

**Notice of meeting of
Cabinet**

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

Date: Tuesday, 6 March 2012

Time: 5.30 pm

Venue: EcoDepot, Hazel Court, James Street, off Hull Road, York

AGENDA

Notice to Members - Calling In:

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

10:00 am on Monday 5 March 2012, if an item is called in *before* a decision is taken, *or*

4:00 pm on Thursday 8 March 2012, if an item is called in *after* a decision has been taken.

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

1. Declarations of Interest

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

2. Exclusion of Press and Public

To consider the exclusion of the press and public from the meeting during consideration of Annexes A and B to Agenda Item 8 (The Community Stadium: Business Case) on the grounds that they contain 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 - 20)

To approve and sign the minutes of the last Cabinet meeting held on 14 February 2012.

4. Public Participation

At this point in the meeting, members of the public who have registered their wish to speak regarding an item on the agenda or a matter within the Cabinet's remit can do so. The deadline for registering is **5:00 pm on Monday 5 March 2012**.

5. Forward Plan (Pages 21 - 30)

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

6. Minutes of Working Groups (Pages 31 - 44)

This report presents the draft minutes of meetings of the Local Development Framework Working Group and the Young People's Working Group and asks Members to consider the advice given by the Groups in their capacity as advisory bodies to the Cabinet.

7. Neighbourhood Working - A New Approach (Pages 45 - 64)

This report proposes a new model of Neighbourhood Working through which the Council will work with partners to deliver better services for York's communities.

8. The Community Stadium: Business Case (Pages 65 - 278)

This report sets out the business case for the Community Stadium to pre-procurement stage and asks Members to recommend to Council approval of a number of matters to enable the scheme to be developed and progressed.

- 9. Pre Application Advice Service Review** (Pages 279 - 308)
This report assesses the operation of the formalised pre application service for planning advice which was introduced on 4 January 2011, and provides options for the delivery of the service going forward.
- 10. Council Tax Support Briefing Paper** (Pages 309 - 328)
This briefing paper provides Members with the key information, issues and concerns with regard to the Government's proposal to replace Council Tax Benefit with Council Tax Support.
- 11. Chair's Comments**
Any other business which the Chair considers urgent under the Local Government Act 1972.

Democracy Officer:

Name: Jayne Carr

Contact details:

- Telephone – (01904) 552030
- E-mail – jayne.carr@york.gov.uk

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

- Registering to speak
- Business of the meeting
- Any special arrangements
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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	14 FEBRUARY 2012
PRESENT	COUNCILLORS ALEXANDER (CHAIR), CRISP, FRASER, GUNNELL, MERRETT, SIMPSON-LAING (VICE-CHAIR) AND WILLIAMS
APOLOGIES	COUNCILLOR LOOKER
IN ATTENDANCE	COUNCILLORS BOYCE, FUNNELL, JEFFRIES, POTTER, REID, STEWARD AND WARTERS

PART A - MATTERS DEALT WITH UNDER DELEGATED POWERS

94. 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 declared personal, non prejudicial interests in agenda items 5 (Capital Programme Budget 2012/13-2016/17) and 10 (Financial Strategy 2012-2017), insofar as these items related to their specific interests:

- Cllr Alexander – staffing matters as a member of the GMB union
- Cllr Simpson-Laing – staffing matters as a member of Unison, increases in market rents as she was about to start a business and voluntary sector grants which related to her work area
- Cllr Fraser – on industrial and welfare issues as a member of the retired sections of Unison and Unite (TGWU/ACTS sections), industrial/web
- Cllr Williams – staffing matters as a member of Unison and Unite
- Cllr Crisp – staffing matters as a retired member of Unison
- Cllr Gunnell – matters relating to the Welfare Benefits Unit as a member of the Management Board

- Cllr Merrett – as a founder member of York Wheels and a current Trustee and in respect of lighting contracts as he was employed by another section of Amey

Councillor Fraser also declared a personal and prejudicial interest in relation to Agenda item 10 (Financial Strategy 2012-2017) in respect of any discussion that may take place in respect of York Wheels as his partner was an employee and he confirmed that he would leave the room and take no part in any discussion and voting thereon.

95. MINUTES

RESOLVED: That the minutes of the last Cabinet meeting held on 10 January 2012 be approved and signed by the Chair as a correct record.

96. 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 three requests to speak, two from Members of Council and a union representative.

Councillor Warters spoke in respect of two issues within the remit of the Cabinet. As the Article 4 Direction would be considered at the next Cabinet meeting he requested that the meeting be held on the eastern side of the city as this was particularly relevant to that area.

Councillor Warters went on to refer to the recent signing of the Military Covenant and requested members to declare their support for military families on the housing list particularly in relation to the Derwenthorpe development.

Councillor Reid spoke in respect of the minutes of the previous Cabinet meeting and assurances given to the Lib/Dem Group that the results of consultation on controlling the concentration of Houses in Multiple Occupation (HMO's) would be brought back to member for a final decision.

Councillor Reid went on to speak on item 6 (2011-2012 Finance and Performance Monitor 3) regarding the missing detail and pressures on existing staff together with the affects on communities of reducing the Neighbourhood Management Unit.

In respect of item 7 (Treasury Management Monitor 3 and Prudential Indicators 2011/12) she expressed concerns at the lack of public engagement and the short period of time given to comment.

The Chief Executive of the York Council for Voluntary Service spoke on behalf of a number of bodies in relation to the proposed cuts in funding. She referred to the already tight budgets of voluntary bodies where there was little room for savings and efficiencies against an increasing demand for their services. She listed a number of bodies which would either be unable to carry on or who would suffer a significant impact on their work with the vulnerable and disadvantaged. These cuts together with reductions in core funding would have a disproportionate affect on voluntary service bodies.

Andrea Dudding of UNISON welcomed the 2 year budget and the additional funding for adults and elderly care and support for vulnerable children whilst having to contend with a £20m cut. A request was made that any reductions in staff should be dealt with sensitively and efforts taken to protect employment. Concerns were expressed about the risks to service delivery, support for vulnerable citizens and reductions in highway maintenance and the knock on effects. Concerns were also raised that market testing rather than examining in house options appeared to be the trend. Members were asked to continue with early consultation with staff, unions and the public.

97. 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.

98. CAPITAL PROGRAMME 2011/12 - 2015/16 MONITOR 3

[See also under Part B Minutes]

Consideration was given to a report which presented the likely outturn position of the Council's 2011/12 Capital Programme, based on the spend profile and information up to December 2011, and sought approval of changes to the programme.

The current approved programme, taking into account amendments reported in Monitors 1 and 2, amounted to £72.122m, financed from £30.493m of external funding and £41.629m of internal funding. Monitor 3 showed a net decrease of £15.091m made up of:

- Adjustments to schemes decreasing budgeted expenditure by £0.959m
- Net re-profiling of -£14.132m of schemes from future years to the current year.

Variances reported against each portfolio area were set out in Table 2 at paragraph 6 of the report.

A summary of the key exceptions and implications on the programme were summarised in paragraphs 8 to 32, with a summary of the 5 year revised programme in Table 3, at paragraph 34. The affects of the Housing Revenue Account reform and the increase on the debt portfolio were reported at paragraph 33

- RESOLVED:
- i) That the 2011/12 revised budget of £57.031m as set out in paragraph 5 and Table 2, be noted.
 - ii) That the restated capital programme for 2011/12 – 2015/16 as set out in paragraph 34, Table 3 and detailed in Annex A, be noted.

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

99. 2011 - 2012 FINANCE AND PERFORMANCE MONITOR 3

Members considered a report which presented details of the headline performance and finance issues for the third monitor period of 2011-12.

Some good performance results had been achieved over this period, including Children's Services being awarded the top 4-star excellent rating for the 4th year running. It was noted that York was amongst the top performers of the 64 UK cities with low Youth unemployment and number of unqualified people, City growth by population and with a low long term JSA claimant rate.

Where less positive or mixed performance had been identified, including the continued increase in demand for adult care services and tackling the shortfall in planning income, details of the work being undertaken to address/monitor these issues was detailed in the report.

With regard to finance, pressures of £921k were currently forecast representing an improvement of £2,539k from the second monitoring report. The forecast also reflected a proposal to use the £714k New Homes Bonus to support the revenue budget.

Details of progress in the Council Plan priorities were set out at paragraphs 7 to 36 of the report, with the financial outturn of each directorate in Table1, paragraphs 45 to 66.

- RESOLVED:
- i) That the performance issues identified in the report be noted.
 - ii) That the current projected pressures of £921k and the strategies being prepared to mitigate this position be noted.
 - iii) That authority be given for the use of the £714k 2011/12 New Homes Bonus to support the revenue budget and authority delegated to the Director of CBSS to consider the final allocation as part of the outturn process.

- REASON:
- i) So that corrective action can be taken by members and directorates.
 - ii) and iii) In order to ensure expenditure is kept within budget.

100. TREASURY MANAGEMENT MONITOR 3 AND PRUDENTIAL INDICATORS 2011/12

Consideration was given to a report which provided an update on the Treasury Management activities for the period 1 April 2011 to 31 December 2011.

The report reviewed the Annual Investment Strategy and investment and borrowing portfolio's and compliance with Prudential Indicators.

It was noted that:

- Investment rates had continued at historical low levels, with the average level of funds available for investment purposes in the first nine months of 2011/12 of £58.085m, with a 1.22% rate of return.
- The rate of return during this period had shown that favourable / competitive interest rates had been obtained for investments whilst ensuring the required liquidity and security of funds.
- The Administrative Accommodation project increased the need to borrow in 2011/12 and 2012/13 which would require close market monitoring to take advantage of favourable rates.
- The Council's long-term borrowing portfolio had started the year at £133.1m with new borrowing of £7m in August 2011 and £5m in November 2011 giving a current loan balance of £140.1m.
- Monitoring details of the Prudential Indicators were set out at Annex A of the report together with the revised limits for the Housing Revenue Account reform.

