish organisation as a CYC-owned organisation. • No substantial 'safety net' if service fails/continually operates at a loss. • Aligns with Localism Act, Open Public Services, National policy and changing delivery landscape. • Greatest benefit from mutualisation. • Greatest flexibility to grow and diversify service. • This option provides the non-centralised approach required to grow the business and the ability to tailor the governance and management models provide some further advantages over an LATC.

33. Desirability of the Social Enterprise for the customers:

- secures the future provision and development of these services – ability to retain surpluses and invest in service improvement
- improved responsiveness – decisions taken closer to the user, greater empowerment of frontline staff
- new opportunities to expand service lines, innovate and develop partnerships to improve the quality of outcomes for users
- builds on existing high standards/highly regarded services/ quality of service – provides clear vision to improve health and wellbeing outcomes

34. Desirability of the social enterprise for the council:

- intangible benefit of ownership/association with innovative, high quality service provider
- significant financial and service quality benefits for the council
- provision of social care services to a wider audience through increased marketing and geographical spread
- additional realisation of budgeted savings of £50k to £200k in years two to five made possible through introduction of additional revenue generating services
- further notional savings due to no inflationary rise in la contributions over the period (c £194k), where funded customer numbers are also likely to grow
- over time able to serve more customers for the same or less CYC funding

Feasibility

35. Reasons to be confident that this is achievable:

- existing service teams have established good reputation for high quality service delivery
- significant opportunity to develop services in tangential markets with modest additional investment
- sole focus of the enterprise on delivery services that enable and support independent living – less distraction for management team
- management team are driven and committed – support by appropriately qualified and experienced Board members

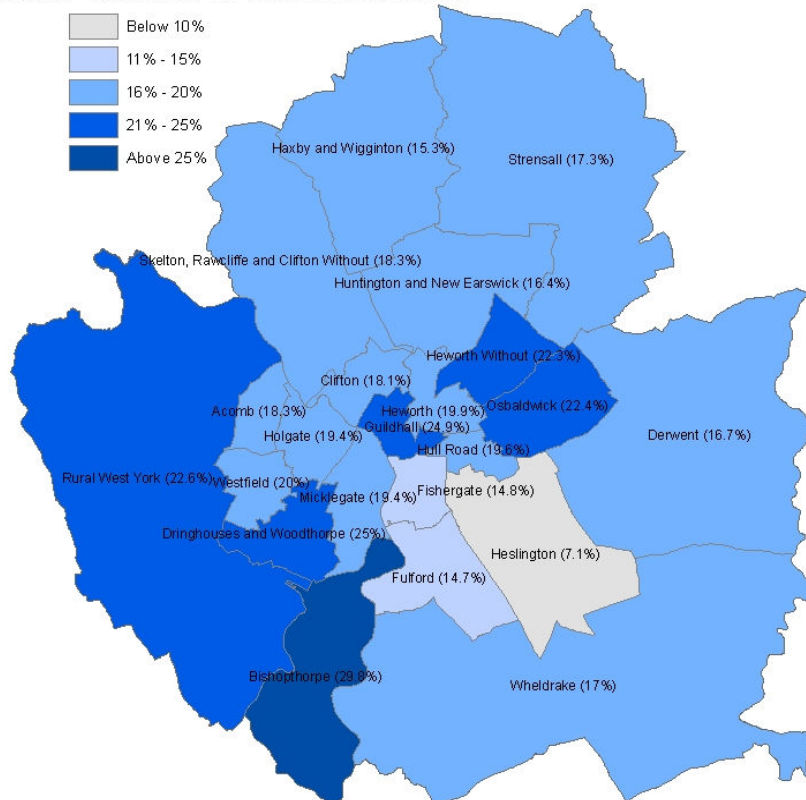
- managed transition from CYC – to run in “shadow form” for initial period prior to transition
- financial projections are balanced (ie not unduly optimistic)

36. Local demographic information show us that the service is currently only being provided to a small percentage of possible customers. Looking at the number of customers aged 80+ receiving a service from CELTAS compared to the whole population in York of people who are 80+, the data shown below indicates that there is a lot of potential market growth within York.

37. In total, there are 1,928 people recorded who are currently receiving these services out of an estimated 80+ population of 9,897 people in York. This equates to a market penetration of only 19.5%.

38. When looking at the equivalent number of customers over the age of 65 the percentage falls even lower indicating that the growth potential for the service is within this age range is even higher.

Percent of Population Aged 80+ with Warden Call or Telecare on 09/01/2013



Viability of the Social Enterprise

39. In order to enable the Cabinet Members to make the decision whether or not to approve the decision for the CELTAS team to establish an independent social enterprise, a summary of the financial viability of the new organisation has been provided below (the financial implications to CYC are described in the 'Implications' section towards the end of this paper.)
40. A detailed analysis of future financial projections has been undertaken for the new organisation and concludes that it does represent a financially viable business opportunity. However, this financial viability is dependent upon certain key assumptions:
- continued level of contributions/income from CYC, NHS and North Yorkshire County Council (including PCT health gain funding of £75k pa)
 - successful launch of new service lines:
 - *Loneworker Monitoring*
 - *Retail Outlet (based at the community stadium)*
 - *Telehealth (following successful bid for NHS contract)*
 - *Tele-consultancy service*
 - realisation of growth projections for the above new services, as well as for private customer telecare income
 - continuation of the CELS building lease agreement on current terms
- (A full list of the planning assumptions used to develop these projections can be found in Sections 2.2 and 11.2 of the Business Plan.)
41. Projections indicate traded income growth of average. 2.15% per year with cumulative retained profit at year five of £146k (after tax and before accounting for any reinvestment).
42. The summary five year forecast Income & Expenditure statement for the new organisation is shown below:

Income and Expenditure - 5 year summary (£'000)					
	Year 1	Year 2	Year 3	Year 4	Year 5
Income from existing services:					
CYC contribution	1,534	1,495	1,449	1,399	1,349
Warden Call customer Income	301	316	335	358	387
Other income and contributions (E.g. Health)	256	263	269	276	283
total	2,091	2,074	2,053	2,033	2,019
Cost of existing services					
Staffing	1,381	1,391	1,416	1,416	1,416
Warden Call Equipment	0	27	33	41	51
CELS Equipment	176	181	187	192	198
Other	245	250	256	260	267
Support Service costs (Recharges)	198	198	198	198	198
total	2,000	2,047	2,090	2,107	2,130
Profit/(loss) from existing services	91	27	(37)	(74)	(111)
Income from new services:					
Loneworking	5	21	33	40	47
Telehealth	148	191	191	225	225
Retail Outlet	0	58	108	130	156
Teleconsultancy	35	43	53	62	73
total	188	313	385	457	501
Cost of new services					
Loneworking	8	8	9	5	6
Telehealth	129	166	166	196	196
Retail Outlet	0	46	104	117	130
Teleconsultancy	27	33	47	53	59
one off costs	13	23	0	0	0
Depreciation	1	3	3	4	4
total	178	279	329	375	395
Profit/(loss) from new services	10	34	56	82	106
Overall profit/(loss) of operations	101	61	19	8	(5)
less tax at 20%	(20)	(12)	(4)	(2)	0
Net profit after Interest, Tax, Depreciation and Amortisation	81	49	15	6	(5)
Retained Profit	81	130	145	151	146

43. The table above shows the forecast five year Income & Expenditure statement for the potential PSM. It can be seen that for the existing services a surplus is made in the first two years, following which there is a decline in subsequent years. This decline is largely due to two key factors. Firstly, the CYC contribution reduces year on year to meet the budgeted £200k saving. Secondly, the decline in profit is also impacted by the CYC contract value for funded customers being fixed, requiring the additional costs of a growing customer base to be absorbed by the potential PSM. NB there is an expectation that once the volumes pass a to-be-agreed threshold the contract value will be re-

negotiated to reflect the new volumes (funded customer volumes are expected to grow between 3-5% year-on-year).

44. The table above also shows that for the new services a modest surplus is made in the first year, following which there is a gradual year-on-year increase in the surplus generated.
45. The overall effect on the Income & Expenditure statement for both existing and new services is a surplus in each of the first years of trading. In the fifth year the forecast shows that there will be a small overall loss.
46. Analysis of the cash flow position shows the service being in a cash surplus throughout each of the first five years, removing the need for any capital injection or bridging loan (a facility that would often be required by a new business).
47. In the medium to long term, the organisation will develop its services to offer a selection of tailor-made services to both statutory agencies and the general public. It will also develop the appropriate charging models to ensure the organisation is able to grow and achieve long term sustainability.
48. It is proposed that this plan is achievable and represents significant short-term financial benefits for CYC, whilst ensuring the longer term survival, development and growth of our services, which are so important for our customers in York. There is confidence that this is achievable because:
 - existing service teams have established a good reputation for high quality service delivery
 - there is significant opportunity to develop services in tangential markets with modest additional investment
 - the sole focus of the enterprise is on service delivery that enables and supports independent living – less distraction for management team
 - the management team are driven and committed – support by appropriately qualified and experienced Board members
 - managed transition from CYC – the board will run in ‘shadow’ form for initial period prior to transition
 - financial projections are balanced (and not unduly optimistic)

49. However, it must be recognised that realising this plan will be challenging and, accordingly, it will be important to establish the social enterprise with the right leadership and culture and manage the transition from CYC as professionally and effectively as possible.

Parent Body Commitments

50. An implicit part of the creation of an independent NEW NAME (and indeed the status quo with the creation of most public service mutuals) is for the Parent Body (CYC) to make a financial contribution to the nascent organisation during the early years of operation. This reflects the fact that the new organisation will continue to provide a public service and also to allow the organisation to build solid foundations as an independent commercial enterprise.
51. The CYC financial commitments are included in the summary I&E figures above, within the income figures for each service, but have been presented separately here for the purposes of clarity.

Council Plan

Strategic Objectives

52. The new organisation will continue to provide the high quality service to its existing customers while reaching out to more people and searching for more efficient and effective solutions for all customers. Our objectives will benefit both the customer of the service and the wider community. We will work closely with partner organisations to fulfil these and they will challenge us to improve and be successful.
53. The strategic and social objectives of the organisation will help the council in at least three of its five stated objectives within the current Council Plan and will endeavour to assist where possible with the protection of the environment:
- create jobs and grow the economy
 - build strong communities
 - protect vulnerable people

Strategic Objective Group	Strategic Objective
Accessibility	To provide an efficient emergency response service to vulnerable people.
	To offer equipment services as a universal service to support primary prevention.
	Increase the uptake of equipment services by communicating the potential benefits to service users and carers and by providing Telecare opportunities in a diverse range of existing service settings across health, housing and social care.
	Increased access through extended opening hours, online ordering and the development of a retail outlet.
	Work in partnership to ensure that equipment services are more widely accessible, acceptable and understood by all those who could benefit from Telecare and other equipment solutions.
Employer of choice	To create an organisation that values and supports its members and one that encourages personal development.
	To employ and provide, where possible, apprenticeships to support young people into the work place.
	To support the City of York Council pledge regarding provision of a 'living wage' to all employees.
The safe use and care of equipment and telecare	Develop and offer training packages for both statutory and private agencies relating to equipment, telecare and the prevention agenda.
Sustainable and flexible organisation	Upgrading of existing stock through the reinvestment of cost savings and profits.
	Develop and increase stakeholder involvement and include service users in the future direction of the organisation.
	Deliver growth in the telecare service and ensure targets for delivery and installation are maintained.
	To secure contracts with public sector and private agencies to provide equipment, telecare and telehealth.

Social Objectives

54. These objectives are aspirations of the positive intention towards the local area, aiming to promote prosperity and develop a strong relationship with local residents in order to co-exist harmoniously.

They indicate what this organisation will ‘give back’ to the wider community.

Social Objective Group	Social Objective
Job Creation	The organisation will grow its infrastructure in line with increasing demand on its services and will seek to employ locally.
	Look to develop supportive work placements and supported employment where possible for people with disabilities.
	Will provide apprenticeship programmes where possible to support young people into employment.
Partnership working to support the Public Health priorities	Making York a great place for older people to live where they can maintain their independence as long as possible.
	Improving mental health and intervening early supporting the early awareness of dementia.
	Reducing health inequalities and help to find solutions to prevent loneliness and isolation.
Environmentally conscious	The organisation will seek to monitor, regulate and reduce its carbon footprint where possible.
	Will continue to refurbish all low cost equipment until an environmentally friendly alternative has been sought.
Carers support	Wherever possible the organisation will provide equipment solutions, advice and training to support informal carers.

