

MEETING	CABINET
DATE	1 NOVEMBER 2011
PRESENT	COUNCILLORS ALEXANDER (CHAIR), CRISP, FRASER (NOT PRESENT FOR AGENDA ITEMS 1 & 2 - MINUTES 54 & 56 REFER) , GUNNELL, LOOKER, MERRETT, POTTER (NOT PRESENT FOR AGENDA ITEMS 6-10; MINUTES 59-65 REFER) AND SIMPSON-LAING (VICE-CHAIR)
IN ATTENDANCE	COUNCILLORS BARNES, FITZPATRICK AND WARTERS

PART A - MATTERS DEALT WITH UNDER DELEGATED POWERS

54. DECLARATIONS OF INTEREST

Members were invited to declare at this point in the meeting any personal or prejudicial interests they might have in the business on the agenda.

The following Members each declared a personal interest in agenda item 6 (The Review of City of York Council's Elderly Persons' Homes), insofar as it related to staffing issues:

- Cllr Alexander – as a member of the GMB union
- Cllr Crisp – as a member of the retired section of Unison
- *Cllr Fraser – as a member of the retired sections of Unison and Unite (TGWU/ACTS sections)
- Cllr Simpson-Laing – as a member of Unison.

*Note: Cllr Fraser was not present for this item, but declared his interest at a later stage in the meeting.

55. MINUTES

RESOLVED: That the minutes of the Cabinet meeting held on 4 October 2011 be approved and signed by the Chair as a correct record.

56. PUBLIC PARTICIPATION / OTHER SPEAKERS

It was reported that there had been seven registrations to speak at the meeting under the Council's Public Participation Scheme and three requests to speak from councillors, all in relation to agenda item 5 (The Distribution and Condition of Houses in Multiple Occupation in York).

Mr Telfer, Chair of the Badger Hill Residents' Association, spoke in support of Option C in the report, on the grounds that it offered the most effective means of managing HMOs without undue delay and would help address the issues facing communities such as Badger Hill by bringing the planning requirements for HMOs into line with other changes of use.

Niall McTurk, of the York Residential Landlords' Association, expressed strong objections to the implementation of an Article 4 Direction, on the basis that it would not enable the Council to control the spread of HMOs but would restrict the availability of low cost accommodation, not just for students but for all lower paid residents of the City. He handed his written comments to the Chair.

Catherine Odell, a resident of Badger Hill, spoke in support of Option C, which she considered was the only way to retain a balanced, diverse and sustainable community. She noted that the University was not fulfilling its obligations under the Section 106 agreement with the Council to accommodate students on campus.

Leigh Hankinson, president of the York St John's University Students' Union, spoke in objection to the implementation of an Article 4 Direction, stating that there was no evidence that it would reduce the number of HMOs or address issues of litter, noise and parking. He expressed students' willingness to work collaboratively with the Council to find alternative solutions to these issues.

Trevor Dale, a commercial lettings agent, outlined the problems facing those on low incomes seeking rented accommodation in York, who often had no choice but to rent a room in a shared house. In view of the potential effects of an Article 4 Direction on the City's economy, he urged Members to commission a further impact analysis before reaching a decision.

Tim Ellis, of York University Students' Union, spoke of the adverse effects that an Article 4 Direction would have on students, including increased rents and a shortage of housing, and stressed the need for a joint initiative to tackle the issues raised by residents.

Johanne Spittle, of Dennison Till, Solicitors, spoke on behalf of the York Chamber of Commerce. She highlighted the importance of HMOs in providing accommodation for employees as well as students and urged Members to consider a more measured response to residents' issues, as an Article 4 Direction would exacerbate the City's housing shortage and increase commuting and congestion.

Cllr Barnes spoke as a ward member for Hull Road. He voiced the concerns expressed to him by ward residents regarding the erosion of the character of certain streets by an excess of HMOs and 'super houses' taking property out of the family housing market. He stressed the need for additional planning controls to ensure a balanced mix of housing and urged Members to support Option C.

Cllr Fitzpatrick also spoke as a ward member for Hull Road. She re-iterated the points made by Cllr Barnes, stressing the importance of this issue to local residents and the need for an Article 4 Direction as part of an overall package of measures to ensure sufficient housing stock for families.

Cllr Warters spoke as ward member for Osbaldwick, in support of Option C. He expressed the view that any policy on HMOs should restrict, and not just manage, student housing, and that the code of practice steering group should include local resident representatives.

57. 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.