- RESOLVED:
- i) That the Treasury Management activities in 2011/12 be noted.
 - ii) That the movements in the Prudential Indicators at Annex A be received and noted.

REASON: To ensure the continued performance of the Council's Treasury Management function.

101. CITY OF YORK COUNCIL'S RESPONSE TO THE INTERIM REPORT OF THE FAIRNESS COMMISSION

Members considered a report which set out the Council's response to the Fairness Commission's Interim report published on 28 November 2011. The report had proposed 10 Fairness Principles that would be used to guide long term progress towards a fairer York and made 30 specific recommendations to

the Council. This independent body had been set up as part of a Cabinet commitment to tackle poverty and injustice in the city.

It was reported that wide ranging consultation had taken place with many of the recommendations arising directly from suggestions made during the consultation.

Details of the key recommendations influencing the prioritisation of resources in the budget and those that required additional resources and further appraisal were set out in the body of the report. Proposed responses setting out how each would contribute to the delivery of the Council Plan priorities, subsequent actions and any potential resource impacts were provided at Annex A.

RESOLVED: That Cabinet approves the under mentioned responses to the recommendations of the interim report of the Fairness Commission :

- i) That CYC embeds the approach and values expressed in the Fairness Principles in the way we make decisions and deliver our services and reflect them in a refreshed approach to Equalities and Diversity.
- ii) That CYC works to deliver the recommendations as described in the responses in Annex A within existing resources or the additional resources proposed in the Financial and Capital Strategies.
- iii) That work is undertaken to assess the full implications and possible alternative approaches to a York 'Tourist Tax' in consultation with VisitYork and other key partners in the business community to develop proposals for the 2013/14 budget review.
- iv) That work is undertaken to assess the financial implications of implementing extensions to the travel concessions currently offered to young and disabled people and to bring forward proposals for consideration in the 2013/14 budget review.

- v) That work is undertaken to assess the financial and HR implications of implementing a Living Wage and to bring forward proposals for consideration in the 2013/14 budget review.
- vi) That work is undertaken to review the options and alternatives with the Youth Council and assess whether there are significant benefits to taking this recommendation forward.
- vii) That a further report is brought to Cabinet responding to the Fairness Commission's full report after it is published in June 2012.

REASON: To respond to the Fairness Commission's Interim Report recommendations and in an effort to begin to tackle poverty and inequality in York.

102. HOUSING REVENUE ACCOUNT BUSINESS PLAN

Members considered a report which provided an overview of the new Housing Revenue Account (HRA) self financing system and the impact of this reform on the Housing Business Plan.

The new system would involve the reallocation of housing debt based on whether the valuation of each council's housing business was higher than their existing debt. It had been estimated by the Government that the value of the authorities housing business was £145m, some £122m higher than the existing level of housing debt.

Information on progress with rent restructuring and the phased change in rents by 2012 was detailed in paragraphs 6 and 7 of the report. It was reported that taking into account the rent calculations on individual properties and the impact of moving all rents towards the target rent specified by the Government that this would result in an actual average increase of 7.4%.

Further information in respect of the proposed debt strategy and treasury management arrangement were provided together with the outline summary business plan at Annex 1 of the report.

Following further discussion it was

- RESOLVED:
- i) That approval be given to the average rent increase for 2012/13 as set out in paragraphs 6 to 10 of the report.
 - ii) That the HRA revenue plan recommended to Council within the Financial Strategy report on this agenda as set out in Annex 1 be noted.
 - iii) That the HRA capital investment plan as set out in Annex 1, that will be recommended to Council within the Capital Budget report elsewhere on this agenda be noted.

- REASON:
- i) To ensure the ongoing financial stability of the HRA and allow work on improving the quality of the council's affordable housing to continue.
 - ii) To ensure the ongoing financial stability of the HRA
 - iii) To ensure the ongoing financial stability of the HRA and allow work on improving the quality of the council's affordable housing to continue.

PART B - MATTERS REFERRED TO COUNCIL

103. CAPITAL PROGRAMME 2011/12 - 2015/16 MONITOR 3

[See also under Part A Minutes]

Consideration was given to a report which presented the likely outturn position of the Council's 2011/12 Capital Programme, based on the spend profile and information up to December 2011, and sought approval of changes to the programme.

The current approved programme, taking into account amendments reported in Monitors 1 and 2, amounted to £72.122m, financed from £30.493m of external funding and £41.629m of internal funding. Monitor 3 showed a net decrease of £15.091m made up of:

- Adjustments to schemes decreasing budgeted expenditure by £0.959m
- Net re-profiling of -£14.132m of schemes from future years to the current year.

Variances reported against each portfolio area were set out in Table 2 at paragraph 6 of the report.

A summary of the key exceptions and implications on the programme were summarised in paragraphs 8 to 32, with a summary of the 5 year revised programme in Table 3, at paragraph 34. The affects of the Housing Revenue Account reform and the increase on the debt portfolio were reported at paragraph 33.

Having noted the revised programme and restated capital programme for 2011/12 – 2015/16 (see Part A Minutes), it was

RECOMMENDED: That Council approve

- the increase in prudential borrowing relating to the Self issue library machines to the value of £57k taking the total amount to £247k in 2011/12 to be funded from departmental revenue budgets.
- the increase in prudential borrowing relating to the Travellers Sites Electricity Units to the value of £46k taking the total amount to £230k in 2011/12 to be funded from departmental revenue budgets.
- the net adjustments of a decrease of £15.091m in 2011/12. The increase as a result of re-profiling and adjustments of £16.395m in 2012/13. The increase as result of re-profiling and adjustments of £135k in 2013/14 and the decrease of £221k in 2014/15, as set out in the report and contained in Annex A.

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

104. CAPITAL PROGRAMME BUDGET 2012/13 - 2016/17

Members considered a report which presented the current position of the 2011/12 – 2015/16 capital programme, highlighting the existing funding position and associated pressures and presented the bids received as part of the current

year's Capital Resource Allocation Model (CRAM) process for 2012/13 – 2016/17.

The current approved programme for 2011/12 – 2015/16 amounted to £192.254m (£314.637m including HRA self financing), financed by £104.417m of external funding and Council controlled resources of £87.837m (£210.220), detailed at Table 1, paragraph 3 of the report. In terms of the funding position, significant reliance continued to be placed on the achievement of a small number of high value asset disposals which had been affected by the economic downturn.

Of bids received under the CRAM process, 6 were fully funded from external resources, 6 were rolling programme bids and the remaining 12 sought additional discretionary resources over and above those already approved in the Capital Programme. Requests that would increase the programme by £24.391m had been made comprised of £11.225m of general fund schemes and £13.166m of HRA schemes. Full details of the key schemes recommended for approval and their impacts were set out at paragraph 5 and Annex B of the report. Rolling programme schemes that required funding on an ongoing basis were set out in Table 2 at paragraph 10 amounting to £2,105m. Details of the new bids which required Prudential Borrowing funding were summarised in Table 3, paragraph 13 and detailed at Annex B, existing schemes identified for removal from the programme summarised at Table 4, schemes that were fully externally and HRA funded summarised at Table 5 together with the net funding position of the Prudential Borrowing Schemes at Table 6.

As part of the budget process it was proposed to create an Economic Infrastructure Fund (EIF) totalling £28.5m over a 5 year period. Funding would be sourced from the New Homes Bonus (NHB) and Prudential Borrowing.

A summary of the additions and amendments made showed an overall increase in the programme of £50.241m, detailed in Table 9 with the proposed budget for each directorate for the next 5 years summarised in Table 10 and detailed in Annex A.

Cabinet Members responded to issues within their own portfolio areas.

RECOMMENDED: That Council:

- i) Agree to the revised capital programme of £187.364m, that reflects a net overall increase of £53.641m (as set out in paragraph 32 table 9 and in Annex A 'growth' column). Key elements of this include:
 - a) Extension of prudential borrowing funded Rolling Programme schemes totalling £2.105m as set out in paragraph 10, table 2 and summarised in paragraph 32 table 9;
 - b) New schemes totalling £10.405m including increase in prudential borrowing of £2.595m as set out in paragraph 13, table 3 and summarised in paragraph 30 table 10;
 - c) Reduction of existing prudential borrowing funded schemes totalling £4.500m as set out in paragraph 15, table 4 and summarised in paragraph 32, table 9;
 - d) New externally funded and HRA funded schemes totalling £16.381m including HRA balances of £4.447m and including £500k of New Homes Bonus funding for Replacement of Street Lighting as set out in paragraph 18, table 5 and summarised in paragraph 32 table 9.
 - e) Extension of the existing IT development programme totalling £750k in 2016/17 funded

by prudential borrowing paid for from within existing revenue budgets as set out in paragraph 31, table 8 and summarised in paragraph 32 table 9.

- ii) Approve the re-profiling of £150k from future years to 2012/13 in relation to replacement of unsound lighting columns scheme as shown in Annex A.
- iii) Approve the full restated programme as summarised in Annex A totalling £187.364m cover financial years 2012/13 to 2015/16 as set out in paragraph 34, table 10.
- iv) Approve the establishment of the Economic Infrastructure Fund (EIF) and the proposed priority themes of expenditure:
 - Get York Moving including
 - Access York Park and Ride - £2.5m
 - Better Bus Fund - £2.0m (Annex C)
 - Digital York
 - Reinvigorate York
 - Economic Inclusion York
 - Sustainable Economy York
- v) Approve Council funding to the EIF from £20m of prudential borrowing over the next 5 years, all of the New Homes Bonus funds (currently estimated at £8.5m) from 2012/13 onwards, except for £0.5m in 2012/13 which is allocated for Street Lighting replacement.
- vi) Agree that the Director of CBSS be authorised to take decisions on

the financing of any expenditure, and profiling of any borrowing, in accordance with the overall financial framework agreed by Council.

- vii) Agree that decisions on the actual schemes, and monitoring of such schemes will be considered through regular financial monitoring reports to Cabinet.

REASON: To set a balanced capital programme as required by the Local Government Act 2003.