Implications

Financial

55. The detailed analysis of the financial viability of the proposed enterprise, prepared by Mutual Ventures, is set out in the main body of the report. The assumptions within the business plan about the existing CYC budgets, current income and contributions have been verified.
56. The plan assumes that employer pension contributions remain at the current CYC level of 19.7%. However, this is yet to be assessed and therefore the costs set out in the plan may vary. If the final assessment results in increased costs, either to the social enterprise if the “matched” option is taken or to the council if the

“full risk” option is taken, then further cost mitigations would have to be identified.

57. The business plan assumes that all equipment will be retained by the council and leased to the new enterprise at a peppercorn rent.
58. The proposed new enterprise is to be incorporated as a Community Interest Company. As such it will have to charge VAT to non-disabled customers for the warden call response service. This could increase some customers' charges by 5% (the 20% rate would not apply). This issue will be considered in the consultation with customers about the introduction of a tiered charging policy which is the subject of a separate report to the Cabinet Member in June. The VAT element could be included in any overall increase in charge for the service if agreed to avoid customers having to pay this.
59. The future viability of the enterprise is clearly dependent on the assumptions within the business plan for customer and income growth. The plan assumes that by year 5 additional income totalling £501k (£106k net of associated costs) will be generated from the introduction of new services. In addition, private customer numbers are assumed to rise by 5%, 6%, 7%, and 8% respectively over years 2 to 5 of the business plan.

Implications for CYC Budgets

60. The current net CYC base revenue budget (excluding capital financing costs, but including 2013/14 staff increment growth and estimated support service costs) for the services transferring would form the basis of the value of the contract that CYC would have with CELTAS. These budgets total £1,534k.
61. From this base figure the council's MTFE assumes £50k pa savings each year over the period 2014/15 to 2017/18 (£200k in total). This means the annual contract value (subject to adjustment to the support service charge amounts discussed below) would be:
 - Year 1 £1,534k
 - Year 2 £1,495k
 - Year 3 £1,449k
 - Year 4 £1,399k
 - Year 5 onwards £1,349k

62. Within the figures above there are support service charges totalling £198k covering centrally provided services such as HR, payroll, finance, ICT, legal etc. The business plan assumes that these services will continue to be purchased by CELTAS from CYC in the first year at the level of the current recharge values.
63. Prior to year 2 CYC will set out the actual charge it proposes to make for each support service from year 2 onwards. At this point the annual CYC contribution to CELTAS would be adjusted to reflect these actual support service costs. From year 2 onwards the business plan assumes that CELTAS will review these services and may decide to procure some or all of them from an alternative provider. This could result in a loss of income for these CYC services from year 2 onwards. If these services cannot reduce their own costs to match the reduction in their income then this will result in an additional pressure on CYC budgets.
64. There is a further potential risk for CYC budgets in relation to customers currently in receipt of Housing Benefit and/or Council Tax Benefit. These customers do not pay for their service and the base budget assumes £312k to fund these 1,200 non-paying customers. The CELTAS business plan assumes that this number of non-paying customers will remain relatively stable. However if the numbers were to increase then CELTAS would request an increase in the contract value. It could be argued that it would be in CELTAS's financial interest to actively promote an increase in non-paying customers as CELTAS income would increase accordingly, with a consequent unbudgeted expenditure pressure on CYC budgets. Under the current arrangements there is no such incentive for CYC to actively seek an increase in non-paying customers. This risk could be mitigated by requiring CELTAS to agree in advance any increase in CYC customers prior to any additional funding being made available.
65. The business plan assumes that the current CYC Capital Programme rolling allocation of £250k pa for Warden Call and Telecare Equipment is made available on an on-going basis to purchase equipment that will be used by CELTAS for CYC customers. The council's currently approved capital programme includes this sum through to the 2017/18 financial year.
66. It is assumed that CYC will fund the costs arising from any shortfall in pension liabilities at the point of transfer. Security bonds may be needed and held by the authority to facilitate this. An actuarial

review will need to be undertaken to assess the value of this potential initial liability. In addition, as discussed previously the council would become responsible for any future pensions risk if the “full risk” option were chosen. If this were the case then further mitigating savings would be required.

67. It has been assessed that CYC’s VAT position would not be adversely affected financially from the proposal to spin out CELTAS. The partial exemption limit of 5% is not breached by moving these services outside of the council, nor does it move the council into a repayment rather than a recovery position and as such there is no financial impact on CYC.
68. The costs of preparing the business plan and developing the case for establishing the social enterprise have been funded from a grant of £68k from the Cabinet Office’s Social Enterprise Investment Fund (SEIF), and a £5k allocation from the council’s Development and Innovation Fund (DIF). If approval is granted to establish a social enterprise then a further grant to cover the implementation costs has been agreed in principle from the Cabinet Office.

Human Resources (HR)

69. The development of the business plan has included HR advice and guidance to determine the TUPE implications for the staff group concerned. TUPE would apply to all staff and managers in the current service to transfer to the new organisation. Actuary work is being completed with regards to staff pensions and it is expected that this Social Enterprise would receive admitted body status into the LGPS as we have had initial confirmation that it would be accepted. Further consultation with staff, unions and stakeholders will continue throughout the business planning, and if approved, transition phase.
70. This will impact on a total of 51 front line staff members, one supervisor (CELS), two team leaders (Warden Call), one service lead and one service manager – all staff and managers are to be included in the TUPE transfer.

Equalities

71. Under S149 Equalities Act 2011, the LA has a general duty to have due regard to the need to eliminate discrimination and

advance equality of opportunity. This will involve a comprehensive Community Impact Assessment of the service as a result of the change of provider.

72. A full Community Impact Assessment has been completed as part of the final Business Plan and report to Cabinet. There are no equality issues arising from this proposal.

Legal

73. There are various legal implications associated with the proposed decision to establish a Community Interest Company and the main considerations may be summarised as follows:

- power to establish the Company - Section 1 of the Localism Act 2011 provides a general power of competence, enabling local authorities to do anything an individual can do, which includes the power to set-up a company
- fiduciary duty - The LA is under a duty to local tax payers to ensure that it is spending their money prudently. In addition the LA must demonstrate, through its business case, that it is obtaining best value in setting-up the Company, and in any contract with it
- procurement - There are no procurement implications in setting-up the Company, but if the LA decides to contract with the Company, consideration will need to be given to the EU Public Procurement Regulations and Directives. These apply to services above the threshold value of £173,934

74. “Part B” services, such as health and social services, are not subject to the full extent of the Procurement Regulation, such as the requirement for an OJEU notice (although a Contract Award Notice will still be required). However, the general principles of the Treaty need to be followed where there may be cross-border interest in a contract. These are the principles of non-discrimination, transparency, equal treatment, proportionality, and mutual recognition.

75. Compliance with these requirements is generally demonstrated though a formal tender process although it can be demonstrated through a degree of advertising sufficient to enable the market to be opened up for competition.

76. There is no market and no possibility of cross border interest then there is no obligation to advertise or go through a formal tender process. In ascertaining whether there is potential cross border interest regard should be had to the subject matter of the procurement, the estimated value of the procurement, the place of performance or delivery, the size and structure of the relevant service market.
77. If there are potentially serious consequences for making an incorrect judgment as to whether a contract may attract cross border interest. The most likely outcome is that an aggrieved potential bidder could seek to prevent the contract being awarded or seek damages if it had been awarded. Alternatively the EU could take action against the government.
78. It is a judgment which requires knowledge of the market. For that reason carrying out a formal market testing is often recommended. That has not happened in this case. That is not necessarily fatal but means that the assessment of the risk of challenge is based purely on the service directorate's knowledge of the market.
79. State Aid - Any public funds provided to entities who engage in commercial activities, which has the potential of distorting competition, and which may affect trade between Member States may amount to State Aid. Aid includes, for example, grants, other financial assistance, sale of assets at less than market value, and rents at less than commercial rates.
80. Officers will need to decide whether any aid which is likely to be given to the Company is likely to affect trade between Member States, or whether the services to be provided by the Company are purely local and have no interest to European entities.
81. If State Aid does apply, however, financial aid over a rolling period of three years from any source up to the de minimis level of 200,000 Euros is exempt, which means financial assistance can be given to the Company up to this limit without breaching the State Aid rules.

Crime and Disorder

82. There are no Crime and Disorder implications.

Information Technology (IT)

83. A number of IT considerations have been included in the Transition Plan, which outlines the activities that have to be completed prior to any go-live for the new organisation.

Property

84. The LA is normally required to obtain best consideration which can reasonably obtain for any sale or lease for more than seven years of land and buildings. However, a lease in this case can reasonably be viewed by the council as having benefits to the social, economic or environmental well being of the area such as to bring it within a general consent from the Secretary of State to a disposal for less than best consideration.
85. Property Services have agreed an extension to the current lease of the CELS building. For the new organisation to take over the lease, CYC may be asked to act as a guarantor in the first instance, an arrangement not unusual to the council.

Governance

86. The report proposes the establishment of a company limited by guarantee with LA appointed directors. Members will be aware that directors owe their fiduciary responsibilities to the Company and not the council. The proposed Company would be a Community Interest Company and its assets used for community benefit. However, it would be for the Company to decide how best to meet that responsibility.

Contractual Issues

87. There will be a need to develop detailed contractual arrangements which will provide for the transfer or use of assets, the transfer of staff, the services to be provided back and the price to be paid for those services. The contract will aim to secure during its lifetime financial benefits for the council arising from the business plan being realised.

Risk Management

88. The Business Plan contains a full list of the risks identified with spinning the CELTAS services out. All of the risks have been

assessed and activities undertaken to mitigate these. The key risks have been summarised:

#	Risk	Mitigation Activity
1	Admitted body status not being achieved could lead to staff not being in favour of proceeding.	Initial positive discussions with local LGPS administrator, North Yorkshire County Council, have been had. Continue these discussions and instruct actuary to complete a valuation and agree the risk transfer for pension contributions etc.
2	Staff concerns regarding leaving the LA may result in staff not wishing to transfer into the new organisation. This would result in the loss of expertise to the organisation.	Ensure Human Resources and positive Union involvement throughout process. Seek support and advice regarding TUPE arrangements.
3	Procurement challenge by other potential providers to uncontested contract award could delay/end the spinning-out process.	Market analysis completed and it indicates that no single provider currently provides the range of services delivered by the potential PSM, and therefore be in a position to challenge. Legal advice taken on options for mitigation (eg exemptions from public procurement rules).
4	State aid challenge by other potential providers could delay/end the spinning-out process.	Market analysis completed and it indicates that no single provider currently provides the range of services delivered by the potential PSM, and therefore be in a position to challenge. Legal advice taken on overall risk of challenge and solutions identified to mitigate this (eg lease arrangements for asset transfer) and a challenge is therefore less likely, but still possible.
5	The governance of the new organisation may not be sufficiently robust leading to failure of the new organisation.	Robust governance structure developed as part of the Business Plan that includes a board member from CYC, a sector expert and a social entrepreneur/business expert.
6	Staff lacking skills required to fulfil all of the requirements could lead to poor performance by the new organisation.	Completed a detailed training needs analysis during shadow form period, and develop training programme as required.

#	Risk	Mitigation Activity
7	The level of commercial acumen within the management team could impact on the development of the new enterprise.	<p>A board member will be appointed with social entrepreneur/business/financial expertise.</p> <p>The capability for service delivery already exists and will be bolstered by the composition of the Board.</p> <p>Seeking additional commercial, legal and marketing support from the Mutual Support Programme through the transition phase of the process.</p>
8	Creation of a regional control centre that would to potentially be able offer a more competitive rate than our service could lead to a reduced requirement for our control room.	Based on current timescales, the potential PSM will spin-out in advance of the development of the regional control centre so the potential PSM will be best placed to become the regional hub.
9	Competition from market/ability to win contracts could threaten the new organisation becoming sustainable.	<p>Continuous engagement with initial key clients.</p> <p>Seek contracts outside locality for current services, and within/outside of locality for future services.</p> <p>Ensure marketing strategy & materials is in place from go-live. Web design and ability for online sales to be developed as soon as possible to boost initial income levels.</p> <p>Develop enhanced services that will aim to achieve better social outcomes.</p>
10	The inability to make a profit to re-invest into the new organisation could cause the new organisation to fail.	<p>A flexible resourcing model will be adopted to limit our overhead costs and ensure we adapt our operational model to the development of the market.</p> <p>Ensure close relationship with CYC Financial Services, and review financial statements regularly.</p>

Recommendations

89. Cabinet Members are asked to consider the opportunity to establish the council's first social enterprise and the following recommendations:
- to create a mutual, Social Enterprise organisation to provide the Warden Call/CELS service in shadow form to facilitate smooth transition
 - approval of the proposed governance structure and legal form (Community Interest Company, in the form of a Company Limited by Guarantee) for the reasons described in sections 4 and 5 of this paper
 - to provide a further report on progress in December 2013 to seek confirmation of a 1 April 2014 start date for the new organisation

Reason: To create a viable social enterprise opportunity that will provide services to a wider customer base whilst providing value for money to the council.