58. THE DISTRIBUTION AND CONDITION OF HOUSES IN MULTIPLE OCCUPATION IN YORK

Members considered a report which outlined the challenges facing the shared housing sector in York and suggested options for addressing these issues. Specifically, it examined whether to confirm the Article 4 Direction made by Council on 15 April 2011 to remove permitted development rights for change of use from dwelling houses to houses in multiple occupation (HMOs), and advised of the measures available to improve the management and condition of HMOs, such as an accreditation scheme.

Houses in Multiple Occupation represented a significant and growing proportion of all housing sectors in York, due to expansion of the universities, current economic conditions and proposed changes to the benefit rules. The adverse effects of this increase in some parts of the City, including an increase in anti-social behaviour and crime, poorer standards of property maintenance and repair, and increased noise and littering, had been highlighted by residents and by an analysis carried out in September 2010. Existing and suggested approaches to improving the management and condition of HMOs, including the introduction of an accreditation scheme, were set out in paragraphs 10 to 22 of the report and in Annex B.

The report provided an analysis of the representations received to consultation on the Article 4 Direction and invited Members to consider the following options:

Option A – no change to current approach towards housing standards in private rented sector, and no confirmation of the Article 4 Direction.

Option B – explore approaches to improving the standard of HMOs through an accreditation scheme, but do not confirm the Article 4 Direction.

Option C – explore approaches to improving the standard of HMOs and confirm the Article 4 Direction (Annex C) covering the urban area of the City.

Option D - explore approaches to improving the standard of HMOs and amend the Article 4 Direction in the light of representations received.

Option E – no change to current approach towards housing standards in private rented sector and amend the Article 4 Direction in the light of representations received.

Having taken into account the consultation responses to the making of the Article 4 Direction and the comments made at the meeting under Public Participation / Other Speakers, it was

RESOLVED: (i) That Option C be agreed as outlined in paragraph 4 of the report; that is, to explore approaches to improving the standard of Houses in Multiple Occupation (HMOs) and confirm the Article 4 Direction at Annex C to the report, covering the urban area of the City, to take effect on 20 April 2012.^{1 & 2}

REASON: To provide a co-ordinated approach to addressing the issues of quality and local impact associated with HMOs within the urban area of York.

(ii) That Officers be instructed to continue to work with stakeholders and landlords' representatives to develop a strategic approach towards HMOs, taking into account the offer made at the meeting by the York Residential Landlords' Association to work with the Council to address the management of HMOs.³

REASON: To encourage the involvement of all interested parties in improving the management of HMOs.

(iii) That the impact and effectiveness of the implementation of the Article 4 Direction and other measures introduced be reviewed and considered 12 months after they have taken effect.⁴

REASON: To ensure that these measures are effective and enable any problems to be dealt with.

(iv) That Officers work with the universities and students' unions to secure the provision of more dedicated accommodation for students.⁵

REASON: To help minimise any adverse effects on communities of the increase in the student population in York.

Action Required

1. Explore approaches to improving the standards of HMOs SW
2. Take any action necessary to confirm the Article 4 MS
Direction

3. Work with stakeholders and landlords' representatives to develop a strategic approach towards HMOs SW
4. Take action to ensure that a review of these measures takes place after 12 months MS
5. Work with the universities and students' unions to secure the provision of more dedicated accommodation for students MS

59. THE REVIEW OF CITY OF YORK COUNCIL'S ELDERLY PERSON'S HOMES

Members considered a report which presented the results of consultation on future options for the Council's Elderly Persons' Homes (EPHs) and proposed some first steps towards implementing the preferred option.

At their meeting on 19 July 2011, Cabinet had agreed that consultation be carried out on five alternative options for the future of EPHs in York. Consultation had taken place by means of a survey posted to 2,480 people on relevant mailing lists and to 873 EPH residents and staff. A further 1,450 self-completion surveys had been made available at public meetings and in public buildings across the City. In total, 1,163 responses had been received. Of these, 86% supported Option D as detailed in the original report, involving the Council funding, building and operating three new EPHs. 49.4% of respondents positively supported Option E – a partnership approach with a developer / operator to fund, build and operate three new homes. There was strong support for the focus of these facilities to be on meeting the needs of those with dementia and high dependency and the provision of lifetime care.

In order to embark on the programme of modernisation endorsed by these responses, it was necessary to propose the early closure of two existing EPHs – Fordlands and Oliver House. Current residents of these homes would be offered a choice of vacancies in Oakhaven, Willow, Wolnough and Grove House pending the demolition and rebuild of two homes at Fordlands and Haxby Hall. Approval was sought to carry out further consultation on this proposal and on the overall development programme set out in the report.