105. **FINANCIAL STRATEGY 2012 - 2017**

Members considered a report which presented the Financial Strategy for 2012 -2017, including the detailed Revenue Budget proposals for 2012/13 and 2013/14, and asked them to recommend the proposals to Council.

The report presented a balanced budget over a 2 year period with savings proposals of £19.7m and a proposed council tax increase of 2.9% in 2012/13.

The key issues included:

- Revenue savings of £19.7m over the two years
- Growth of £1.5m in adult social care and £0.5m in Looked After Children for 2012/13
- Creation of both a Delivery and Innovation Fund and an Economic Infrastructure Fund
- Ensuring all libraries and children's centres remained open and further reductions in senior management costs
- Reduced formula grant funding of £5.04m and
- A net revenue budget of £122.235m

A summary of the budget position for 2012/13 and 2013/14 was set out in Annex 1 reporting the total expenditure, expenditure pressures, expenditure reductions and funding.

It was reported that there were significant savings contained within the budget which reflected the scale of the challenge facing the council with the proposed overview of savings for each directorate summarised in Annexes 5a and 5b and detailed in Annex 2. Detailed proposals for fees and charges were set out at Annex 3, the Housing Revenue Account at Annex 4 and the Dedicated Schools Grant and Schools budget at Annex 5.

There had been extensive and increased budget consultation as part of the budget process and a summary of the various consultation streams was set out at Annex 6.

Consideration was also given to the motion submitted to Council in December requesting the council freeze council tax at the current level for the next two financial years. Details of the financial impact and potential results were set out at paragraph 7 of the report.

The effect of approving income and expenditure proposals included in the recommendations would result in an increase in the City of York element of the council tax of 2.9%. It was intended that the total council tax increase including the parish, Police and Fire Authority precepts, would be agreed at the full council meeting on 23 February 2012.

Following further discussions it was

- RESOLVED:
- i) That, having considered:
 - a. Expenditure pressures facing the council as set out in the report.
 - b. Impacts of savings proposals set out in Annex 2.
 - c. Medium term financial factors facing the council as outlined in the report.
 - d. Projected levels of reserves as set out in the report.
 - e. Statutory advice from the Director of CBSS.

It be

RECOMMENDED: That Council:

- i) Approve the budget proposals outlined in the report of the Director of Customer and Business Support Services and set out in detail within the financial strategy, in particular:
 - a. The net revenue expenditure requirement of £122.235m.
 - b. The revenue growth proposals as outlined in the body of the report.
 - c. The revenue savings proposals as outlined in Annex 2.
 - d. The Housing Revenue Account budget set out in Annex 4.
 - e. The dedicated schools grant proposals outlined in Annex 5.
- ii) Agree that the governance/financial administration of the Delivery and Innovation Fund be in accordance with the Council's Venture Fund, specifically that the Director of CBSS (in consultation with the Leader) has the authority to make approvals of up to £100,000 and that any sums greater than this require the approval of Cabinet, and that further approval is given to reflect this decision in the Council's Financial regulations.
- iii) Note that the effect of approving the income and expenditure proposals included in the recommendations would result in an increase in the City of York element of the council tax of 2.9%.

REASONS: i) and iii) To ensure a legally balanced budget is set.

- ii) To ensure appropriate governance arrangements are in place for the Delivery and Innovation Fund.

106. TREASURY MANAGEMENT STRATEGY STATEMENT AND PRUDENTIAL INDICATORS 2012/13 TO 2016/17

Members considered a report which asked them to recommend to Council the Integrated Treasury Management Strategy Statement and proposed Prudential Indicators for 2012/13 to 2016/17.

The treasury management strategy for 2012/13 covered both capital and treasury issues which were listed in paragraph 6 of the report. Output of the capital programme was reflected in the capital prudential indicators (PI) which were detailed in Annex A and explained throughout the report.

A key issue facing the Council in 2012/13 was the impact of planned HRA self financing reform which ended the impact of the housing subsidy system. Details of the effects on the prudential indicators was outlined at paragraphs 9 and 10.

The report outlined the Council's current treasury portfolio position and its borrowing and investment strategies. Details of the Interest Rate Forecast for 2011/2015, a schedule of Specified and Non-Specified Investment categories, approved countries for investment and the Treasury Management Scheme of Delegation and Role of the Section 151 Officer were attached at Annexes B, C, D and E respectively.

RECOMMENDED: That Council approve:

- i) The proposed Treasury Management Strategy for 2012/13 including the annual investment strategy and the minimum revenue provision policy statement;
- ii) The Prudential Indicators for 2012/13 to 2016/17 in the main body of the report (Annex A);
- iii) The Specified and Non-specified investments schedule (Annex C)

- iv) The Scheme of Delegation and the Role of the Section 151 Officer (Annex E)

REASON: To enable the continued effective operation of the Treasury Management function and ensure that all Council borrowing is prudent, affordable and sustainable.

Cllr J Alexander, Chair

[The meeting started at 5.30 pm and finished at 7.25 pm].

Cabinet Meeting: 6 March 2012

FORWARD PLAN (as at 14 February 2012)

Table 1: Items scheduled on the Forward Plan for the Cabinet Meeting on 3 April 2012

Title & Description	Author	Portfolio Holder
<p>Implementing the Review of the City of York Council's Residential Care Homes for Older People</p> <p>Purpose of the Report: Following the Review of the Future of the Council's Elderly Persons Homes, a financial business case has been produced to inform the development of the new build facilities.</p> <p>Members are asked: to consider the business case for the programme of new build developments that replace the council's current nine Elderly Persons Homes and decide the more immediate arrangements for proceeding with the Fordlands site and the Care Village</p>	Graham Terry	Cabinet Member for Health, Housing and Adult Social Services
<p>Controlling the Concentration of Houses in Multiple Occupation Supplementary Planning Document Consultation Outcomes</p> <p>The purpose of the report: is to inform Members of the outcomes of the recent public consultation on the options set out in the draft Supplementary Planning Document and seek approval from Members for the revised Supplementary Planning Document on controlling the concentration of Houses in Multiple Occupancy to be adopted as planning policy guidance.</p> <p>Members are asked to: note the consultation outcomes and adopt the revised Supplementary Planning Document to be used in determining HMO planning applications after the Article 4 Direction comes into force on 20 April 2012.</p>	Martin Grainger	Cabinet Member for City Strategy

<p>Demographics Scrutiny Review Final Report Purpose of Report: To present the Cabinet with the final report arising from the Scrutiny review of demographics for York schools.</p> <p>Members are asked to approve the recommendations arising from the review.</p>	<p>Melanie Carr</p>	<p>Cabinet Member for Adults, Children and Young People's Services</p>
<p>Former British Sugar/Manor School Supplementary Planning Document (SPD) Purpose of report: To provide a summary of responses received to the consultation on the draft former British Sugar/Manor School SPD. This report will outline the consultation findings with a revised SPD together with any comments made by Members of the LDF Working Group.</p> <p>Members will be asked to approve the Draft Former British Sugar/Manor School Supplementary Planning Document for Development Management purposes prior to formal adoption of the Core Strategy.</p>	<p>Sue Houghton, Ann Ward</p>	<p>Cabinet Member for City Strategy</p>
<p>Funding the Voluntary Sector 2012 – 2015 The purpose of this report is to approve grant funding to voluntary sector organisations for the 3 years 2012-2015. (Some of the grants are over £50k and therefore require Cabinet approval).</p> <p>Members are asked to approve the grants.</p> <p><i>This report was slipped from the November meeting to allow more time for discussion with the voluntary sector. This report has now been slipped to the April meeting to await the outcome of the Fairness Commission and to allow the budget to be set by Council through the budget process.</i></p>	<p>Adam Gray</p>	<p>Cabinet Leader</p>
<p>Low Emission Strategy Update Purpose of Report: To update the Cabinet on measures within and progress towards a low emission strategy for York and to seek approval for public consultation.</p>	<p>Mike Southcombe</p>	<p>Cabinet Member for City Strategy</p>

<p>Members are asked to: Approve the report and public consultation.</p>		
<p>Equality Act 2010 - Implementing the public sector duties in City of York Council</p> <p>Purpose of Report: The public sector duties in the Equality Act 2010 support public bodies to improve quality of life outcomes in their areas. They came into effect in April and September 2011. The report will summarise the duties as outlined in legislation and how the government and the Equality and Human Rights Commission expect us to meet them. It will outline proposals for action to meet the duties and also minimum standards for these actions.</p> <p>Cabinet will be requested to consider and approve the actions proposed in the report.</p> <p><i>This item has been slipped to the February meeting to allow more time to develop an action plan for excellence for the Equalities Framework for Local Government.</i></p> <p><i>This item has been slipped to the April meeting to coincide with setting equality outcomes for the Council.</i></p>	<p>Charlie Croft/Evie Chandler</p>	<p>Cabinet Member for Leisure, Culture and Social Inclusion</p>
<p>Minutes of Working Groups</p> <p>Purpose of Report: This report presents the minutes of recent meetings of the Young People's Working Group, the Local Development Framework Working Group and the Equality Advisory Group and asks Members to consider the advice given by the groups in their capacity as advisory bodies to the Cabinet.</p> <p>Members are asked to: Note the minutes and decide whether they wish to approve the specific recommendations made by the Working Groups, and/or respond to any of the advice offered by Working Groups.</p>	<p>Jayne Carr</p>	<p>Cabinet Leader</p>

<p>Delivering the Council Plan Core Capabilities: Two Strategies</p> <p>Purpose of Report: To sign off two strategies which are instrumental to the delivery of the Council Plan core capabilities. These are the Procurement Strategy and the Workforce Development Strategy.</p> <p>Members are asked to agree the strategies.</p> <p>Please note that originally five strategies were due to be taken to Cabinet on 8 March. The Procurement Strategy and Workforce Strategy have been deferred to April and the other three strategies (The Customer Strategy, Innovation Strategy and Asset Management Strategy) deferred to June in order to allow further time for consultation. A separate item will be put on the Forward Plan to cover these.</p>	Tracey Carter	Cabinet Member for Corporate Services
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Table 2: Items scheduled on the Forward Plan for the Cabinet Meeting on 1 May 2012

Title & Description	Author	Portfolio Holder
No items were listed on the Forward Plan for this meeting when the plan was last published.		