Contact Details

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	Report Approved	✓	Date 25 April 2013
	Cabinet Member Responsible for the report: Cllr Tracey Simpson-Laing Cabinet Member for Health, Housing and Adult Social Services		
Wards Affected:	All		✓
For further information please contact the author of the report			

Background Papers:

- Cabinet Office - Public Service Mutualls paper

Annexes:

- Annex 1: CYC - BWB Governance and Legal Form Options Paper (v1.1)
- Annex 2: CYC - Warden Call, Telecare and CELS - Business Plan (v1.1) – CONFIDENTIAL – *Commercially Sensitive*
- Annex 3: CYC - Warden Call, Telecare and CELS - Business Plan – *Non-Confidential version*

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Governance and Legal Form - Options Paper

Warden Call and Telecare Service and Community Equipment Loan Service

1. Introduction

- 1.1 York City Council currently operates a warden call and telecare service and a community equipment loan service.
- 1.2 It is proposed that a new social enterprise is established into which the two services would transfer. (the “Social Enterprise”).

2. The Social Enterprise as a Charitable Company Limited by Guarantee

- 2.1 One option is to establish the Social Enterprise as a charitable company limited by guarantee.
- 2.2 The advantages of charitable status include:
 - 2.2.1 easily understood by the public and by staff within the Council;
 - 2.2.2 tax reliefs including relief from corporation tax, gift aid on donations, rate relief, VAT treatment (see Schedule 1);
 - 2.2.3 regulated entity, giving the Council assurance as to the on-going operations of the Social Enterprise;
 - 2.2.4 may be easier to obtain grant funding should that ever become attractive.
- 2.3 The disadvantages include:
 - 2.3.1 restrictions on non-charitable trading which may necessitate establishing a trading company;
 - 2.3.2 the general rule is that the directors of charities (“trustees”) must be unpaid – this means usually the chief executive and senior management would not be trustees although it may be possible to persuade the Charity Commission to permit the chief executive to be a trustee and for one trustee to be a staff representative (see below);
 - 2.3.3 the employment of senior staff, including the chief executive, can be terminated by the trustees;

2.3.4 staff could not make final decision how surpluses should be used, this would be for the trustees but they could give recommendations.

2.4 Charity is a status that attaches to an underlying legal form rather than a legal form of itself. It is also proposed that the underlying legal vehicle of the Social Enterprise be a company limited by guarantee. A company limited by guarantee in an incorporated legal form meaning that it is able to enter into contracts (including employment contracts) and own property in its own right. It has limited liability so that its members cannot be held liable for more than the nominal guarantee of £1. Trustees will generally not incur personal liability unless it can be shown they failed to fulfil their duties as trustees.

2.5 If a trading company was established, it would be a wholly owned subsidiary of the Social Enterprise.

3. The Social Enterprise as a Community Interest Company

3.1 A CIC is a particular type of company that uses its assets and profits for the community benefit and is regulated by both Companies House and the CIC regulator. In order to be registered as a CIC, a company must show that it is established in the interests of the community; and each year the directors must complete a form demonstrating how it has met the community interest. The Articles must also conform to the statutory requirements; in particular it must have an asset lock which means that the wealth of the company can never be distributed privately to individuals or for non-community interest purposes. Therefore, the assets must be used solely for the community interest or transferred to another organisation which also has an asset lock such as a charity or another CIC. An exception to this is where a CIC is a CIC limited by shares. A CIC limited by shares can distribute a limited amount of its surpluses to shareholders - see paragraph 6 below.

3.2 The advantages of a CIC include:

3.2.1 light touch regulation;

3.2.2 it can pay its directors;

3.2.3 it has an asset-lock so stakeholders can be assured it acts in the community interest;

3.2.4 staff could be given power to decide how surpluses are used.

3.3 The disadvantages of a CIC include:

3.3.1 there are no tax reliefs;

3.3.2 they are not so widely known;

3.3.3 some VAT exemptions or zero rating may not be available (see Schedule 1).

3.4 A CIC cannot be a charity

4. The Social Enterprise as a community benefit society

4.1 A community benefit society is a type of legal form. Like a CIC, it has limited liability and must be established for the benefit of the community. It is regulated by the FSA. A community benefit society can be charity and at present has the advantage that it would only need to be registered with the FSA rather than the Charity Commission. In general, the FSA is less demanding as a regulator of charities than the Charity Commission. However, legislation has been passed, but is not yet in force, which would transfer responsibility for charitable community benefit societies from the FSA to the Charity Commission. It is expected to come into force relatively soon, although the date has slipped a number of times.

4.2 The advantage of a charitable community benefit society rather than a charitable company limited by guarantee is therefore that, in the short term, it is not regulated as closely as charitable community benefit society as compared to a community interest company limited by guarantee. The disadvantages of both sorts of community benefit society is that it is a less well known legal form than a company, the law relating to it is not so well developed (meaning that legal questions are not always clear) and the fees for registration are higher (£35 for a CIC and between £40 and £950 depending on whether model rules or bespoke rules are used for a bencom).

5. Why not a charitable incorporated organisation?

5.1 The charitable incorporated organisation is a new legal form which is expected to become available by early 2013. It has the advantage that the sole regulator will be the Charity Commission

rather than both the Charity Commission and Companies House. It is envisaged that it will be used by smaller organisations which find the dual regulation a burden. There is some uncertainty around the ability of CIOs to give security (and therefore access secured lending) which has yet to be resolved.

- 5.2 Given the familiarity of the senior staff likely to be running the Social Enterprise with the company form and the uncertainty around the charitable incorporated organisation, it was decided a company limited by guarantee would be preferable.

6. Why not a company limited by shares or co-operative society?

- 6.1 Some organisations spinning out of the public sector are established as companies limited by shares with the employees each holding a share in the company. At the meeting we discussed the fact that while it was important that staff were given a sense of control over the organisation and were remunerated in a way that properly reflected their contribution; it was not thought appropriate that they would receive shares. The process of issuing/transferring/buying back shares is relatively complicated and will require the Social Enterprise to pay for support to ensure it is done correctly. It was thought that staff would be content to receive “bonuses” or “performance related pay” rather than dividends if the Social Enterprise made a significant surplus. A charity and a CIC can both pay ‘bonuses’ or ‘performance related pay’.
- 6.2 We also discussed the option of setting up a Co-operative Society. A co-operative society is established for the benefit of its members (which in the case of many public sector spin outs are the staff) and had democratic, one member, one vote structure. The Social Enterprise will not be established for the benefit of its members but for the benefit of the community it works for and so this vehicle was not thought appropriate.

7. Membership

- 7.1 Companies have a two tier structure. The directors (often described as trustees if the company is charitable) manage the company and are responsible for the day to day running of the company. The owners of the company are its members, who have

ultimate control. There are various membership arrangements possible, including the following options:

Option 1: For a community interest company only - directors as members, staff as members

- 7.2 The members of the company could be the staff. This would mean that every member of staff would own the company and as a collective would be able to appoint and dismiss the board. A majority decision of the members can remove a director/trustee.
- 7.3 The powers of members also include the power to change the name of the Social Enterprise or to change its articles of association. The latter requires a 75% majority under normal circumstances but this could be increased to 100% if that was preferred. We discussed including a provision requiring the CEO to be on the board being entrenched so that a 100% majority was required. However, this would not prevent the board dismissing the CEO.

Option 2: For a charitable company limited by guarantee or a community interest company limited by guarantee – directors as members, staff as “staff members”.

- 7.4 A common option for social enterprises is for each individual appointed as a director to also become a member. It is usually chosen for organisations where the delivery of services takes precedence over democratic accountability and quick decision making is required. It is recognised in those cases that although giving staff a voice may lead to service improvements, staff may not want to fully engage with the organisation as members in company law. They may not, for example, be prepared to attend relevant meetings or read relevant papers so as to be able to exercise their rights as members responsibly. Consequently, this option suggest that staff are appointed as staff members without full rights in company law as members but with the right to appoint a staff representative to the board (see paragraph 8 below). The staff representative would be a member.

Option 3: For a charitable company limited by guarantee or a community interest company limited by guarantee – a wide group of members is appointed comprising users and supporters as well as staff.

7.5 This does not seem an appropriate option as there is no current group which would wish to be involved in this way. This option is usually taken by organisations which seek to be representative in some way or where democracy is intrinsically important to them (such as Amnesty International). This is not the case here where the main aim is the delivery of excellent services.

8. The Board of Directors and committees

8.1 At our meeting we discussed the following options:

8.1.1 For a charitable company limited by guarantee:

- (a) The CEO (provided the Charity Commission are satisfied that is necessary) appointed ex officio (by virtue of their employment);
- (b) A staff representative (provided the Charity Commission are persuaded that is necessary) elected by “staff members”;
- (c) Two co-opted trustees appointed by the board;
- (d) One trustee appointed by the local authority.

8.1.2 For a community interest company limited by guarantee;

- (a) The CEO appointed ex officio (by virtue of their employment)
- (b) Senior staff members appointed ex officio (by virtue of their employment)
- (c) A staff representative elected by staff as members or “staff members”
- (d) One or more co-opted directors appointed by the board
- (e) One director appointed by the Local Authority.

8.2 We also discussed setting up an advisory committee which would report to the board of directors. This would include external stakeholders such as local authorities and community organisations. The board would set the terms of reference for the committee.

8.3 The Charity Commission’s general preference is that trustees are not paid and it will ask for a detailed argument as to why the CEO or a person paid as a member of staff needs to be a trustee. This

is a subject which is currently making headlines in the charity press (see Third Sector 20th November) following Lord Hodgson's review of charity law which recommended that trustees should be paid. We have had some success in persuading the Charity Commission that, in particular circumstances, including public sector spin outs such as this one, where the CEO has a particular skill set and there are checks and balances in place, a CEO should be able to be a trustee. We have also been able to persuade the Charity Commission, that, given the Governments' view that staff involvement improves services, a staff representative as a trustee is desirable. However, each case is different and a cast iron guarantee cannot be given.

9. Conclusion

9.1 There are three questions to be decided:

- 1) Which legal form – community interest company limited by guarantee. charitable company limited by guarantee or community benefit society?
- 2) Who should be the members?
- 3) Who should be the directors?

The answer to these questions depends on a variety of factors as noted above but principally on the financial impact of tax reliefs (and whether this is deemed important), whether staff wish to have rights as company law members, whether senior staff wish to be on the board and the perception of “charities” and “social enterprises” amongst various stakeholders.

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November 2012

Schedule 1

VAT

1. Entity

- 1.1. There are potential tax advantages if the Social Enterprise is established as a Charitable Company Limited by guarantee (“Charity”) rather than a Community Interest Company (“CIC”)
- 1.2. There are a number of VAT reliefs available to a Charity which would not otherwise be available. Those likely to benefit the Charity are:
 - Exemption for fundraising income
 - Zero rating for certain supplies made to the charity
 - Zero rating of certain construction services *
 - Reduced rate energy supplies *
 - Disapplication of a landlords option to tax *

* Note: these reliefs would be dependent on the supplies being used for non-business activities (see below under Section 3. for a definition of non-business activities)

- 1.3. A CIC would not qualify for these VAT reliefs; neither would it qualify for relief from corporation tax. That said it may be possible to set up Charity affiliated to the CIC which could receive any surplus from the CIC as a donation in order to avoid taxation of its profits.
- 1.4. Establishing the Social Enterprise as a Charity may encourage donations from those say related to the beneficiaries of the services which would potentially attract a further 25% for the charity under Gift Aid.

2. VAT Liability of supplies

- 2.1. The services currently provided under Warden Call and Telecare Services are likely to be liable to VAT if provided by way of business. There may also be scope for zero rating in certain circumstances.