RESOLVED: (i) That the results of the consultation, and the strong desire amongst consultees for the development of new homes and a village concept, as outlined in Options D and E, be recognised.

(ii) That approval be given to carry out a further six-week period of consultation on the proposal to close two existing homes, Fordlands and Oliver House, and on the possible overall development programme contained in the report.¹

(iii) That a further report on the outcome of this additional consultation be received at the Cabinet meeting on 10 January 2012 before a final decision is made.²

(iv) That a further, more detailed proposal on the Lowfields Village be received at the Cabinet meeting in February 2012.³

(v) That approval be given to officially progress a commissioning programme to expand existing day activities in the community and establish new ones.⁴

REASON: In order to respond to the need for changes to the current provision highlighted by the review and to take steps to implement the vision for new facilities in the City that has been supported overwhelmingly by the responses to the consultation.

Action Required

1. Carry out consultation on proposal to close Fordlands and Oliver House GT
2. Schedule report on consultation results on Forward Plan for Cabinet on 10/1/12 GT
3. Schedule report detailing Lowfields Village proposal on Forward Plan for Cabinet in February 2012 GT
4. Take action to implement a commissioning programme re community day activities GT

60. THE YORK EDUCATION PARTNERSHIP - THE LOCAL RESPONSE TO CHANGING TIMES

Members considered a report which provided an overview of recent developments in education policy and a briefing on key local issues, notably the formation of the York Education Partnership.

The coalition government had introduced legislation that was expected to lead to wide and significant changes in the

education system and the way in which schools were managed, funded, and held accountable. The Academies Act sought to *'enable more schools to become academies..'* and two schools in York, Manor and Archbishop Holgate's, had opted for academy status. Further changes were proposed under the Education Bill, expected to receive Royal Assent later this year, as set out in paragraph 7 of the report.

During 2010/11, local debate and extensive consultation had led to the formation of the York Education Partnership. The Interim Board set up to progress the work needed to establish the Partnership had now concluded its task. The report set out details of the Partnership, its purpose, full Board membership and chairing arrangements. A draft constitution for the Partnership Board was attached at Annex 1. With regard to the monitoring of school performance, the Partnership would be supported by the small school improvement team ('the Hub') retained by the local authority to fulfil its statutory duties in this area. Examination results in the City for Key Stages 2, 4 and 5 in 2010/11 were summarised in Annex 2 to the report.

RESOLVED: That the formation of the York Education Partnership be supported.

REASON: Proposals for the York Education Partnership were strongly endorsed by the education community, and the Partnership will enable local schools, with support from the local authority, to continue to work together in providing the best possible educational experience for all children and young people across the City.

61. 2011-12 FINANCE AND PERFORMANCE MONITOR 2

Members considered a report which provided a summary of the Council's financial and performance progress during the second monitor period of 2011-12, structured under the five priority themes set out in the new Council Plan.

With regard to performance, significant progress had been made in delivering the Council Plan priorities, including:

- York's economy continuing to perform well, with lower than average unemployment and shop vacancies
- A continued reduction in crime rates in the City

- An increase in core educational attainment results across York schools
- A 22% reduction in CO2 emissions.

Details were provided in paragraphs 6-37 of the report. Performance areas to be addressed included dealing with a continued increase in adult and child social care customers, tackling the shortfall in planning income, increasing bus passenger numbers, improving housing re-let times and encouraging more visits to libraries and sports centres.

With regard to finance, good progress was being made in most areas on delivery of the £21m savings identified as necessary to achieving a balanced budget position for 2011/12. Mid year forecasts indicated that the Council was facing financial pressures totalling £3,504k across all directorate budgets, as compared to the £4,288k identified in the last monitor report. Details in respect of individual portfolio areas, corporate budgets, the Dedicated Schools Grant and Housing Revenue Account were set out in paragraphs 46-66.

RESOLVED: (i) That the performance issues identified in the report be noted.

REASON: So that corrective action can be taken by Members and directorates.

(ii) That the current projected pressures of £3,504k, and that strategies are being prepared to mitigate this position, be noted.

REASON: In order to ensure that expenditure is kept within budget.

62. CAPITAL PROGRAMME - MONITOR 2

[See also under Part B Minutes]

Members considered a report which informed them of the likely out-turn position of the Council's 2011/12 Capital Programme, based upon the spend profile and information to September 2011, and sought approval for slippage resulting from changes to the programme.