Table 3: Items slipped on the Forward Plan					
Title & Description	Author	Portfolio Holder	Original Date	Revised Date	Reason for Slippage
<p>Funding the Voluntary Sector 2012 – 2015</p> <p>The purpose of this report is to approve grant funding to voluntary sector organisations for the 3 years 2012-2015. (Some of the grants are over £50k and therefore require Cabinet approval).</p> <p>Members are asked to approve the grants.</p> <p><i>This report was slipped from the November meeting to allow more time for discussion with the voluntary sector.</i></p>	Adam Gray	Cabinet Leader	6 March 2012	3 April 2012	This report has now been slipped to the April meeting to await the outcome of the Fairness Commission and to allow the budget to be set by Council through the budget process.

<p>Equality Act 2010 - Implementing the public sector duties in City of York Council</p> <p>Purpose of Report: The public sector duties in the Equality Act 2010 support public bodies to improve quality of life outcomes in their areas. They came into effect in April and September 2011. The report will summarise the duties as outlined in legislation and how the government and the Equality and Human Rights Commission expect us to meet them. It will outline proposals for action to meet the duties and also minimum standards for these actions.</p> <p>Cabinet will be requested to consider and approve the actions proposed in the report.</p> <p><i>This item was slipped to the February meeting to allow more time to develop an action plan for excellence for the Equalities Framework for Local Government.</i></p>	<p>Charlie Croft/Evie Chandler</p>	<p>Cabinet Member for Leisure, Culture and Social Inclusion</p>	<p>14 Feb 2012</p>	<p>3 April 2012</p>	<p>This item has been slipped to the April meeting to coincide with setting equality outcomes for the Council.</p>
<p>Alternative Delivery Models for Cultural Services</p> <p>Purpose of report: This report asks the Cabinet for permission to further develop a proposal for an alternative delivery model for cultural services.</p>	<p>Charlie Croft</p>	<p>Cabinet Member for Leisure Culture and Social Inclusion</p>	<p>6 Dec 2011</p>	<p>12 June 2012</p>	<p>This report has now slipped to the June meeting to allow more time for public consultation.</p>

<p>The report will ask the Cabinet to: Note the initial feasibility work undertaken; Agree to the proposal being further developed; Agree a consultation plan on the proposal.</p> <p><i>This report had slipped to the April meeting to allow time for public consultation.</i></p>					
<p>York Museums Trust (YMT) Funding 2013-18 Purpose of report: The Cabinet will be asked to approve funding for the period 2013-18 in response to a business plan to be submitted by the Yorkshire Museums Trust.</p> <p>Members are asked to: Consider the report and approve the funding.</p> <p><i>This report was withdrawn from consideration at the 6 December 2011 Cabinet meeting as it required additional financial work and to fit in with the timetable for the Council's budget process.</i></p>	Charlie Croft	Cabinet Member for Leisure, Culture and Social Inclusion	6 Dec 2011	10 th April Decision Session – Leisure Culture & Social Inclusion	This report was moved to the Decision Session - Cabinet Member for Leisure Culture & Social Inclusion on 10 th April, to allow the budget to be set by Council through the budget process.
<p>Waste Management and Minimisation Strategy 2012 - 2015</p> <p>Purpose of report: To provide an update on work undertaken to meet the aims of the strategy and focus the</p>	Liz Levett	Cabinet Member for Communities and Neighbourhoods	10 Jan 2012	Withdrawn	This has now been withdrawn from the plan as there are a number of smaller policies which will

<p>development of the strategy 2012-2015 in response to current position, trends, legislative changes and economic pressures.</p> <p>Members are asked to: Note the strategy's focus on Zero Waste York as the driver for future policies and service provision. Approve the direction of travel 2012 -2015. Note the update on the work undertaken by waste services.</p> <p><i>The reason this item was slipped from the January to the February meeting: Following matters arising at Communities & Neighbourhoods Departmental Management Team with respect to additional budget proposals which need to be investigated further, which will impact on aspects of the strategy and will need to be included in the strategy before it goes to Cabinet this report needs to put back to February to allow that work to be done.</i></p> <p>The reason this item has slipped from the February to the March meeting: As part of the budget savings, there is a need to review three major policies which will have a material effect on the future waste strategy. This request to delay the report to Cabinet is to give time to complete these policy reviews.</p>					<p>need to be developed which will feed into the over-arching report.</p>
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<p>Customer Strategy 2011-13 Purpose of report: To seek approval for the council's Customer Strategy and the action plans to deliver and support the priorities within the Council Plan. Members are asked to approve the refreshed Customer Strategy 2011-13. This item has now been slipped to the March meeting to further consult with internal and external stakeholders , and to fully consider the impact of the 2012/14 budget'.</p>	<p>Pauline Stuchfield</p>	<p>Cabinet Member for Corporate Services</p>	<p>6 March 2012</p>	<p>Withdrawn</p>	<p>This item was withdrawn on the Forward Plan as another item titled "Delivering the Council Plan Core Capabilities - Five Strategies" encompasses the Customer Strategy.</p>
<p>Workforce Strategy 2011-15 Purpose of report: To seek approval for the council's Workforce Strategy to deliver a healthy, responsive and skilled work force to deliver the priorities within the Council Plan.</p> <p>Members are asked to approve the new Workforce Strategy 2011-15.</p> <p>This item has was slipped to the March meeting to further consult with internal and external stakeholders , and to fully consider the impact of the 2012/14 budget'.</p>	<p>Pauline Stuchfield</p>	<p>Cabinet Member for Corporate Services</p>	<p>6 March 2012</p>	<p>Withdrawn</p>	<p>This item was withdrawn as a separate item on the Forward Plan as another item titled "Delivering the Council Plan Core Capabilities - Five Strategies" encompasses the Workforce Strategy</p>

<p>Delivering the Council Plan Core Capabilities: Two Strategies Delivering the Council Plan Core Capabilities: Two Strategies Purpose of Report: To sign off two strategies which are instrumental to the delivery of the Council Plan core capabilities. These are the Procurement Strategy and the Workforce Development Strategy. Members are asked to agree the strategies.</p>	<p>Tracey Carter</p>	<p>Cabinet Member for Corporate Services</p>	<p>6 March 2012</p>	<p>3 April 2012</p>	<p>Please note that originally five strategies were due to be taken to Cabinet on 6 March. The Procurement Strategy and Workforce Strategy have been deferred to April and the other three strategies (the Customer Strategy, Innovation Strategy and Asset Management Strategy) deferred to June in order to allow further time for consultation. A separate item will be put on the Forward Plan to cover these.</p>
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Cabinet

6 March 2012

Report of the Cabinet Member for Corporate Services

Minutes of Working Groups**Summary**

1. This report presents the draft minutes of meetings of the Local Development Framework Working Group (LDFWG) and the Young People's Working Group (YPWG) and asks Members to consider the advice given by the Groups in their capacity as advisory bodies to the Cabinet.

Background

2. Under the Council's Constitution, the role of Working Groups is to advise the Cabinet on issues within their particular remits. To ensure that the Cabinet is able to consider the advice of the Working Groups, it has been agreed that minutes of the Groups' meetings will be brought to the Cabinet on a regular basis. In accordance with the requirements of the Constitution, draft minutes of the following meetings are presented with this report:
 - LDF Working Group of 9 January 2012 (Annex A)
 - Young People's Working Group of 16 January 2012 (Annex B)

Consultation

3. No consultation has taken place on the attached minutes, which have been referred directly from the Working Groups. It is assumed that any relevant consultation on the items considered by the Groups was carried out in advance of their meetings.

Options

4. Options open to the Cabinet are either to accept or to reject any advice that may be offered by the Working Groups, and / or to comment on the advice.

Analysis

5. At the Cabinet meeting on 10 January 2012, the draft Supplementary Planning Document (Controlling Houses in Multiple Occupation) was approved for consultation purposes. The minutes of the LDFWG of 9 January 2012 (Annex A) are therefore presented for information only.
6. Whilst there are no specific resolutions from the Young People's Working Group that require Cabinet approval, Members' attention is drawn to the work that has been carried out in respect of the next Children and Young People's Plan Annex B (minute 18), an update on progress towards the establishment of a Youth Cafe (minute 19) and the views of the Youth Council (minute 20).

Council Plan

7. The aims in referring these minutes accord with the Council's recognition that to achieve the priorities set out in the Council Plan it needs to be a confident, collaborative organisation completely in touch with its communities.

Implications

8. There are no known implications in relation to the following in terms of dealing with the specific matter before Members, namely to consider the minutes and determine their response to the advice offered:
 - **Financial**
 - **Human Resources (HR)**
 - **Equalities**
 - **Legal**
 - **Crime and Disorder**
 - **Property**
 - **Other**

Risk Management

9. In compliance with the Council's risk management strategy, there are no risks associated with the recommendations of this report.

Recommendations

10. Members are asked to note the draft minutes attached at Annexes A and B and to decide whether they wish to respond and/or comment on any of the advice offered by the Working Groups.

Reason:

To fulfil the requirements of the Council's Constitution in relation to the role of Working Groups.

Contact details:

Author:

Jayne Carr
Democracy Officer
01904 552030

Chief Officer Responsible for the report:

Andrew Docherty
Assistant Director Governance and ICT

Report √ **Date** 24.02.2012
Approved

Specialist Implications Officer(s) None

Wards Affected:

All

For further information please contact the author of the report

Annexes

Annex A – Draft minutes of the meeting of the LDF Working Group of 9 January 2012.

Annex B – Draft minutes of the Young People’s Working Group of 16 January 2012.

Background Papers

Agendas and associated reports for the above meetings (available on the Council’s website).