- 2.2. Legislation provides that; the supply of an alarm system designed to be capable of operation by a disabled person, to enable him to alert directly a control centre, and the services performed by a control centre in receiving and responding to calls from an alarm system is **zero rated** when supplied to a disabled person **or** by a charity for making available to disabled persons.
- 2.3. These provisions will cover some of the services provided under both Warden Call and Telecare services regardless of whether the Social Enterprise is a Charity or a CIC. Supplies to non-disabled customers will be liable to VAT at the standard rate.
- 2.4. Provided the services are taxable for VAT purposes (i.e. at 0% or 20%) then the VAT incurred on related costs would be recoverable as input tax.
- 2.5. Equipment loan under the Community Loan scheme is currently funded partly by the local authority and partly by the NHS (50/50) as such this is currently a non-business service. Going forward, if this activity was undertaken by way of business, then the reduced rate of VAT (5%) would apply to the services of installing and providing the following items:
- grab rails
 - ramps
 - stair lifts
 - bath lifts
 - built in shower seats or showers containing built in seats
 - walk-in baths with sealable doors

The standard rate of VAT would apply to other items.

3. Grant vs. Contract debate

- 3.1. The Social Enterprise will receive funding from the Local Authority and the NHS regardless of the form of entity adopted at the outset. It will be important to establish the nature of that funding because that will determine whether it is making business or non-business supplies for VAT purposes which will in turn determine whether the VAT is due on its supplies and as consequence whether any of the VAT incurred on its costs is recoverable as input tax. If funding is partly by way of grant income and partly for a charge as will be the case here, then VAT

will be recoverable in part to reflect the business/ non business split.

- 3.2. For VAT purposes it is important to identify whether or not supplies are made in the course of business rather than the sources of income. Generally if a service is provided for a charge the activity is seen as a business supply. Grants are only considered to be outside the scope of VAT if they are freely given and do not entitle the provider of the funding to any direct benefit and recent case law has shown that HMRC are willing to challenge the treatment of grant income as outside the scope of VAT in the circumstances suggest otherwise.
- 3.3. In February 2012 the Charity Tax Group confirmed its view that a grant made to a charity is not a business transaction if the body making the grant does not receive any benefit of value in direct exchange for the grant and the charity does not give a third party any benefit of value in due of exchange for the grant.
- 3.4. As such whilst the funding party may call the funding a grant, unless it is provided without any expectation of services in return it may still be seen as consideration for a supply for VAT purposes. That said simply imposing conditions or good housekeeping clauses to make sure the funding is being used for the intended purposes does not turn a grant into payment for a supply.
- 3.5. Clearly it will depend on what comprises a grant for the funders (in the context of the grant vs. procurement rules) and the conditions/ requirements for benefit that can be attached before the grant becomes subject to the procurement rules but in the case at hand if it were possible to create a direct link between the funding and the services provided these it would significantly reduce the costs.
- 3.6. Even if it isn't possible to restructure the start-up grants, consideration should be given to the arrangements with other Local Authorities with a view to improving the business/ non business ratio of income.

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November 2012

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

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NEW NAME –

Community Response & Equipment Services

Business Plan

Non – Confidential Version

March 2013

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1. Executive Summary

This Business Plan has been prepared to obtain approval from the City of York Council (CYC) Cabinet for the Community Equipment Loan and Telecare Service (CELTAS) to 'spin-out' and become an independent social enterprise, in the form of a Community Interest Company (Company Limited by Guarantee). It covers:

- Our vision;
- An analysis of the market place we will operate within;
- An explanation of the range of services we will offer;
- A description of our legal form and our governance arrangements;
- An overview of the infrastructure needed to underpin our business;
- Our financial forecasts demonstrating the viability of our business; and
- An implementation plan outlining how we will establish the new organisation.

Our business plan sets out our ambition to build on the established track record of our staff and their outstanding skills and expertise to deliver high quality, professionally delivered Community Equipment Loan and Telecare Services and represents the navigation document for our formation and early period of operation. The name of our new social enterprise will be **NEW NAME**.

1.1 Drivers for change

The economic downturn in 2008, signalled a new era of austerity for the public sector. Pressure to cut public spending is leading to difficult choices within local government. Rather than eroding the CELTAS services over time to help meet these budget pressures, CYC has taken the positive decision to enable staff to take ownership of these valued services as members of a Community Interest Company (CIC) form of a social enterprise, ensuring future supply and enabling the services to develop as a separate legal body.

As a result of the reduction in funding for the public sector the council needs to become even more efficient and reduce its spend. It is believed that the social enterprise will help meet both aims: modernisation and the reduction of costs. The team believe that developing as a social enterprise will help the service, which is highly valued by the people who use it, to survive and develop in a competitive market.

Another major change impacting upon social care services is "personalisation". The relationship between customers and providers will become more direct, and there will be far more competition between providers. City of York Council's services will need to change, to become more competitive and to keep up with these developments, if they are to survive and thrive.

1.2 Vision for the future

NEW NAME being an independent social enterprise will provide a unique service for both statutory agencies and the general public through the provision of Community Equipment Loan and Telecare Services.

NEW NAME will be the answer to the increasing demand for community response and equipment services. The public want easy access to the services, and for self-funded customers at a cost they can afford. Statutory agencies want (1) access to services and equipment in a timely manner that is responsive to their service user's clinical/social needs and (2) to work as part of the integrated pathway of care providing expert support and advice.

The purpose of **NEW NAME** is to be the organisation of choice that works in partnership with their customers to best understand their needs through the provision of a community response service, equipment and expert advice and support to assist people to live their chosen lifestyle. We will raise awareness and increase access of our services and equipment to the local community (both statutory service users and the general public) by sharing our specialist knowledge with health and social care professionals and the public, and offer a wide range of services and products so that individuals have access to services/products and the knowledge to assist others and/or help themselves when faced with an environmental challenge or functional limitation that impacts on their lifestyle.

We believe that CELTAS services are best delivered through a social enterprise as it will:

- Make the services more flexible and responsive to client needs;
- Enable new business opportunities to be realised to help secure financial efficiency and sustainability;
- Encourage staff working within the new organisation to be more motivated and driven to work harder, smarter and more consistently as they have greater ownership of and involvement with the business; and
- Ensure the service is as good as it can be by re-investing its financial surplus in the organisation to fund development of the service, technology and workforce.

Our vision describes our ambition and what it is we hope to achieve:

We will create a high quality, comprehensive and sustainable telecare and equipment service that redefines care delivery, and helps people manage their lives and stay independent in their own homes through life enhancing equipment solutions.

Our mission sets out how we will achieve this vision. We will achieve our vision by:

- Supporting social, health and well-being by offering advice, signposting and a wide range of solutions to our customers;
- Working with partner organisations across all sectors to prevent hospital admissions and prolonging, wherever possible, a quality of life at home;
- Providing support and reassurance for both formal and informal carers; and
- Being committed to equality and fairness.

1.3 Differentiators

Being a social enterprise is important for the branding of the new enterprise. It will set the new enterprise apart from the competition and provide commissioners and users with assurance about the motives and focus of the service. Our key differentiators/selling propositions for service include:

- Unique combination/range of services provided – we would be able to provide more customers with a range of equipment solutions to meet their needs. This would ensure the customer receives a 'one-stop' shop approach allowing them to have access to a wider range of options. This single access point will benefit many customers and where possible we would also signpost to other services that may be of benefit to them.
- Fully managed service provision to stakeholders (assessment, delivery, installations, monitoring, response and review). This permits any future partnerships to benefit from the fact that our service contains everything that can support a single provider option.
- Social Values of the organisation (local employment, greater, more creative and wider use of new technology, local employment, giving back to local communities – trips or social events)
- We will work as part of an integrated care pathway supporting delivery of health and social care packages.
- We will be a not-for-profit-distribution social enterprise and therefore will not have shareholders to make profits for, instead we will re-invest our profits back in to the organisation to meet our strategic and social objectives.
- The staff within NEW NAME will work closely with health & social care practitioners to find the right solution carrying out joint visits when needed.
- We work closely with clinicians to ensure the most appropriate equipment is prescribed to meet their client's needs.
- We have a detailed and wide knowledge of all the equipment that we issue/use.

1.4 Service Delivery

In designing the social enterprise, we have been acutely aware of the competing tensions between the need to realise efficiencies through standardisation and scale and the need for locally delivered, flexible, responsive services that meet the needs of customers within York (and beyond). To ensure our long term viability we need to grow our business but we must not forget our roots or our primary customer base in York. Accordingly we will pursue a two-pronged development strategy: enhancing and broadening our range of services for existing customers whilst also extending our reach into new geographical areas.

Developing the social enterprise provides us with a great opportunity to transform the way we deliver some of our important services. Our staff, customers and other key stakeholders will have greater opportunity to shape the way our services are delivered than ever before. It is envisaged that customers will have an on-going role in the development of services through feedback and quality assurance mechanisms.

The services that will be provided initially are:

- Warden Call/Telecare;
- Community Equipment Loans.

The services that will be provided in the future (and the year they will commence) are:

- Lone worker monitoring (year 1)
- Tele-Consultancy and Marketing (year 1)
- Telehealth (year 1)
- Retail – online/outlet (year 2)

1.5 Organisational form, ownership and governance

Our recommendation is that **NEW NAME** is established as a Community Interest Company (CIC), in the form of a Company Limited by Guarantee. As a CIC we would have the flexibility to offer staff ownership in the form of membership of the enterprise. This would be difficult if not impossible as a charity as Trustees of charities must be unpaid. The Community Interest Company form also provides a degree of regulation and an asset lock. The asset lock ensures that assets are only ever used to deliver our business/social objectives.

NEW NAME will have a governance structure that is proportionate and appropriate to the scale of the organisation. We propose two forms of membership of the new enterprise. Staff would be “Staff Members” with the power to nominate and elect a “Staff Director” from their group to take a position on the Board of the new enterprise. There will be five “Members” who will be responsible for the strategic management of the business and will hold the statutory responsibilities of Company Directors under Company Law. Alongside the “Staff Director”, will be the Chief Executive Officer and three Non-Executive Directors. We propose that the City of York Council in the first instance appoints the Chief Executive Officer (with future performance management, removal and appointment of this position then becoming the responsibility of the Board). The Local Authority will retain the power to appoint one Non-Executive to the Board, thereby having direct influence on the new organisation but avoiding the need to consolidate accounts or take on any future liabilities of the enterprise – the Local Authority would effectively retain 20% ownership through the Non-Executive Director.

The Board will delegate the day to day running of **NEW NAME** to a Management Team which besides the CEO will include the Head of Operations and Head of Finance. **(Note: The Head of Finance is a function and not a separate post)**. The management team will report performance to the Board on a regular basis, possibly every 2 months initially.

In addition to the governance structure proposed above, one or more Advisory Committees will be established to enable different key stakeholders/stakeholder groups, including users, to be involved and have their input to the new organisation. Whilst these committees would not have any formal decision making abilities, we anticipate that any key outcomes/requests/etc. from these meetings would be tabled at the Management Team meeting, and latterly the Board meeting.

As well as user representation on one or more Advisory Committees, a user could also be appointed as a Non-Executive Director provided that they have the appropriate skills and experience.

Finally, we propose that the above governance structure is established and run in shadow form (pending the decision of the Cabinet to proceed) in March 2013 up until go-live in October 2013.

1.6 Our staff and leadership

Our people are our biggest asset and we recognise the need for strong and visible leadership and the need to form a management team with the appropriate blend of capabilities.

Our Board of Directors and Management Team would be in place by October 2013, having run in shadow form for at least six months (pending the decision of the Cabinet in March 2013). Specific individuals for each position are yet to be identified, apart from the Chief Executive Officer. We propose that the Chief Executive Officer of the new organisation is Heather Barden, the current service manager for CELTAS.

Whilst running in shadow form we will seek to strengthen and develop the skills and expertise of the Management Team (and Board) through specific training courses (possibly via CYC's Corporate Training and/or York CVS) and mentoring from external specialists/existing successful social entrepreneurs. This period will also enable any issues to be identified and rectified before the new organisation is formally awarded the CELTAS contract.

1.7 Resources

The new organisation will need to use existing resources (or equivalent levels of) both initially and in the future. These resources include staff, premises and assets.