The report detailed changes that would result in a revised programme of £72.122m – a net increase of £0.587m on the current approved programme of £71.535m, made up of:

- Adjustments to schemes increasing expenditure by £1.708m
- Net re-profiling of -£1.121m of schemes from future years to the current year.

There had been £23.94m capital spend up to the end of September, representing 33.3%% of the revised budget.

Budget variances in each portfolio area were summarised in Table 2 at paragraph 5 of the report and detailed in paragraphs 8-16. They included the re-profiling and adjustment of budgets in relation to Highway Resurfacing & Reconstruction (£150k), York Pools Strategy (£200k), the Local Transport Plan programme (£158k), the Administrative Accommodation project (£930k) and the IT Development Plan (£41k). The addition of a further £1.550m to the programme for the purchase of land to bring forward developments at York Central had already been approved by the Staffing Matters & Urgency Committee.

RESOLVED: (i) That the addition of £1.550m capital expenditure, approved by the Staffing Matters & Urgency Committee on 30 August 2011 for the strategic purchase of land at Holgate Park to assist with bringing forward development of York Central and to be funded from borrowing, be noted.

(ii) That the revised 2011/12 budget of £72.122m, as set out in paragraph 5 of the report and Table 2, be noted.

(iii) That the re-stated capital programme for 2010/11-2014/15, as set out in paragraph 66, Table 3, and detailed in Annex A, be noted.

REASON: To enable the effective management and monitoring of the Council's capital programme.

63. TREASURY MANAGEMENT MONITOR 2 MID YEAR REVIEW AND PRUDENTIAL INDICATORS 2011/12

[See also under Part B Minutes]

Members considered a report which provided an update on the Council's treasury management activities for the first six months of the 2011/12 financial year, in compliance with statutory requirements. It also recommended changes to the 2011/12 Treasury Management Strategy Statement (TMSS) and Prudential Indicators, in the light of the Housing Revenue Account (HRA) reform changes.

The report set out details of treasury management performance against the current national background of a stagnating economy, falling employment and rising inflation. It was noted that investments had remained within the Council's approved credit limits and that investment activity had earned an interest rate return of 1.5%, which was higher than the average London Inter-Bank Deposit rate and base rate for the period. Loans taken in 2011/12 were below the original target of 5%; the target rate at this stage for the remainder of the year was 4.3%.

Reform of the HRA subsidy arrangements was expected to take place on 28 March 2012. It would involve the Council paying £112m to the Department of Communities and Local Government (CLG), removing the obligation to make annual payments to the CLG through the housing subsidy system. This payment would increase the Council's level of borrowing, requiring approval of a revised borrowing limit as a change to the Prudential Indicators included in the TMSS approved by Council in February 2011.

RESOLVED: (i) That the Treasury Management activities in 2011/12 be noted.

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

PART B - MATTERS REFERRED TO COUNCIL

64. CAPITAL PROGRAMME - MONITOR 2

[See also under Part A Minutes]

Members considered a report which informed them of the likely out-turn position of the Council's 2011/12 Capital Programme, based upon the spend profile and information to September 2011, and sought approval for slippage resulting from changes to the programme.

The report detailed changes that would result in a revised programme of £72.122m – a net increase of £0.587m on the current approved programme of £71.535m, made up of:

- Adjustments to schemes increasing expenditure by £1.708m
- Net re-profiling of -£1.121m of schemes from future years to the current year.

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RECOMMENDED: That Council approve the following net adjustments to the capital programme, as detailed in the report and Annex A:

- an increase of £0.587k in 2011/12
- an increase, as a result of re-profiling, of £1.121m in 2012/13

REASON: To enable the effective management and monitoring of the Council's capital programme.

65. TREASURY MANAGEMENT MONITOR 2 MID YEAR REVIEW AND PRUDENTIAL INDICATORS 2011/12

[See also under Part A Minutes]

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RECOMMENDED: That Council:

- (i) Approve the changes to the Prudential Indicators in the light of the HRA reform; specifically, the Authorised Borrowing Limit at £347m.
- (ii) Note that the HRA reform is to be approved by the Government White Paper in November 2011, and that the payment of £112m is to be made to the CLG on 28 March 2012.

- (iii) Note the expected impact on the capital and treasury activities of the HRA reform.

REASON: To ensure the inclusion of the effects of the HRA reform on treasury management activities.

J Alexander, Chair

[The meeting started at 5.30 pm and finished at 7.00 pm].