City of York Council

Draft Committee Minutes

MEETING	LOCAL DEVELOPMENT FRAMEWORK WORKING GROUP
DATE	9 JANUARY 2012
PRESENT	COUNCILLORS MERRETT (CHAIR), CRISP (SUBSTITUTE), BARTON, D'AGORNE, LEVENE, POTTER, REID, RICHES AND WATT (VICE-CHAIR)
APOLOGIES	COUNCILLOR SIMPSON-LAING

19. DECLARATIONS OF INTEREST

At this point in the meeting, Members were asked to declare any personal or prejudicial interests they may have in the business on the agenda. None were declared.

20. MINUTES

RESOLVED: That the minutes of the meeting held on 5th December 2011 be approved subject to the following amendments:

Minute Item 16 – Additional text to reflect that Members requested the inclusion of a cross-section of the suggested Water End flyover and clearer details of North and West access points , including traffic impact in the consultation.

Minute Item 17 – That Councillors Barton and Watt voted against Option 1, rather than abstained from the vote.

Any Other Business – That it be recorded that a minute's silence was held in memory of Roger McMeeking.

21. PUBLIC PARTICIPATION

It was reported that there had been no registrations to speak under the Council's Public Participation Scheme.

22. CONTROLLING THE CONCENTRATION OF HOUSES IN MULTIPLE OCCUPATION - SUPPLEMENTARY PLANNING DOCUMENT

Members considered a report which sought approval for the draft Supplementary Planning Document (SPD) on controlling the concentration of Houses in Multiple Occupation (HMOs), which was attached at Annex 1, to be published for consultation.

Officers outlined the report and advised that a threshold based policy approach is considered the most appropriate as this tackles concentrations of HMOs. Officers advised that there are advantages and disadvantages to all the options outlined in the report and that it is important to obtain the views of interest groups and residents via consultation.

Members made the following comments:

- It is important to consult a wide range of residents and not just those that reside in the most affected areas of the City. It was suggested that York Residents Federation should be included in the consultation.
- That it be made clear in the consultation that the SPD is not retrospective and cannot change the level of HMOs that already exists, it is relevant for future planning.
- The threshold of 20% was queried by some Members. Officers explained that the range used by most Local Authorities is 10% to 20%.

RESOLVED:

That the LDF Working Group recommended Cabinet to:

(i) Approve the draft SPD for consultation purposes in accordance with Option 1 (Annex 1 of the report).

(ii) Delegate to the Director of City Strategy in consultation with the Cabinet Member for City Strategy, the making of any changes to the SPD that are

necessary as a result of the recommendations of the LDF Working Group.

REASON:

So that the SPD can be consulted on and amended accordingly ahead of it being used for Development Management purposes to support the emerging LDF Core Strategy and the Article 4 Direction which comes into force on 20 April 2012.

Cllr D Merrett, Chair

[The meeting started at 5.00 pm and finished at 5.20 pm].

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City of York Council

Draft Committee Minutes

MEETING	YOUNG PEOPLE'S WORKING GROUP
DATE	16 JANUARY 2012
PRESENT	COUNCILLORS SCOTT (CHAIR), LEVENE, AYRE (VICE-CHAIR), RICHARDSON, LOOKER AND D'AGORNE
IN ATTENDANCE	MEMBERS OF THE YORK YOUTH COUNCIL, MEMBERS OF THE YOUNG INSPECTORS

15. **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.

Councillor D'Agorne declared a personal standing interest in the remit of the Working Group as a Youth Counsellor at York College.

Councillor Scott declared a personal interest in the remit of the Working Group as his wife was employed by the Council.

No other interests were declared.

16. **MINUTES**

RESOLVED: That the minutes of the Young People's Working Group held on 17 October 2011 be approved and signed by the Chair as a correct record.

17. **PUBLIC PARTICIPATION**

It was reported that there had been no registrations to speak under the Council's Public Participation Scheme.

18. TOWARDS THE NEXT CHILDREN AND YOUNG PEOPLE'S PLAN

Members received a report which informed them of work that had been done and was due to start on the next Children and Young People's Plan (CYPP) for York.

Officers informed Members that many successful outcomes had emerged as a result of the implementation of the previous CYPP, such as low levels of teenage pregnancy and youth re-offending rates. However, it was noted that work still needed to be done to improve outcomes for young people with learning disabilities in the city.

In relation to consultation work that would be done with young people, Officers informed Members that the approach used for the local anti bullying survey would be adopted, but that an additional questionnaire with a broader focus would be developed. Additionally, a resource pack would be developed for children and young people's groups in order for them to put forward their ideas to the Council on what should be included in the new CYPP.

Further suggested methods that could be used in consultation on the CYPP included;

- An inspection of the final draft of the Plan by the Young Inspectors.
- Through the completion of online surveys and greater use of social media.
- Consultation conducted during lessons at school, led by youth workers or young people themselves.

RESOLVED: That the report be noted by the Young People's Working Group.

REASON: To ensure that Young People's views are taken into account in Council decision making.

19. YOUTH CAFÉ

Members received a verbal update on current progress towards the establishment of a city centre Youth Café.

Officers informed the Working Group that problems had been encountered with the property that the York Youth Trust had identified. It was reported that the developers had not signed a lease with the Youth Trust, but also had not yet signed a lease with any other interested party. However, Officers informed Members in their view the deal on this building was slipping away, and it would be necessary to identify new possible venues if the long-held ambition was going to come to fruition.

During discussion Officers suggested that the Youth Trust could perhaps look to develop something in a temporary location, such as in a vacant property in the city centre on a short term lease. It was noted that various Council departments would be moving from buildings around the city centre into the new Headquarters, and that a possibility could arise of using empty space in these offices.

RESOLVED: That the verbal update be noted.

REASON: To ensure that members of the Working Group are informed of current developments in relation to establishing a Youth Café in the city.

20. YOUTH COUNCIL MATTERS

Members of the York Youth Council gave Members a presentation on the issues that young people in the city had selected to campaign on for 2012. These were as follows;

- To continue to work with York Young People's Trust and to open a building in the City Centre for Young People.
- To improve the delivery of Personal, Social, Health, and Citizenship Education (PSHCE) in schools.
- To challenge poverty in York.

Discussion on the aim to open a building in the City Centre for Young People took place under Agenda Item 5 (Youth Café).

In relation to the improvement of PHSCE in schools, Members were informed that a toolkit was being developed for PSHCE lessons, as it had been identified that lessons tended to differ in the city's schools. In particular, young people asked for a greater focus on body issues and sexuality in these lessons.

In relation to their aim to challenge poverty, Youth Council representatives spoke about the areas that they wished to campaign on. In particular, they felt that school uniform costs were important, as different schools had different approaches and some uniforms could often only be bought from a smaller section of retailers which tended to be more expensive. They felt that the systems for issuing free school meals varied across schools, with some offering young people more privacy than others, which might affect whether young people choose to eat them. They also backed the UK Youth Parliament's national campaign for greater financial education in school.

Members were then informed about the development of the UK Youth Parliament's campaign for 2012 for better transport for young people, and the Youth Council's aims to address issues on this in York. The Youth Council focused on issues relating to bus and cycling provision in the city such as;

- A lack of city wide discount bus fares for young people aged 17-18.
- Problems that had been encountered with the quality of bus timetable information.
- Quality of service issues with operators and drivers.
- A need for more paper maps, and electronic tools to identify cycle routes around York.
- A need for more safe off road routes along with more continuous well marked current cycle routes.
- A wish for more urban cycling training in order to improve young people's confidence in cycling on roads.
- Promotion in schools to encourage young people to cycle in work and leisure time.

Some Members agreed that the cost of school uniforms was an important issue to campaign on, whilst others felt that the focus on bus and cycle transport in the city, in particular the need for a greater amount of cycle training in schools was particularly practical.

Officers informed Members about the process that had taken place in York schools for the National Youth Parliament elections. It was reported that a shortlist of three candidates had originally been identified, but that unfortunately two candidates had pulled out, and this meant that elections to the Youth Parliament would not take place in York schools this year.

RESOLVED: That the presentation from the Youth Council be noted.

REASON: To ensure that young people's views are taken into account in Council decision-making.

Councillor Scott, Chair

[The meeting started at 5.05 pm and finished at 6.25 pm].

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Cabinet

6 March 2012

Report of the Cabinet Member for Leisure, Culture and Social Inclusion

Neighbourhood Working – A New Approach**Summary**

1. This report proposes a new model of Neighbourhood Working through which the Council will work with partners to deliver better services for York's communities.

Background

2. The Localism Bill sets out a series of challenges for local government and specifically for City of York Council. Some of the key issues include the community right to challenge to run local authority services, the right to bid to buy community assets, and neighbourhood planning: The ability to set out development plans at a neighbourhood level. All of these presuppose the existence of well-established and well-supported neighbourhood groups with an interest in undertaking such work.
3. In addition to the devolution of powers from the central to the local, there is also a planned devolution of power and action from the institution to the smaller group of committed activists / employees / volunteers. York has signed up to the Co-operative Council movement with the intent to empower employees who wish to take a greater stake in their work. At the same time, the Open Public Services white paper encourages the public sector to explore the opportunities for establishing social enterprises and working with the voluntary sector.
4. Co-production is a new vision for public services based on recognising the resources that citizens already have and delivering alongside their users, their families and their neighbours in partnership with the public.