NEW NAME will be based in the current CELS building. Further detailed work is required to plan the reconfiguration of the building, and agreement from the landlord is currently being sought. We have assumed that the relocation of staff to the CELS building will take place by April '13 as this is a requirement of the current Warden Call/Telecare and CELS service review process (and is not related to the proposed spin-out);

We propose that assets will be transferred to **NEW NAME** at market value (given the relatively low value of the equipment and also that no buildings or land is being transferred), else they will be leased at a 'peppercorn rent' rate.

If the latter approach is used (which is the default method that has been used by groups spinning-out under 'Right to Provide') the responsibility for the maintenance and replacement of assets would lie with the new organisation (or if CYC prefers the responsibility could remain with CYC). This avoids the issue of state aid¹ as these assets would be made available to the successful bidder as part of the contractual terms, rather than specifically to **NEW NAME**.

To ensure the smooth transition from the council, it has been assumed that support functions (such as HR/payroll, Finance, Legal and ICT) will initially be purchased from CYC (and will continue to be delivered by CYC providing that charges are competitive).

1.8 Sustainability

We will establish a sustainable organisation that our customers want to buy from and of which staff are proud to be a part. We will explore further opportunities to grow our customer base beyond York without compromising the delivery of services to our core customer base.

We believe that "one size does not fit all" and therefore we will seek to work with our customers and deliver services with them and for them, not to them. We will differentiate our services to meet their needs by involving stakeholders in an Advisory Committee to review operational performance and consult on key business development matters.

1.9 Financial Viability

NEW NAME is being established against a challenging financial backdrop. Specifically, the eroding of the CELTAS budget over time to help meet these budget pressures faced by CYC.

With support from external independent advisors we have undertaken a detailed analysis of future financial projections for **NEW NAME** and conclude that it does represent a financially viable business opportunity. (A full list of the planning assumptions used to develop these projections can be found in Sections 2.2 and 11.2).

¹ The total de minimis aid provided to any undertaking must not exceed 200,000 Euros over any period of three fiscal years.

The summary five year forecast Income & Expenditure and Cashflow statements, and monthly Cashflow statement for year one, for the future social enterprise are set out below with further commentary following each table.

Income and Expenditure – 5 Year Summary (Simplified statement)

Income	2013/14	2014/15	2015/16	2016/17	2017/18
Telecare, Wardencall, CELS	£2,342,512	£2,324,993	£2,305,153	£2,285,310	£2,270,856
New Services (Loneworker, Telehealth, Tele-Consultancy, Retail)	£187,878	£314,476	£385,231	£456,711	£499,818
Total Income	£2,530,389	£2,639,469	£2,690,384	£2,742,021	£2,770,674
Expenditure					
Direct Costs:					
Telecare, Wardencall, CELS	(£1,627,549)	(£1,667,685)	(£1,683,044)	(£1,695,634)	(£1,710,250)
New Services	(£156,400)	(£236,656)	(£300,084)	(£344,194)	(£362,989)
Total Direct Costs	(£1,783,949)	(£1,904,341)	(£1,983,128)	(£2,039,827)	(£2,073,239)
Indirect Costs:					
Telecare, Wardencall, CELS	(£424,600)	(£425,518)	(£428,193)	(£427,422)	(£428,410)
New Services	(£5,650)	(£18,125)	(£46,156)	(£46,194)	(£46,265)
Back Office and One-off Costs	(£220,506)	(£127,453)	(£117,827)	(£120,772)	(£123,792)
Total Indirect Costs	(£650,756)	(£571,095)	(£592,176)	(£594,388)	(£598,467)
Depreciation	(£100,040)	(£102,340)	(£102,340)	(£102,740)	(£102,740)
Tax	-	(£12,338)	(£2,548)	(£1,013)	-
Gross profit	£746,440	£735,128	£707,255	£702,193	£697,435
EBITDA / Operating Profit	£95,684	£151,694	£112,532	£106,792	£98,968
Net profit (after tax and depreciation)	-£4,356	£49,354	£10,192	£4,052	-£3,772
Gross profit margin	29.5%	27.9%	26.3%	25.6%	25.2%
EBITDA / Operating Profit margin	3.8%	5.7%	4.2%	3.9%	3.6%
Net profit margin	-0.2%	2.3%	0.5%	0.2%	-0.1%

The table above shows the forecast five year Income & Expenditure statement for the NEW NAME. It can be seen that the business broadly breaks-even in years one and five with modest net profit figures in the intervening years. It should be noted that, due to the asset intensive nature of the business, the net profit is diminished by the considerable depreciation charge. On this basis, we would draw attention to the EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation; equivalent to 'operating profit') figures, highlighted in green which represents a better basis on which to assess financial viability (further emphasised by the cashflow analysis below).

The EBITDA shows strong earnings in each of the years covered by the model. The slight drop off from year 2 to 5 is due to the fixed parent contribution for funded customers and the built in cost savings. N.B. there is an expectation that once the volumes pass a to-be-agreed threshold the contract value will be re-negotiated to reflect the new volumes. (Funded customer volumes are expected to grow between 3-5% year-on-year).

Cashflow – 5 Year Summary (Simplified statement)

	5 Year Summary				
	2013/14	2014/15	2015/16	2016/17	2017/18
Balance b/f	-	£88,997	£241,079	£333,758	£425,575
Total cash in	£2,526,939	£2,638,579	£2,689,454	£2,741,051	£2,769,664
Total cash out	(£2,437,942)	(£2,486,497)	(£2,596,775)	(£2,649,233)	(£2,681,274)
Balance c/f	£88,997	£241,079	£333,758	£425,575	£513,965

The table above shows the summary Cashflow statement for the first five years. The important point to note is that the forecast shows the service being in a cash surplus throughout each of the first five years, removing the need for any capital injection or bridging loan (that would often be required by a new business).

Cashflow – Year 1 Detail (Simplified statement)

	Year 1 Detail											
	Qtr 1			Qtr 2			Qtr 3			Qtr 4		
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept
Balance b/f	-	£305,541	£152,661	(£219)	£326,654	£175,499	£26,070	£354,668	£205,238	£55,808	£384,406	£236,702
Total cash in	£567,189	£28,392	£28,392	£568,914	£30,117	£31,842	£570,639	£31,842	£31,842	£570,639	£33,567	£33,567
Total cash out	(£261,648)	(£181,272)	(£181,272)	(£242,041)	(£181,272)	(£181,272)	(£242,041)	(£181,272)	(£181,272)	(£242,041)	(£181,272)	(£181,272)
Balance c/f	£305,541	£152,661	(£219)	£326,654	£175,499	£26,070	£354,668	£205,238	£55,808	£384,406	£236,702	£88,997

The year one cash flow statement indicates that there may be a small cash deficit (c.£200) in month 3 of year one. This is due to our assumption that the parent bodies are made quarterly in advance. A deficit of this level would be very manageable, particularly as the remaining months indicate a growing and healthy surplus, but it may be prudent to have an arranged overdraft facility in place.

Our projections demonstrate that this does represent a financially viable business opportunity. In the medium to long term we will develop our services to offer a selection of tailor-made services to both statutory agencies and the general public. We will also develop the appropriate charging models to ensure the organisation is able to grow and have long term sustainability.

We believe that this plan is achievable and represents significant short-term financial benefits for CYC whilst ensuring the longer term survival, development and growth of our services which are so important for our customers in York. We are confident that this is achievable because:

- Existing service teams have established a good reputation for high quality service delivery.
- There is significant opportunity to develop services in tangential markets with modest additional investment.
- The sole focus of the enterprise is on delivery services that enable and support independent living – less distraction for management team.
- The management team are driven and committed – support by appropriately qualified and experienced Board members.
- Managed transition from CYC – run in “Shadow form” for initial period prior to transition.
- Financial projections are balanced (and not unduly optimistic).

However we recognise that realising this plan will be challenging and accordingly it will be important to establish **NEW NAME** with the right leadership and culture and manage the transition from CYC as professionally and effectively as possible.

Parent Body Commitments

An implicit part of the creation of an independent organisation (and indeed the status quo with the creation of most public service mutuals) is for the Parent Body (CYC) to make a financial contribution to the nascent organisation during the early years of operation. This reflects the fact that the new organisation will continue to provide a public service and also to allow the organisation to build solid foundations as an independent commercial enterprise.

An important part of the financial viability note is to quantify the contribution required / requested from CYC, detailed below:

		2013/14	2014/15	2015/16	2016/17	2017/18
Wardencall / Telecare:	CYC Contract *	£710,209	£670,499	£625,149	£575,149	£525,149
	Capital Grant	£250,000	£250,000	£250,000	£250,000	£250,000
	Supporting People	£312,000	£312,000	£312,000	£312,000	£312,000
CELS:	CYC Contract **	£405,040	£405,790	£405,790	£405,790	£405,790
Total		£1,677,249	£1,638,289	£1,592,939	£1,542,939	£1,492,939

* the Wardencall / Telecare CYC contract is made up of the current 5 year budget (including pay increments), plus half of Heather Barden's budgeted salary.

** the CELS CYC contract equates to the current 5 year budget.

The CYC financial commitments are included in the summary I&E figures above within the income figures for each service but have been presented separately here for the purposes of clarity

1.10 Implementation

To maximise the 'early mover' advantage that we currently enjoy we would like to establish **NEW NAME** by January/April 2014, running in shadow form from May/June 2013.

2. Introduction

2.1 Context and drivers for change

CYC CELTAS provides a 24 hour monitoring and response service to approximately 3,000 customers in York. The telecare service has over 1,600 customers who have at least one piece of telecare equipment installed.

In 2004/5, the Community Equipment Loan store provided 19,000 pieces of equipment which has seen a year on year increase to 46,046 being provided in 2011/12, this includes health and social care products. This represents a 142% increase over this period.

CELTAS's services are available to vulnerable adults of any age who would like to feel safer, more protected and independent in their own home. The system also provides numerous benefits for:

- Older, infirm or disabled people;
- Individuals who have been discharged from hospital and require additional support and assistance at home;
- Those living in high crime areas;
- Vulnerable people of any age living alone; and
- People with sensory impairments.

The key drivers for considering the transfer of the services to a social enterprise model are:

- There is a major change impacting upon social care services as a result of "personalisation". The relationship between customers and providers will become more direct, and there will be far more competition between providers. CYC's services will need to change, to become more competitive and to keep up with these developments, if they are to survive and thrive;
- There is a reduction in funding for the public sector, and as a result the council needs to become even more efficient and reduce it's spend. It is believed that the social enterprise will help meet both aims: modernisation and the reduction of costs. The team believe that developing as a social enterprise will help the service, which is highly valued by the people who use it, to survive and develop in a competitive market; and
- To mitigate potential risks of the service being outsourced. With our costs increasing year-on-year we are seeking to take a positive step to keep the whole of this service in our control as we recognise the value to York of the keeping whole service together.

When established and working outside of local government control the **NEW NAME** expects to be:

- More flexible and responsive to client needs;
- Able to realise new business opportunities to help secure financial efficiency and sustainability;

- More motivated and driven to work harder, smarter and more consistently as they have greater ownership of and involvement with the business;
- Able to invest financial surplus back into the organisation to fund development of the service, technology and workforce to ensure the service is as good as it can be; and
- Able to market services to a wider audience which will raise public awareness and understanding of how equipment and technology can support independence.