5. The Council's approach to Neighbourhood Working should be seen in the context of a co-ordinated city-wide approach to boosting connectivity between people at neighbourhood level. The essence of this approach is about supporting different, flexible ways to attract people to give time and resources to initiatives and causes on their doorstep, in their local communities, that matter to them.
6. The ethos of neighbourhood working means working alongside residents as equal partners to shape their own areas and neighbourhoods by developing local solutions for the things that matter most to them. This approach is about developing "Good Society" where:
 - Residents establish local priorities
 - Communities develop and deliver their own innovative solutions
 - Service providers work together to deliver efficient services shaped by residents
 - The voluntary sector gets increasingly involved in helping meet local needs

A Neighbourhood Working Model

7. An "Area Working" pilot took place for 12 months up to September last year in Acomb, Dringhouses / Woodthorpe, Holgate, Micklegate Rural West, and Westfield wards. It is clear that the approach taken in the pilot was overly bureaucratic and would not be sustainable on a city-wide basis. In developing a new model we have, however, been able to take account of some useful approaches that Members identified during the pilot including:
 - a) Ward profiles that provide a comprehensive picture of the needs of communities and audit information that tells us what is already available in a ward and where the gaps are.
 - b) Working with service deliverers and partners on delivery plans to address the ward priorities developing new initiatives and sharing good practice.
 - c) Working with CVS to develop a volunteer database and a corresponding volunteer opportunities database to link residents to the volunteering opportunities that suit them.
 - d) Locating staff within wards, making them a 'hub' for local information so they can work more effectively with communities.
 - e) Introducing Facebook and Twitter and regularly getting messages out into the community.

8. In order to meet the challenges of the new Council Plan we now propose a new model of Neighbourhood Working that will be simple and non-bureaucratic and which will:
- a) Be led by ward members
 - b) Build on current ward committee arrangements and be flexible to suit the needs of different wards
 - c) Provide a strong project management approach to delivering the priorities identified by members
 - d) Streamline officer roles and remove duplication amongst officers working in wards
 - e) Provide for integrated partnership working at ward level
 - f) Recognise that some wards have greater needs than others
 - g) Provide clear channels for members to report problems / service issues and have them dealt with efficiently
 - h) Provide strong leadership to embed equalities good practice in local service delivery
 - i) Deliver efficiency savings
9. The new model will support members in the following areas:

<p>Ward Profiles</p>	<ul style="list-style-type: none"> • These documents will contain ward level data relating to economy, employment, community safety, environment and levels of satisfaction. This data will be complemented by local knowledge and will enable members to make informed choices in relation to the priorities for each ward.
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<p>Ward Audits</p>	<ul style="list-style-type: none"> • These will tell the ward member what facilities exist within the ward, what activities are being delivered and by whom, and about schedules of work e.g. footpath / highway improvements, road sweeping and litter bin collection. <p>The Ward Audit will give residents easy access to what is available to them and reduce the perception that ‘nothing is happening’. It will help us to work with service providers to identify where there are any gaps and develop ways to address them.</p>
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<p>Ward Priorities</p>	<ul style="list-style-type: none"> • Members will set priorities for the ward using the profile data, local intelligence and resident ambition. An Action Plan will then be drawn up. <p>Ward audits will help in framing actions by highlighting existing provision and enabling members to identify any gaps in provision.</p> <ul style="list-style-type: none"> • The Action Plan will help residents to hold the Council to account for activity to address the priorities as we report back on the web and at Ward Committees. It will also enable us to respond quickly for example when external funding becomes available.
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<p>Community Contracts</p>	<ul style="list-style-type: none"> • The most significant new element of the Neighbourhood Working model, Community Contracts will: <ul style="list-style-type: none"> • Focus on services that will contribute to addressing the ward priorities identified by members, whether delivered by the Council or other agencies. • Stipulate what level of service local communities can expect to receive. • Record what is expected of local communities. • Provide data against which communities can measure service delivery. • Enable the ward to redesign services in a way that meets community need within available budget. • Guide the allocation of resources to wards by the Cabinet in the form of “credits”.
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10. Key elements of setting up and running Community Contracts will be:

- a) Ward Members will take the lead in drawing up the Community Contract through Ward Team Meetings. Led by the ward members and involving representatives of partner agencies as required, these will replace Ward Partnership Boards.
- b) Twice yearly the Neighbourhood Manager will report back to the Ward Committee Meetings on the progress that has been made in delivering against the Community Contract allowing members to monitor service delivery. These reports will be supplemented by more frequent data where appropriate.

- c) Heads of service and their partner equivalent will work together (using “Lean systems” thinking) to redesign service delivery in response to the Community Contract. This will be supported by the Council’s new Innovation Team.
- d) In many wards the Community Contract will simply constitute the monitoring of a straight forward service level agreement type document which will be facilitated by data relating to Council services produced through the Council’s existing data systems. In wards with particular needs, however, the Contract is likely to involve a range of agencies and will guide the development of new services and new approaches to address particular issues.
- e) In response to the Council’s commitment to fairness and equality the Community Contract will identify how services have accounted for equality issues based on an equalities impact assessment.

Neighbourhood Budgets

11. The Fairness Commission has recommended that ward budgets are not continued in their current form. In order to provide improved scope for Ward Members to work with their communities to shape service delivery through Community Contracts it is proposed to replace ward budgets with a new system with four components:
- a) **Ward Budgets:** Each ward will have an allocation to use as grant funding to commission local voluntary and community organisations to meet identified needs. Ward members will allocate these grants annually involving residents in decision making as appropriate to local circumstances. This funding will be allocated by wards only to organisations based in the ward and providing services in the ward. City-wide organisations which might provide services to more than one ward will not be allowed to apply to this pot. Eligible organisations will include voluntary sector organisations, residents associations, community halls, sports and other clubs. Parish Councils and other public agencies will not be eligible to apply. It is proposed to allocate £75k to this pot in 12/13 which is in line with the spending profile in 11/12.
 - b) **Other Voluntary Sector Support:** It is recommended that £130k is allocated to a pot to support those voluntary sector organisations that provide services to more than one ward and that are currently forced to apply for a plethora of individual ward committee grants. This would clearly benefit the voluntary sector. It will be made available for community development and outreach work. A connection to wards will be maintained in that applicants will be

expected to have regard to ward priorities and will get their applications endorsed by ward members where appropriate.

It is not intended that this fund would be open to Council services such as Street Sport; however, it is proposed that in the first year only, whilst the Ward Credits pot is being established, Council services are allowed to bid.

It is recommended that management of this pot is put in the hands of a standalone third sector management organisation. This would administer the schemes according to the Council's criteria and priorities and would provide support to the recipient organisations including accessing additional funding / revenue sources, helping them to become more sustainable.

At the same time this arrangement could create further efficiencies as the burden of assessing the performance of current grant holders would transfer from authority officers to the third party provider / administrator.

This arrangement could draw together a range of different Council funding streams allowing for closer alignment of funding streams beneath a single, simplified reporting structure. Other potential funding streams to be included in this arrangement will be further considered in the Voluntary Sector Strategy paper which will come to Cabinet in April.

- c) **Ward Credits:** A "credits pot" will be created to be allocated to identified wards to be used to commission new services, either from within the Council or from other partners / sectors, to deliver on the Ward priorities.

The credits pot will be formed by creating headroom within existing budgets. To do this new, minimum service standards will be defined during 2012/13 for those core local services that are to be included within Community Contracts, particularly those services currently delivered by CANs. This minimum level would become the default position for Community Contracts across the city. Where services currently exceed those minimum standards Cabinet will be able to aggregate the appropriate "spare" resource into the credits pot. It is recommended that credits are allocated only to wards with the highest levels of deprivation.

In the first instance the credits pot will have £19k allocated to it. Over time further budget areas may contribute to the credits pot. A further report will be brought to members on this during 2012/13.

- d) **Street Environment budgets:** These will remain available to address environment related priorities identified within wards.

12. In future requests for additional Council services such as street lighting or salt bins will go direct to provider departments.
13. Funding available to wards will therefore be as follows:

	All Wards	Wards with higher deprivation
Ward Budgets	✓	✓
Street Environment budget	✓	✓
Other Voluntary Sector Support Pot	✓	✓
Ward Credits		✓

Supporting Members to deliver Neighbourhood Working

Neighbourhood Management:

14. A smaller Neighbourhood Management team will support Members to deliver neighbourhood working by:
- Gathering local information to create ward profiles and ward audits.
 - Supporting Members to identify ward priorities.
 - Helping members to work with communities and partners to negotiate Community Contracts based on the priorities for the ward.
 - Providing project management on the Ward Action Plan and reporting performance back to members and residents.
 - Negotiating changes to services with providers at a ward level.
 - Commissioning services at a ward level based on the priorities for the ward using “credits”.
 - Understanding the needs of residents from the various communities of interest including communities within wards who are marginalised and through the community contract process ensuring they have appropriate accessible services to meet their needs.
 - Promoting volunteering and linking people to the right opportunities.
 - Procuring support for community centres and resident associations.

- Supporting partners and communities to recognise and address community tensions.
 - Helping to support communities in respect of the Neighbourhood Plans proposed in the Localism Bill.
15. As the team will be small they will need to focus on those wards with higher levels of need and provide a light touch in the majority of wards.

Ward Committees:

16. In order to create a more cost-efficient and effective system it is proposed that the arrangements for ward committee meetings are changed so that there will be:
- a) One “Annual” Ward Committee meeting, normally to be held during May / June. This meeting will be arranged and facilitated by the Democracy Services team with relevant officers and representatives in attendance as at present with the Neighbourhood Manager attending to report back on progress against the ward action plan and community contract.
 - b) Up to two further meetings held on a more informal basis to consider particular topics identified by residents. These will be supported by the Neighbourhood Manager only and will include a further report back on progress against the ward action plan and community contract.

Members may of course choose to organise additional Councillor / Resident focus groups that they will lead themselves.

A proposed revision to the Council constitution is set out in the Annex A.

Communications:

17. The Council’s ambition is to ensure that its communications are increasingly tailored to specific audiences and delivered through a channel that best suits that audience. In addition, it is essential that communications become much more two way and that residents have a clear voice.
18. The Council plans to shift the emphasis of its generic city wide paper based media towards better targeted community communications. This will be achieved by including Council messages and content in partner organisation’s magazines where they reach specific audiences. It will also include the use of free newspapers and magazines – particularly those used by the supermarkets and retail outlets in York. In addition to these activities, there will be an

increase the media available through our Explore Centres and Community hubs that features services and initiatives of interest to local residents.