2.2 Planning Assumptions

With support from external independent advisors we have undertaken a detailed analysis of future financial projections for **NEW NAME** and conclude that it does represent a financially viable business opportunity. However, the financial viability of **NEW NAME** depends on:

- Current services being delivered from the start of Year 1 onwards (to City of York Council, Harrogate and District NHS Foundation Trust, Vale of York CCG and North Yorkshire County Council), with three of the future services (Telehealth, Tele-consulting and Lone Worker Monitoring) commencing at staggered points throughout Year 1, and the remaining future service, retail outlet/online commencing from Year 2 onwards;
- **NEW NAME** will be awarded the current contracts via an uncontested route – this was discussed and agreed in a meeting with Graham Terry, Glen McCusker, Mark Stower and Oliver Cappleman (Mutual Ventures) on 23rd November 2012;
- Growing income sufficiently to offset the recurring efficiency savings (£50k/annum from Year 2 onwards; equates to a total saving of £200k over the 5 year period) required by CYC;
- The PCT health gain money (to pay for telecare technicians) of £75k/annum will continue beyond 2014/15, or equivalent funding will be provided by CYC;
- Making year-on-year efficiency savings to offset annual real terms reductions in funding from CYC (i.e. c. £303k to cover the additional cost of inflation over the 5 year period - which has not been included in the contract value);
- The proposed 2 (or 3) tiered charging model has not been used for the financial projections and as such private customers of Warden Call/Telecare services will continue to pay the current rate to use the service;
- The CYC contract value for funded customers is fixed, requiring the additional costs of a growing customer base to be absorbed by **NEW NAME**, but there is an expectation that once the volumes pass a *to-be-agreed* threshold the contract value will be re-negotiated to reflect the new volumes. (Funded customer volumes are expected to grow between 3-5% year-on-year);
- The current CELS income (from a variety of sources) remaining the same over the 5 year duration;
- Capital budget (£250k/annum) continues and is spent in full each year (covering replenishment also);
- The new organisation will seek to recruit at (or above) the living wage threshold;
- Payment terms of contracts will remain the same, and specifically for CYC contracts will be quarterly in advance, otherwise a bridging loan will be required during the start-up phase of the new organisation. (See section 11 for full details of payment terms assumptions);
- Assets will be transferred to **NEW NAME** at market value (given the relatively low value of the equipment and also that no buildings or land is being transferred), else they will be leased at a 'peppercorn rent' rate. If the latter approach is used (which is the default method that has been used by groups spinning-out under 'Right to Provide') the responsibility for the maintenance and replacement of assets would lie with the new organisation (or if CYC prefers the responsibility could remain with CYC). This avoids the issue of state aid ²as these assets would be made available to the successful bidder as part of the contractual terms, rather than specifically to **NEW NAME**; and
- CYC will act as guarantor/underwrite all/some of the Redundancy and Pension Liabilities. (Note: The specific value of these liability amounts will be calculated during the implementation phase).

Additionally, below are the key assumptions that have been used to develop the financial projections:

² The total de minimis aid provided to any undertaking must not exceed 200,000 Euros over any period of three fiscal years.

- The new enterprise will be based in the current CELS building. Further detailed work is required to plan the reconfiguration of the building, and agreement from the landlord is currently being sought. We have assumed that the relocation of staff to the CELS building will take place by April '13 as this is a requirement of the current Warden Call/Telecare and CELS service review process (and is not related to the proposed spin-out);
- Back-office support functions (such as HR/payroll, Finance, Legal and ICT) will initially be purchased from CYC (and will continue to be delivered by CYC providing that charges are competitive);
- All applicable staff will be able to stay in the Local Government Pension Scheme; and
- An additional warden will be required for every 200 additional customers.

The full list of assumptions used in developing the financial projections are shown in Section 11.2.

3. Introduction

3.1 Context and drivers for change

CYC CELTAS provides a 24 hour monitoring and response service to approximately 3,000 customers in York. The telecare service has over 1,600 customers who have at least one piece of telecare equipment installed.

In 2004/5, the Community Equipment Loan store provided 19,000 pieces of equipment which has seen a year on year increase to 46,046 being provided in 2011/12, this includes health and social care products. This represents a 142% increase over this period.

CELTAS's services are available to vulnerable adults of any age who would like to feel safer, more protected and independent in their own home. The system also provides numerous benefits for:

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- Vulnerable people of any age living alone; and
- People with sensory impairments.

The key drivers for considering the transfer of the services to a social enterprise model are:

- There is a major change impacting upon social care services as a result of "personalisation". The relationship between customers and providers will become more direct, and there will be far more competition between providers. CYC's services will need to change, to become more competitive and to keep up with these developments, if they are to survive and thrive;
- There is a reduction in funding for the public sector, and as a result the council needs to become even more efficient and reduce it's spend. It is believed that the social enterprise will help meet both aims: modernisation and the reduction of costs. The team believe that developing as a social enterprise will help the service, which is highly valued by the people who use it, to survive and develop in a competitive market; and
- To mitigate potential risks of the service being outsourced. With our costs increasing year-on-year we are seeking to take a positive step to keep the whole of this service in our control as we recognise the value to York of the keeping whole service together.

When established and working outside of local government control the **NEW NAME** expects to be:

- More flexible and responsive to client needs;
- Able to realise new business opportunities to help secure financial efficiency and sustainability;
- More motivated and driven to work harder, smarter and more consistently as they have greater ownership of and involvement with the business;
- Able to invest financial surplus back into the organisation to fund development of the service, technology and workforce to ensure the service is as good as it can be; and
- Able to market services to a wider audience which will raise public awareness and understanding of how equipment and technology can support independence.

3.2 Planning Assumptions

With support from external independent advisors we have undertaken a detailed analysis of future financial projections for **NEW NAME** and conclude that it does represent a financially viable business opportunity. However, the financial viability of **NEW NAME** depends on:

- Current services being delivered from the start of Year 1 onwards (to City of York Council, Harrogate and District NHS Foundation Trust, Vale of York CCG and North Yorkshire County Council), with three of the future services (Telehealth, Tele-consulting and Lone Worker Monitoring) commencing at staggered points throughout Year 1, and the remaining future service, retail outlet/online commencing from Year 2 onwards;
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- The PCT health gain money (to pay for telecare technicians) of £75k/annum will continue beyond 2014/15, or equivalent funding will be provided by CYC;
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- The proposed 2 (or 3) tiered charging model has not been used for the financial projections and as such private customers of Warden Call/Telecare services will continue to pay the current rate to use the service;
- The CYC contract value for funded customers is fixed, requiring the additional costs of a growing customer base to be absorbed by **NEW NAME**, but there is an expectation that once the volumes pass a *to-be-agreed* threshold the contract value will be re-negotiated to reflect the new volumes. (Funded customer volumes are expected to grow between 3-5% year-on-year);
- The current CELS income (from a variety of sources) remaining the same over the 5 year duration;
- Capital budget (£250k/annum) continues and is spent in full each year (covering replenishment also);
- The new organisation will seek to recruit at (or above) the living wage threshold;
- Payment terms of contracts will remain the same, and specifically for CYC contracts will be quarterly in advance, otherwise a bridging loan will be required during the start-up phase of the new organisation. (See section 11 for full details of payment terms assumptions);
- Assets will be transferred to **NEW NAME** at market value (given the relatively low value of the equipment and also that no buildings or land is being transferred), else they will be leased at a 'peppercorn rent' rate. If the latter approach is used (which is the default method that has been used by groups spinning-out under 'Right to Provide') the responsibility for the maintenance and replacement of assets would lie with the new organisation (or if CYC prefers the responsibility could remain with CYC). This avoids the issue of state aid³ as these assets would be made available to the successful bidder as part of the contractual terms, rather than specifically to **NEW NAME**; and
- CYC will act as guarantor/underwrite all/some of the Redundancy and Pension Liabilities. (Note: The specific value of these liability amounts will be calculated during the implementation phase).

Additionally, below are the key assumptions that have been used to develop the financial projections:

- The new enterprise will be based in the current CELS building. Further detailed work is required to plan the reconfiguration of the building, and agreement from the landlord is currently being sought. We have assumed that the relocation of staff to the CELS building will take place by April '13 as this is a requirement of the current Warden Call/Telecare and CELS service review process (and is not related to the proposed spin-out);

³ The total de minimis aid provided to any undertaking must not exceed 200,000 Euros over any period of three fiscal years.

- Back-office support functions (such as HR/payroll, Finance, Legal and ICT) will initially be purchased from CYC (and will continue to be delivered by CYC providing that charges are competitive);
- All applicable staff will be able to stay in the Local Government Pension Scheme; and
- An additional warden will be required for every 200 additional customers.

The full list of assumptions used in developing the financial projections are shown in Section 11.2.

4. Vision and Purpose

4.1 Vision

Our vision describes our ambition and what it is we hope to achieve:

We will create a high quality, comprehensive and sustainable telecare and equipment service that redefines care delivery, and helps people manage their lives and stay independent in their own homes through life enhancing equipment solutions.

4.2 Mission

Our mission sets out how we will achieve this vision. We will achieve our vision by:

- Supporting social, health and well-being by offering advice, signposting and a wide range of solutions to our customers;
- Working with partner organisations across all sectors to prevent hospital admissions and prolonging, wherever possible, a quality of life at home;
- Providing support and reassurance for both formal and informal carers; and
- Being committed to equality and fairness.

4.3 Values

Our customers are at the centre of everything we do; we know that every customer is unique and we will treat them that way. Our values will be at the heart of the organisation and will create our culture and influence the way our organisation and its members conduct themselves:

- **COMMITMENT** - We pride ourselves on our commitment to maintaining the public trust and respect through a commitment to the highest standards of customer service.
- **INTEGRITY** – We will be truthful, open and honest; we will maintain consistency in our actions, values and principles.
- **RESPECT** – We keep our promises. All actions are guided by absolute honesty, fairness and respect for every individual.
- **SERVICE EXCELLENCE** - We strive to be the best that we can be and to deliver excellence in everything we do.
- **PASSION** – We will use energy, dedication and commitment to make a difference by helping our customers improve their health and to change their lives for the better.
- **COMMUNITY** - We are perceived as a trusted partner and dependable community resource.
- **TEAMWORK** - Respect the value and contribution of each individual.

4.4 Initial Services

NEW NAME will be led by a staff group that has worked for a number of years within Warden Call, telecare and community equipment field. The nominated Chief executive has been managing this service for the last 5 years and has been responsible for the successful growth of the telecare service over that time.

Staff within the services work closely with both health and social care clinicians to ensure the most appropriate solution is found to meet their clients' needs or to support their intervention. For example, the provision of falls packages, which will be one of a number of possible combinations of telecare and/or other pieces of equipment. Our staff are well trained and have vast experience in the logistics of delivery equipment and also the provision of a fast, professional and effective response service.

The initial services to be offered by **NEW NAME** will be those that are currently delivered by CELTAS, and are described below. See Appendix 1 for a detailed Service Specification for each of the services.

Warden Call/Telecare

To provide a social alarm monitoring and response service 24hrs a day, 7 days a week to support vulnerable customers. We will continue to offer a tiered pricing model for the service (that we have assumed will be implemented in early 2013, i.e. prior to spinning-out) to ensure we are providing customers with the level of service they require. We will provide a range of telecare packages which can be for a specific purpose or to provide peace of mind for the customer and or their family or carer. We would work to support timely hospital discharges and prevent hospital admission where possible.

Community Equipment Loan

To provide Health & Social aids to customers and their carers to enable people to recover from surgery, daily living aids to enable the elderly to stay living independently in their homes, to provide equipment to assist with disablement, and to provide equipment to palliative patients to ease end of life.

We will closely monitor stock levels to ensure that equipment is delivered to customers within the agreed timescales. The organisation will maintain the training and assessment of its drivers to ensure they remain capable to fit certain pieces of equipment to enhance the customer experience.

5. Organisational Form

NEW NAME will be a social enterprise. The objects of the business will be community focused and any surpluses will be reinvested into the service to improve the range and quality of services we offer and enhance value for money for customers.

There are a variety of potential legal forms we could adopt to fulfill the requirement of being a social enterprise; however there are numerous inter-related matters to consider when selecting the most appropriate legal form. For example:

- **Function** – The services we deliver, the way we deliver them and the way users use our services can all influence the selection of legal form;
- **Pensions** – We are currently exploring whether the new enterprise can be an admitted body with the Local Government Pension Scheme (LGPS). We may need to adopt particular legal form to satisfy the criteria for admitted body status;
- **Tax efficiency** – Some company forms are able to apply for charitable status and benefit from tax breaks. We need to consider whether the benefits of these tax breaks outweigh the additional constraints, administrative and regulatory burdens associated with being a charity;
- **Ownership** – Preferences or requirements regarding ownership are important for selecting appropriate legal form;
- **Financing** – Some legal forms are easier to invest in and/or take a return from. For example if we needed significant external investment we would probably need to consider a form that allowed us to pay a dividend/interest;
- **Regulation** – If we felt that our enterprise needed to be regulated in some way that might lead us to select a legal form that was monitored in some way by an external regulator (e.g. Community Interest Company Regulator); and
- **Use of Assets** – Some legal forms come with an asset lock preventing assets from being sold below market rate and/or for purposes other than delivering defined community benefits.

We have taken expert legal advice from Bates, Wells and Braithwaite (the UKs leading charity and social enterprise lawyers) on appropriate legal forms for our new enterprise⁴. They have recommended two potential options as being the most appropriate for meeting our requirements, both of which would involve constituting the new enterprise as a Company Limited by Guarantee.

A [Company Limited by Guarantee](#) is an incorporated legal form meaning that it is able to enter into contracts (including employment contracts) and own property in its own right. It has limited liability so that its members cannot be held liable for more than the nominal guarantee of £1. Members will generally not incur personal liability unless it can be shown they failed to fulfill their duties.

The first option would be to establish the enterprise as a Company Limited by Guarantee in the form of a [Community Interest Company \(CIC\)](#). A CIC is a particular type of company that uses its assets and profits for the community benefit and is regulated by both Companies House and the CIC regulator. To be registered as a CIC, a company must show that it is established in the interests of the community; and each year the directors must complete a form demonstrating how it has met the community interest. The Articles must also conform to the statutory requirements; in particular it must have an asset lock which means that the wealth of the company can never be distributed privately to individuals or for non-community interest purposes. Therefore, the assets must be used solely for the community interest or transferred to another organisation which also has an asset lock such as a charity or another CIC.

The second option is to establish the enterprise as a Company Limited by Guarantee in the form of a [Charitable Trust](#). Charity is a status that attaches to an underlying legal form rather than a legal form of itself. There are potential financial benefits associated with Charity status. The first is that any surpluses generated by the enterprise would be exempt from Corporation tax. The second is that the enterprise may be able to benefit from zero rated VAT on some of its services as a charity, meaning that the new enterprise would not be required to charge customers VAT and would be able to recover any VAT it is charged on supplies and other inputs.

Our recommendation is that the new organisation is established as a Community Interest Company (CIC), in the form of a Company Limited by Guarantee. As a CIC we would have the flexibility to offer staff ownership in the form of membership of the enterprise. This would be difficult if not impossible as a charity as Trustees of charities must be unpaid. The Community Interest Company form also provides a degree of regulation and an asset lock.

By way of comparison we also reviewed the legal form of some existing social enterprises that offer similar services to the new organisation. Sunderland Home Care Associates is a staff-owned social enterprise that (we believe) is a Co-operative Society (a form of Industrial and Provident Society). Essex Cares is a provider of social care services delivering support to thousands of people every year so that they can live active lives and remain independent at home. Essex Cares is a Local Authority Trading Company (LATC) in (we believe) the legal form of a Company Limited by Shares, with the Essex County Council being the sole shareholder. Both of these legal forms were considered by BWB and the CELTAS team but were not deemed to appropriate for our requirements. *A summary of some of the service delivery models available (including LATC) are discussed at the end of section 6.1.*

6.1 Ownership and Governance

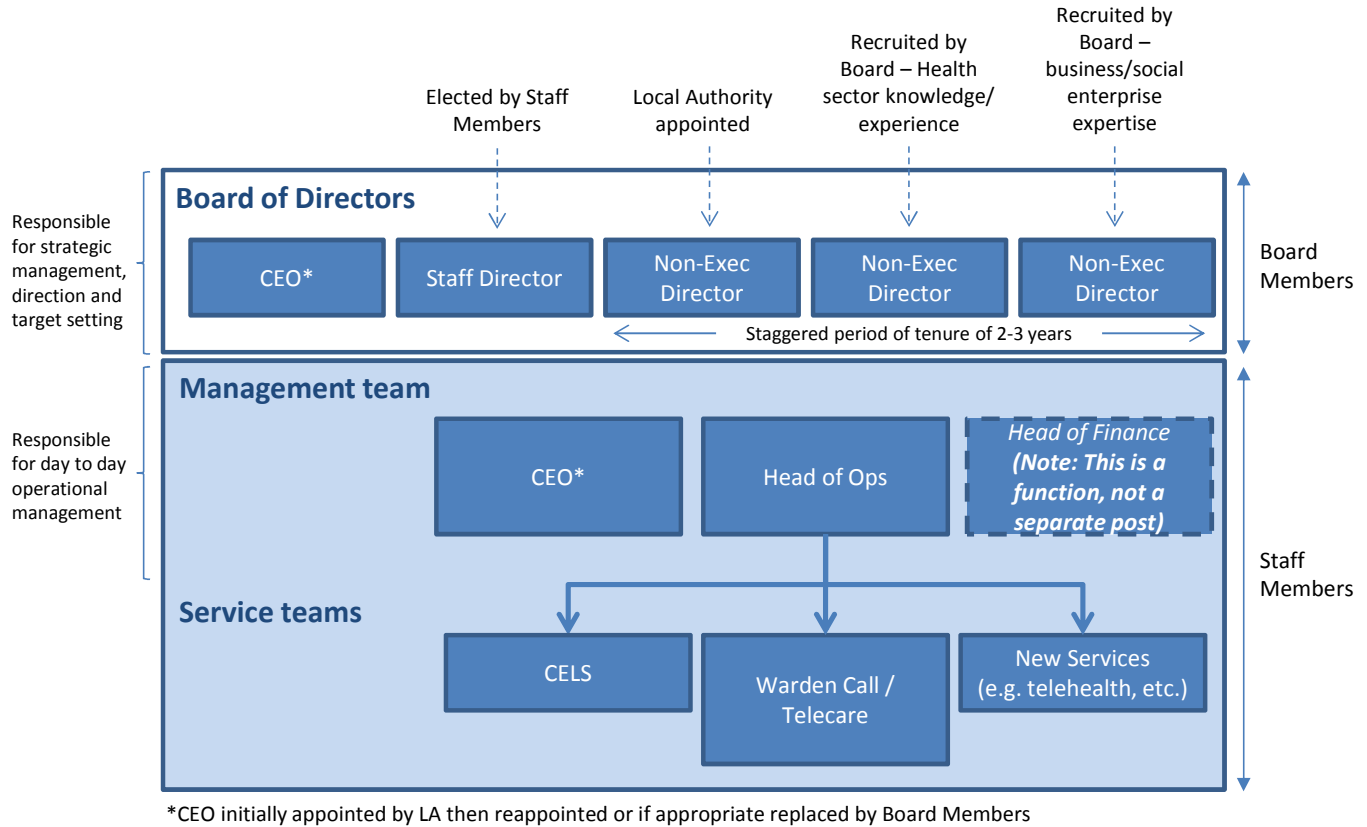
It is important to us that staff play an integral role in not only the way services are delivered but also the ethos and future direction of the enterprise. To that end we propose a structure that enables staff to own the enterprise. Evidence indicates that staff-led mutuals have significant benefits over other forms of organisation in terms of innovation, productivity, resilience and customer satisfaction⁵.

We propose two forms of membership of the new enterprise. Staff would be “Staff Members” with the power to nominate and elect a “Staff Director” from their group to take a position on the Board of the new enterprise. There will be five “Members” who will be responsible for the strategic management of the business and will hold the statutory responsibilities of Company Directors under Company Law.

⁴ Refer BWB options paper

⁵ Refer Taskforce report

Alongside the “Staff Director”, will be the Chief Executive Officer and three Non-Executive Directors. We propose the City of York Council in the first instance appoints the Chief Executive Officer (with future performance management, removal and appointment of this position then becoming the responsibility of the Board). The Local Authority will retain the power to appoint one Non-Executive to the Board, thereby influence but avoiding the need to consolidate accounts or take on any future liabilities of the enterprise – the Local Authority would effectively retain 20% ownership through the Non-Executive Director.



The Board will delegate the day to day running of **NEW NAME** to a Management Team which besides the CEO will include the Head of Operations and Head of Finance. **(Note: The Head of Finance is a function and not a separate post)**. The management team will report performance to the Board on a regular basis, possibly every 2 months initially.

In addition to the governance structure proposed above, one or more Advisory Committees will be established to enable different key stakeholders/stakeholder groups, including users, to be involved and have their input to the new organisation. Whilst these committees would not have any formal decision making abilities, we anticipate that any key outcomes/requests/etc. from these meetings would be tabled at the Management Team meeting, and latterly the Board meeting.

As well as user representation on one or more Advisory Committees, a user could also be appointed a Non-Executive Director provided that they have the appropriate skills and experience.

We propose that the above governance structure is established and run in shadow form (pending the decision of the Cabinet to proceed) in March 2013 up until go-live in October 2013. This will enable coaching and mentoring of the Management Team (and Board), as well as any issues to be identified and rectified before the new organisation is formally awarded the CELTAS contract.

Service Delivery Model Options

The options and recommendations presented above regarding the legal form and governance structure for an independent social enterprise assumes that CYC, by approving the Expression of Interest, have agreed that the preferred option for the future service delivery of CELTAS is by an independent social enterprise.

However, during the development of the Business Plan to assess the viability of 'spinning-out' the CELTAS to an independent social enterprise, CYC requested that we summarise the key differences between some of the other service delivery options, including via a Local Authority Trading Company (LATC).

Below is a summary of the main options that we believe are available to CYC/CELTAS team and the impact that each option has on the key considerations addressed during the development of the Business Plan. The 'Do Nothing' and 'CELTAS is outsourced' options have not been covered below as it is felt that these options are least in-line with the intention of the Business Plan. (Note: This summary focuses on the delivery models rather than different legal forms, as this has already been addressed in the BWB Governance and Legal Form Options Paper).

Key Considerations	Alternative Options		
	1	2	3
	CELTAS as a subsidiary organisation of CYC (i.e. LATC).	CELTAS as an independent social enterprise with part ownership by CYC.	CELTAS as an independent staff-owned social enterprise.
Ownership	100% owned by CYC (A 'call option' mechanism could be written into the Articles of Association of the new organisation enabling CELTAS staff to transfer the ownership of the organisation to themselves' at an agreed point).	20% ownership by CYC, 40% by staff and 20% by each of the two other Non-Executive Directors.	100% owned by CELTAS staff.
Asset (and Liabilities) Transfer	More straightforward than transferring assets to 100% staff owned organisation.	It is proposed that assets will be transferred to NEW NAME at market value (given the relatively low value of the equipment and also that no buildings or land is being transferred), else they will be leased at a 'peppercorn rent' rate. If the latter approach is used (which is the default method that has been used by groups spinning-out under 'Right to Provide') the responsibility for the maintenance and replacement of assets would lie with the new organisation (or if CYC prefers the responsibility could remain with CYC). This avoids the issue of state aid as these assets would be made available to the successful bidder	As per option 2.

		as part of the contractual terms, rather than specifically to NEW NAME .	
Procurement / commissioning route	Procurement exemption available for CYC contracts (using Teckal exemption) but not for non-CYC contracts.	No automatic procurement exemption for any contracts, but uncontested contract agreed for initial (current) contracts.	As per option 2.
Access to Local Government Pension Scheme	<p>If staff are TUPE'd to the new organisation, the new organisation would need to apply to North Yorkshire County Council LGPS to gain admitted body status (ABS), or possibly the comparable admitted status for community bodies (CAB) - the appropriate route for the new organisation will be decided by the LGPS.</p> <p>If staff are not transferred (and are seconded instead) they would continue to have access to the LGPS.</p>	The new organisation would need to apply to North Yorkshire County Council LGPS to gain admitted body status (ABS), or possibly the comparable admitted status for community bodies (CAB) - the appropriate route for the new organisation will be decided by the LGPS - to enable continued access to the LGPS.	As per option 2.
Mutualisation Benefits (i.e. from staff ownership)	Greater autonomy likely to drive some benefits and efficiencies, although evidence shows that this will not be as great as when organisations have a level of staff ownership.	As a 40% staff owned organisation, Mutuals Taskforce evidence would suggest that the benefits and efficiencies will be greater than an LATC but less than a 100% staff owned enterprise.	Evidence shows that the greatest benefits and efficiencies are achieved when organisations are wholly owned by the staff.
Consequences of failure (i.e. making continual losses)	CYC cover the shortfall. CYC could also decide to TUPE the staff back to CYC, however, there would be no onus on the Council to transfer staff back if services run by the new organisation proved unviable in the same way that the Council cannot continue its own services if they become unviable.	Limited liability status would protect staff/owners against liability of losses. Service would be closed or staff could be TUPE'd back to CYC/to a new provider and staff continue to run the service.	Limited liability status would protect staff/owners against liability of losses. Service would be closed or staff could be TUPE'd back to CYC/to a new provider and staff continue to run the service.
Summary &	• Similar levels of	• Similar levels of	• Similar levels of

<p>Conclusion</p>	<p>transitional activities required to establish organisation as a staff-owned social enterprise.</p> <ul style="list-style-type: none"> • 'Safety net' (CYC) if service fails/ continually operates at a loss. • Some benefit from mutualisation. • Some flexibility to grow and diversify service although decision/approval would be by CYC. <ul style="list-style-type: none"> • This option is least preferred because the LA owned company is still a centrally organised approach and so also doesn't address the business need identified. It also doesn't realise some of the potential key benefits of bringing in funding from other sources and being able to respond more quickly to commercial opportunities. 	<p>transitional activities required to establish organisation as a CYC-owned organisation.</p> <ul style="list-style-type: none"> • Through its ownership (20%) there is, to an extent, a 'safety net' if service fails/continually operates at a loss. (CYC ownership of >20% would mean that the Council would be required to consolidate the accounts of CELTAS and therefore any liabilities of the organisation would still fall to the Council should the organisation fail. • Joint ownership increases buy-in and involvement in design and delivery of services, possibly including a user as a Non-Executive Director. • Aligns with Localism Act, Open Public Services, National policy and changing delivery landscape. • High level of benefit from mutualisation. • High level of flexibility to grow and diversify service. <ul style="list-style-type: none"> • This is our preferred option as it provides the non-centralised approach required to grow the business, whilst also having direct involvement and ownership from key stakeholders, including CYC. 	<p>transitional activities required to establish organisation as a CYC-owned organisation.</p> <ul style="list-style-type: none"> • No substantial 'safety net' if service fails/ continually operates at a loss. • Aligns with Localism Act, Open Public Services, National policy and changing delivery landscape. • Greatest benefit from mutualisation. • Greatest flexibility to grow and diversify service. <ul style="list-style-type: none"> • This option provides the non-centralised approach required to grow the business and the ability to tailor the governance and management models provide some further advantages over an LATC.
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Although the LATC model may appear offer a low level of risk, it also does not address some of the key drivers for the creation of an independent social enterprise. Not least of which is the culture attached to the new organisation as an LATC - it is unlikely to feel very different and there are also concerns around the continued levels of decision making within the hierarchical structure of the Council that may prevent this new entity from achieving the flexibility it needs to become a competitive, sustainable organisation in the open market. This could impact on the ability of the organisation to make savings for the Council in the future.