19. The Your Voice newspaper will regularly be produced to meet the needs of specific wards and communities and highlight the work going on within them. There will be 3 ward publications a year, one for each ward, which will include ward agenda, meeting details, and contact details.
20. There will be a transformation in the way we communicate with communities: Alongside the traditional communication tools, there will be an increase in the availability of online services / data and new media. There will be specific areas of the Council website available to wards and communities to enable residents to understand the range of services being offered and to allow them to request a service or participate in a survey or initiative for example. Communities will be encouraged to post content on our websites. In addition, the popularity of Facebook and Twitter means that for some parts of the city, there is an appetite for customers to communicate with the Council in this way. Phone apps will be in wide use. The corporate communications team is committed to broadening the use of new media and enabling more choice for customers about the way in which they communicate with us.

Equalities:

21. The proposed development of the Neighbourhood Management Unit will support the Council to consult and engage with a range of communities, identify specific service needs and develop community contracts. The Neighbourhood Management Unit will be central to the development and design of services and understanding the gaps in service provision.
22. There is a need to ensure that when we are consulting with communities or designing services to meet the needs of our service users and residents we are able to develop solutions to sometimes complex issues that can arise in the design of services. The quantitative data from the Business Intelligence Hub and Public Health will also support the Council to work with those who are most disadvantaged and vulnerable.
23. To bring this together it is recommended that the Equality and Diversity Unit is incorporated within the new Neighbourhood Management Unit. This will enable the authority to ensure equalities

sits at the heart of consultation, engagement and development of services.

Who Ward Members will Contact

24. The following grid shows how ward members will be able to access the support they need:

Contact:	About:
<p>York Customer Centre (YCC): Provides a variety of contact channels, e.g. via 551550, email and Do It Online which allows members to raise service requests and track their progress.</p> <p>A mobile App where photographs of environmental crimes can be recorded and logged with the relevant services and then tracked is being developed.</p> <p>By April 2012 YCC will also be handling complaints including member complaints / enquiries about unresolved issues.</p>	<p>One-off issues concerning street scene and environmental matters, non domestic business rates, council tax, refuse, electoral, frontline planning & building control and signposting to other council services.</p> <p>A monthly report from the contact centre would alert the ward team meeting to any recurring themes and a more in depth response can be explored.</p>
<p>Street Environment: A named Street Environment Officer will be provided for each Ward within area teams (see below). They will liaise with other front line staff within the area team.</p>	<p>Street scene, environmental and enforcement issues where there is a bigger or more persistent issue e.g. where a number of residents have reported a problem or where there is a need for a more concerted, proactive approach.</p> <p>Delivery of agreed services within the environmental section of the community contract.</p>
<p>Neighbourhood Management: A named Neighbourhood Manager will be allocated</p>	<p>Delivery of the priorities in the ward plan, ward profiles and audits. Drawing up of Community Contracts. Working with partners to fill any "gaps"</p>

Examples of Neighbourhood Working in Action

25. **Families:** York is part of the Community Budgets initiative addressing Families with Multiple Problems by supporting communities and combining public resources in the most effective manner. We are currently pulling together specialists including those delivering the family intervention project, support for children at 'The Edge of Care' initiative, and others to focus their work and resources in the most deprived areas of York starting in Westfield Ward. Neighbourhood Working will support this initiative by:
- a) Harnessing the contribution of other colleagues and partners delivering front line services in the ward through the ward team meeting. Partners will include the Police, youth workers, children centres, schools and the voluntary sector. They will use their relationships with local communities to develop a support network for referred families that will remain in place long after the project has finished.
 - b) Progress will be reported to members as part of the ward action plan update at Ward Team meetings and to residents yearly through the Ward Committee meetings.
26. **Older People:** We know that five key indicators put older people on a downward spiral: Falls, strokes, incontinence, bereavement, dementia. Imagine Mr Johnson turns up to see his GP having had a fall. During the course of the conversation his GP discovers Mr Johnson's wife died 2 months ago. The GP can treat the fall but needs support for Mr Johnson to reduce his loneliness and isolation:
- a) The practice manager accesses the ward audit and discovers that whilst there is a luncheon club in the ward it is too far for Mr Johnson to travel.
 - b) The practice manager raises the fact that there is only one luncheon club in the ward with the Neighbourhood Manager who takes the issue to the Ward Team meeting. There ward members explore whether this is an issue for the wider community, whether any other organisation can introduce an additional service within their existing resources or whether members want to consider supporting the development of something with ward budgets, credits or other funding.
27. **Environment:** Supposing an area is experiencing a high level of graffiti and similar anti-social behaviour:
- a) The Ward Member will be able to liaise with their Street Environment Officer to have the graffiti dealt with immediately. The SEO will also be able to liaise with the enforcement team

and other agencies in the area, who can then find out about the perpetrators and potentially to organise an immediate response, for example in the form of diversionary activities.

- b) The Neighbourhood Manager will be able to call on a number of tools to help the ward members engage the views of young people. These tools, now described on the *YorkOk* website include the “Change Champions” initiative and others to suit different circumstances.
- c) A specific ward action plan may be developed that includes both improved reporting arrangements, co-ordinated activity between partners and some new services. It may involve the co-ordination of some new volunteer activity.
- d) Discussion through the Ward Partnership Team and the Ward Committee may lead to the establishment of a new Ward Priority reflected in a Community Contract. This will involve officers from across the Council, for example from Young People’s services, the voluntary sector, the Police, etc. and may well lead to commissioning some additional services or provision using ward “credits”.
- e) Regular reports will be made to Ward Members on progress.

Options

- 28. The principal options available to members are to:
 - a) Adopt the new model as proposed
 - b) Retain the status quo
 - c) Adopt an amended version of the model

Analysis

- 29. The model proposed is recommended as it provides the opportunity for residents to work with and through their ward committees to establish local priorities and come together to develop and deliver their own innovative solutions. Community Contracts will assist service providers to work together to deliver efficient services shaped by residents.

Council Plan

- 30. The Neighbourhood Working model is key to delivering the Stronger Communities priority within the Council Plan and its key priorities:
 - a) Community Engagement – more residents will understand and be engaged in planning, budgeting, priority setting and problem solving in their communities

- b) Stronger voluntary sector – there will be a strong volunteering infrastructure with increased levels of volunteering in the city and opportunities for not for profit organisations to deliver services
- c) Safer inclusive communities – we will achieve safe, resilient and cohesive communities where no person or community feels left behind or disadvantaged
- d) Improved community infrastructure – we will establish an appropriate infrastructure including housing, leisure, schools and businesses supporting opportunities for capacity building, work and enterprise
- e) Healthy sustainable communities – we will create healthy and sustainable living options in communities
- f) Communities where young people flourish – we will consult with young people to build communities that reflect their needs

Implications

- 31. **Finance:** The base budget for Ward Committees for 2012/13 is now £224k.
- 32. **Equalities:** We have completed an EIA of Ward Committees and developed an action plan to make them accessible to all. As part of the roll out of Neighbourhood Working the EIA will be further developed to include the Community Contract process.
- 33. **HR:** Restructuring of the Neighbourhood Management Unit and relevant front line teams in CANs will take place to create the area approach outlined under the scheme of delegation and in line with the Council's Management of Change procedure.
- 34. **Crime and Disorder:** The review of Capable Guardian arrangements to move to a "Team York" approach will impact positively on addressing crime and disorder issues.
- 35. **IT:** The communications approach outlined will have implications for the development of the Council's IT systems.
- 36. **Planning:** These proposals are part of developing a local approach to how the new rights under the Localism Bill might be exercised. At a strategic level the Core Strategy Submission (Publication) (September 2011) supports the preparation of neighbourhood plans. The LDF promotes community cohesion and the development of strong, supportive and durable communities through the creation of sustainable, low carbon neighbourhoods. This will be delivered through the Core Strategy through a number of measures, including

the preparation of neighbourhood plans and implementing any planning actions through the development process. As such, the strategic approach to neighbourhood planning in the emerging Core Strategy fits in with the neighbourhood working model.

37. There are no additional property or other implications.

Risk Management

38. In compliance with the Council's risk management strategy the main risks that have been identified in this report are those which could lead to the inability to meet business objectives and failure to meet stakeholders' expectations. Measured in terms of impact and likelihood, the risk score all risks has been assessed at less than 16. This means the risks need only to be monitored.

Next Steps

39. Following approval of the model work will be undertaken to:
- Implement a restructure of the Neighbourhood Management Unit and Equalities Team – to be undertaken by the Director of Communities and Neighbourhoods under the Council's scheme of delegation
 - Develop Ward Credits for implementation in 2012/13 with a further report to be brought to Cabinet in due course
 - Secure a third sector management organisation for the administration of grant funding
 - Create a new front line delivery system for environment related services – to be undertaken by the Director of Communities and Neighbourhoods under the Council's scheme of delegation. This will ensure that services work together in order to improve efficiency and responsiveness. Area teams will bring together relevant resources to tackle street based enforcement activities to take action, using a range of powers, on issues such as graffiti, fly-tipping, parking offences and dog fouling, etc.

The approach is encapsulated in the work on the *Love Where You Live York* initiative:

www.lovewhereyouliveyork.wordpress.com

The 'Love where you Live' team will aim to reduce the amount of reactive action to enable partners to concentrate on real sustainable improvements in local neighbourhoods. This will be underpinned by improved working relationships with other services, partners and communities including young people together with improved reporting and resolution of environmental

issues tailored to the needs of local neighbourhoods and engaging local communities.

Each area will also have a named officer responsible for reactive issues and ensuring that members' and residents' issues are resolved by the appropriate route. This role will be an enhancement of the current Street Environment Officer role.

- Some ward committee members also currently host / chair Capable Guardian meeting. These meetings are designed to bring front line partners together to address issues such as anti-social behaviour. Members may wish to review the current system and develop it as a means of bringing together partner resources to address a wider range of issues as part of the ward team meetings badged as "Team York".