6.2 Distribution of surpluses

It is our intention to reinvest any surpluses we make back into the service to offer enhanced service offerings to our customers. We do intend to enable staff to have a direct say in how a proportion of surpluses are used. Current thinking is that staff may have the opportunity to vote on a number of options for use of some surpluses (c.25%) presented to them by the Management Team.

We are currently exploring options for distribution of a share of any surpluses to CYC. Our proposed legal form would mean that it would not be possible to pay a dividend directly to CYC, however one option we are exploring is the possible payment of a share of surpluses via lease arrangements for Local Authority owned assets that are used by the enterprise.

6. The Team

7.1 Leadership

The proposed Chief Executive Officer of **NEW NAME** is Heather Barden. She has driven this idea from an initial thought through to staff consultation and a successful SEIF (Social Enterprise Investment Fund) application - which has been used to fund external expertise to support the business planning process. Heather has shown tenacity and determination to get to this point and is confident and passionate about the possibilities for this new organisation. She has also accessed a Finance course to assist her in her new role.

She will be supported by a Management Team comprising of her, a Head of Operations and a Head of Finance. ***(Note: The Head of Finance role is a function and not a separate post, and will initially be fulfilled by the Chief Executive Office with external support from our Financial Services provider).***

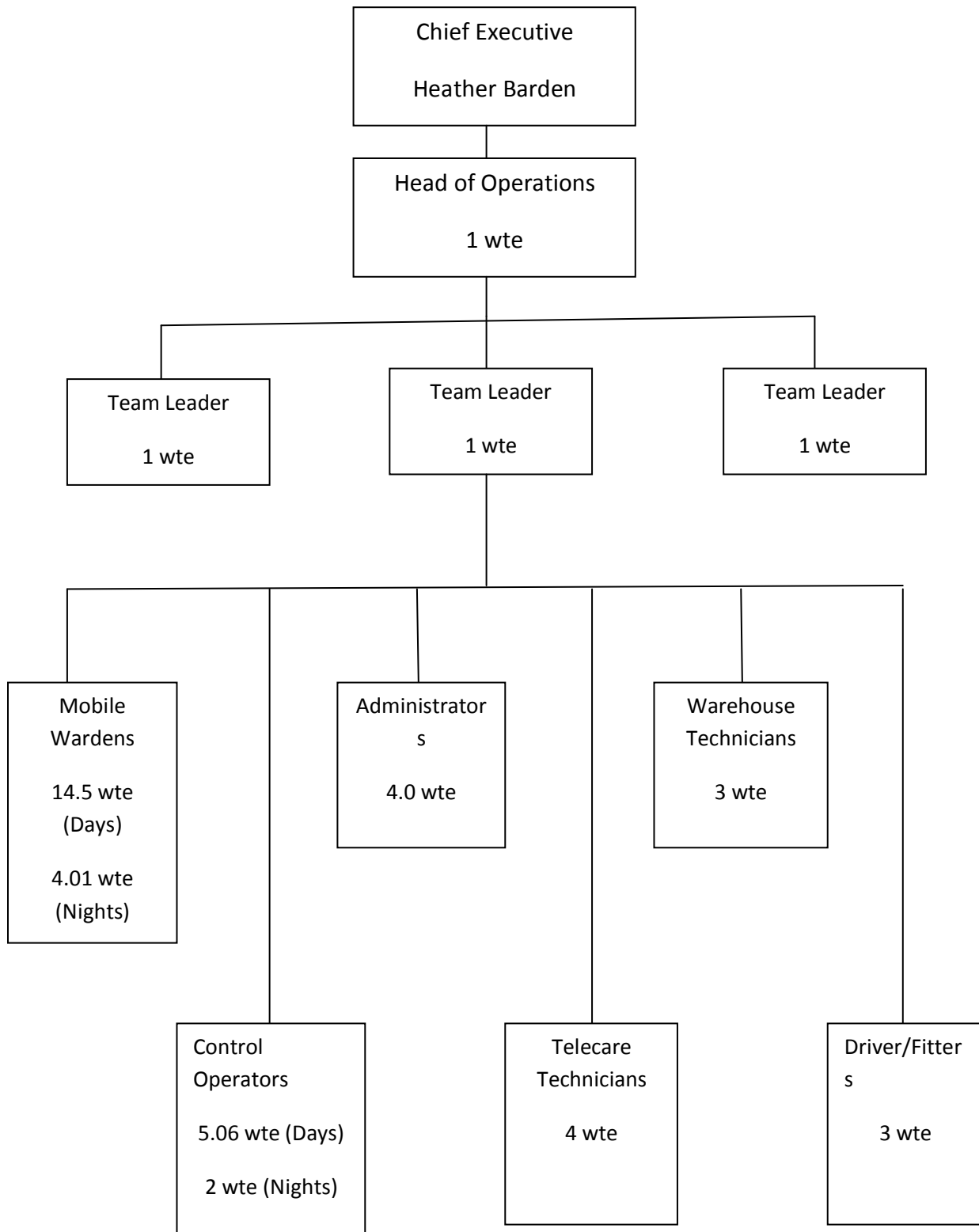
Our Board of Directors and Management Team will be in place by October 2013, having run in shadow form for at least six months (pending the decision of the Cabinet on 12th February 2013). Whilst running in shadow we will seek to strengthen the skills and expertise of the Management Team through specific training courses (possibly via CYC Corporate Training or York CVS) and mentoring from external specialists and/or existing social entrepreneurs.

The Management Team will have the ability to support staff along the transition journey from being council employees to providers of a professional service.

7.2 Team Structure

We believe that our proposed team structure, shown in the diagram below, will provide us with the capacity to consolidate business operations and expand our range of services as described in section 5.

The Team structure will inevitably change over time as the new organisation evolves to adapt to the changing market/opportunities and as it seeks to become more efficient. For the purposes of financial modelling, we have assumed that an additional warden will be required for every 200 additional customers.



7.3 Roles

The roles within the new organisation's structure are described below:

- **Chief Executive Officer** – Strategic leader of the organisation and primary tele-consultant. The CEO will also assume the Head of Finance role initially, with external support from our Financial Services provider.
- **Head of Operations (Service Lead)** – Responsible for over-seeing the day to day running of the organisation and will take a lead on managing the budgetary responsibilities.

- **Team Leader** – They will be the first line managers of the team. Staff will report directly to the team leaders and they will provide performance monitoring and quality assurance functions.
- **Mobile Wardens** – Responsible for visiting new customers and responding the emergency situations.
- **Telecare Technicians** – Responsible for the assessment and installation of all telecare equipment.
- **Control Operators** – Responsible for the 24hr monitoring of all equipment and deciding when an emergency response is required.
- **Warehouse Technicians** – They will ensure all equipment is stored appropriately and prepared for delivery and logged accordingly prior to leaving the warehouse.
- **Administrators** – Provide all reception, phone calls and administrative functions for the whole service. They will also manage the customer database and information and liaise with other departments/organisations as required.
- **Driver Fitters** – They will ensure that they take the correct equipment on rounds that are in set geographical areas, and deliver and fit pieces of equipment as required.

7.4 Capabilities

The capabilities required to perform each role within the new organisation's structure are described below:

- **Chief Executive Officer** – Providing vision, leadership and future direction for the service ensuring the culture of the organisation reflects the vision, mission and values of the organisation. Ability to produce reports, analyse financial and statistical data and to understand and influence to direction of the organisation.
- **Head of Operations (Service Lead)** – Knowledge of managing equipment and telecare services. Ability to manage budgets. Experience of managing multiple service areas and responsible for the day to day running of the organisation.
- **Team Leader** – Experience of managing absence, discipline and performance to ensure high quality is maintained. To be able to communicate directly with customers (and/or carers) sometimes in difficult or stressful circumstances.
- **Mobile Wardens** – Manual handling and first aid training and the ability to remain calm in a crisis/emergency situations. Documentation and IT skills in order to maintain customer records accurately. To be able to communicate directly with customers (and/or carers) sometimes in difficult or stressful circumstances.
- **Telecare Technicians** – Responsible knowledge and experience of fitting and assessing for telecare equipment. Ladder and asbestos training.
- **Control Operators** – Understanding of how to use the call handling system and ability to make decisions under stressful circumstances. To be able to communicate directly with customers (and/or carers) sometimes in difficult or stressful circumstances.
- **Warehouse Technicians** – Ability to work to tight deadlines and to use the stock control systems. To maintain warehouse functions in an organised and systematic manner.
- **Administrators** – To be able to use/learn a number of systems both manual and IT based in order to support the day to day functions of the organisation.

- **Driver Fitters** – To be able to drive and fit equipment (having completed the necessary competency based training). To be able to communicate directly with customers (and/or carers) sometimes in difficult or stressful circumstances.

7.5 Training and Development

Training and development will be a priority for the new organisation. It will be important that all staff are inducted into the new organisation to ensure that the values of the organisation are embedded as early as possible. A detailed training needs analysis will be completed as part of the implementation phase to enable a training programme to be developed and put in place. There will also be a focus on developing product knowledge amongst the staff and putting a system in place to keep product knowledge up to date.

An annual appraisal programme will be established using the existing Knowledge and Skills framework to ensure that staff maintain and develop their competences. This will be supported by a supervision programme that will include 1:1 and peer group supervision sessions and identified mandatory training to meet Care Quality Commission standards.

Policies will be developed in-line with the Code of Practice for Community Equipment Services (England 2011), the Care Quality Commission Standards and the Telecare Services Association accreditation standards.

We would also expect that within any contract agreed between the new organisation and CYC or NHS there would be stipulated requirements regarding staff skills and required training.

The table below indicates the mandatory training requirements that we currently access along with some additional training that we access through colleagues in the NHS – this is an informal arrangement and we feel this could be reciprocated by the new organisation in that we would provide NHS professionals telecare training at no cost.

Course Title	Mandatory / Other Training (Supplied by CYC)	Other Training (Supplied by NHS colleagues)
First Aid – 3 day	Mandatory	
Essential Care Skills- 3 day	Mandatory	
Infection Course	Mandatory	
Medication	Mandatory	
Mental Health First Aid	Mandatory	
People Handling	Mandatory	
Hoist Training	Mandatory	
Lone Working	Mandatory	
Safeguarding - Level 1 & 2	Mandatory	
Ladder & Step Ladder Training	Mandatory	
Asbestos	Mandatory	
Fire Awareness	Other	
Welfare Benefits	Other	
Food Hygiene	Other	

Contenance		Other
End of Life		Other
Epilepsy Awareness		Other
Stroke Awareness		Other
Parkinson Awareness		Other
H.I.V Awareness		Other
Diabetes Awareness		Other
Bereavement		Other

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