Recommendations

40. Cabinet is asked to:

- a) Adopt the model of Neighbourhood Working including the arrangements for:
 - i. Community Contracts as set out in paragraphs 9 and 10
 - ii. Ward funding as set out in paragraph 11
 - iii. A new remit for the Neighbourhood Management and Equalities Teams as set out in paragraph 14
- b) Recommend to Council a change in the Council's constitution in respect of ward committee arrangements as set out in the Annex
- c) Instruct the Director of Communities and Neighbourhoods to:
 - i. Carry out a restructure of the Neighbourhood Management Unit and Equalities Team under the Council's scheme of delegation in order to deliver the new model
 - ii. Deliver the new 'Love where you Live' approach?
 - iii. Procure a third sector management organisation to undertake the administration of the voluntary sector funding pot

Reason: To deliver better services for York's communities

Annex A: Proposed revisions to the Council Constitution in respect of Ward Committees

Contact Details

Author:		Chief Officer responsible:			
Charlie Croft, Assistant Director (Communities and Culture)		Sally Burns Director of Communities and Neighbourhoods			
Stewart Halliday Head of Strategy, Partnerships & Communication		Report Approved	✓	Date	21.2.12.
Specialist Implications Officers:					
Patrick Looker Finance Manager		Frances Sadler City Strategy			
Wards Affected:					All ✓
For further information please contact the author of the report					

Summary and Explanation

Ward Committees

7.1 There are 22 Wards in the City of York which in some cases are merged to create 18 Ward Committees. These Ward Committees provide local citizens an opportunity to influence local service delivery and to have a say more widely in Council affairs. They are responsible for considering local matters and have a devolved budget to spend on supporting local community groups and initiatives. The Ward Committees are comprised of Councillors for each Ward(s) who must exercise their delegated authority in consultation with local residents at annual meetings that are held in public.

In addition to the annual meeting there are up to two themed ward committee meetings each year that provide an opportunity for residents to be involved in exploring specific issues and identifying solutions.

Every household is notified of details of the Ward Committee meetings and all local residents are encouraged to attend and have their say.

Responsibility for Functions

9.1 The function of a Ward Committee is to:

(a) Consider the needs of local communities and, taking account of the views of local residents, prepare a Community Contract for each Ward that is consistent with the Council Plan policies and priorities in so far as they relate to the Ward.

(b) Formulate, develop and approve an Action Plan for the Ward based on the priorities in the Community Contract and scrutinise the delivery of local services based on the Plan.

(c) Continuously monitor services and facilities within the ward to identify specific improvements which the Council or partners could introduce within available resources and make recommendations.

(d) Provide wide-ranging opportunities for residents to monitor service delivery, inform service redesign and for communities to deliver services where practicable and appropriate.

(e) Bring to the attention of the Council the views of local people on any matter of local concern and identify practical arrangements which might improve communications between the Council and the people it serves.

(f) Consider and provide advice to the appropriate Cabinet Member or Director on the provision of services within the ward by the Council and other bodies including any set up by the community.

(g) Promote the principles and standards of the Council's Open Government policy.

(h) Decide on the allocation of resources contained within the Ward Committee budget in accordance with the Council's Procedure Rules as set out in Part 4 in this Constitution except:

- i) Resources will only be used to award grants to community groups in the ward to support their contribution to the priorities set out in the Community Contract;
- ii) Services that require an "authorised officer" of the Council to exercise statutory functions.

(i) Comment on proposals of the Cabinet, Committees and Sub – Committees of Council which have an impact on their Ward.

PART 4C - ADDITIONAL STANDING ORDERS RELATING TO ANNUAL WARD COMMITTEES

1 Meetings of the Annual Ward Committee

- 1.1 The Annual Ward Committee meeting will be called by the Chair and meet once per year.
- 1.2 Any member of the Committee may place an item of business on the agenda.

2 Minutes

- 2.1 Copies of the draft minutes of the previous meeting will be circulated to Members on the day the agenda is circulated, no less than 10 clear days before the meeting is to be held.
- 2.2 The minutes will be agreed at the next meeting of the Ward Committee and signed by the Chair.

- 2.3 The minutes of the Ward Committee will be entered in a Minute Book and be available for public inspection no more than five working days after they have been approved.

3 Voting

- 3.1 Voting at a meeting will be by a show of hands. Any Member may require their vote to be recorded in the minutes.
- 3.2 In the event of any vote being equally divided the Chair will have a second or casting vote.
- 3.3 Where only two Members are present any delegated powers can only be exercised if both Members are in agreement.

4 Access

- 4.1 Ward Committees will be subject to current access to information provisions. In addition the following will apply:-
- (a) The Chair of the Ward Committee will introduce all agenda items then allow public debate.
 - (b) The Chair of the Ward Committee will sum up at the end of the debate and together with other Members take a decision.
 - (c) Meetings of the Ward Committee will be open to all residents of the ward to attend.
 - (d) The agenda will be publicised no less than five clear working days before a meeting is held.
 - (e) Agenda will include a residents' question time (Have Your Say).
 - (f) A public notice board will be established for the ward on which all public information will be displayed. (The Press and social media will be recognised as a public notice board.)
 - (g) Council officers will be able to attend and speak at meetings where the subject area is relevant to the ward or where a citywide issue might impact on residents in a ward.
 - (h) Members may invite representatives of other agencies to attend and advise at meetings where relevant items are to be discussed.
 - (i) The Council will communicate the findings on any issue raised with them by a resident to that person within ten clear days - unless the inquiry raises issues of law or practice, requiring a provisional response to be sent or where an issue requires further action and /or investigation the Council will communicate that this is the case providing a deadline for completion.

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Cabinet

6 March 2012

Report of the Cabinet Members for City Strategy and Communities and Neighbourhoods.

The Community Stadium: Business Case

Summary

1. This report sets out the business case for the Community Stadium to pre-procurement stage. Cabinet members are asked to recommend to Council to:
 - Approve the business case as presented noting the financial risks and potential resultant liabilities that may arise as a result of proceeding with the scheme.
 - Approve its submission to the Planning Committee in support of the outline planning application submitted by Oakgate Group plc.
 - Approve the inclusion in the Capital Programme of the Community Stadium scheme at the value of £19.2m to be funded from £14.85m of S106 Contribution, £4m of Prudential Borrowing (£200k 11/12 and £3.8m 12/13) and £350k York City FC. Members should note that the funding from York City Football Club could be higher than a £350k contribution and this would result in a reduction of the Councils contribution
 - Approve the release of the balance of the Council's £3.8m Prudential Borrowing as shown in the capital programme in 12/13 in order to progress the Community Stadium project.
 - Approve that as part of the release of the £3.8m capital funding available that £2m to be allocated for the new athletics facility with York University and commit to the delivery of the project. Note the risks outlined in paragraph 50 that if the stadium scheme does not proceed that £2m of CYC Prudential Borrowing will be spent on delivering athletics provision for the City.

- To note, and accept, the risks set out in the risk management section of this report, and the financial implications section.

Background

2. Previous reports to the Council's Executive and Cabinet have provided summaries of the development of the Community Stadium project to date. A review of the project's history is included in the Business Case (Confidential Annex A). The outline stage of the Business Case was first agreed by members in June 2009. It was then further developed to support the decision of the Executive in July 2010 that the stadium would be located at Monks Cross South and would be delivered as part of an enabling development at the centre of a range of community facilities.
3. On 8 December 2011 Council agreed that £200k of the Council's £4m capital allocation for the project should be used to progress the project to the next key stage. Since then officers have undertaken:
 - Cost management reports on all strands of the capital work.
 - Further development of the key stakeholder partnerships for the provision of the community facilities.
 - Financial and due diligence work.
 - Sensitivity analysis on the operation of the leisure facilities.
 - Stage 2 feasibility and survey work at the University Sports Village in order to proceed with the athletics proposals.
 - Architectural and design work to develop the specifications / design guides for the new facilities, prepare schematics, developing the indicative plans provided as part of the outline planning application.
4. The business case has now been developed to the point where members are in a position to sign-off the core principles of the way the stadium and associated community facilities will be delivered, operated and maintained based on projections of the principal costs and income streams supported by a robust evidence base and sensitivity analysis identifying the relevant risks.
5. Following approval of this report, officers will move to:
 - Preparation of the procurement packages.

- Appointment of the council's design / construction / legal / procurement and financial specialists that will work for the council throughout the procurement exercise.
 - Preparation and submission of detailed planning / reserved matters applications for development relating to the community stadium, community sport & dedicated training facilities and the county standard athletics track.
 - Undertake detailed discussions / negotiations with key project stakeholders now Heads of Terms have been secured with all parties.
 - Undertaking further community consultation.
 - Continue to develop the business case as the planning, procurement and design process progress.
6. A planning application has been submitted for the enabling development by Oakgate Group plc. The application includes a S106 agreement which pays £14.85M towards the delivery of the community stadium. This will be the principal funding stream. It is proposed that the Council submit the business case into the planning process in order to demonstrate that the Community Stadium is deliverable and sustainable and will deliver community benefits that justify the enabling development.

The Business Case

7. The business case for the community stadium was first formally submitted to the council in June 2009. Since then it has developed as part of an iterative process. It is now at a stage that provides members with sufficient information to make an informed decision relating to the key issues and risk associated with the delivery of the project.
8. The detailed business case and supporting documents are set out in **Annex A**. Due to the commercially sensitive nature of much of the information the document is confidential. This cabinet report contains a summary of the key issues.
9. The key principles for the project are that it will:
- Be a community focused project that will deliver an exciting range of sports, learning, and health focused services and facilities for the City and region.

- Make the new 6,000 all-seater stadium the focal point of a new community hub that will play a key role in community leisure provision across the City.
- Provide a new high quality county standard athletics facility as part of the York Sports Village at Heslington East Campus.
- Ensure that all the facilities are fully inclusive and owned by the Council for the benefit of the people of York.
- Ensure that all commercial uses / activity will support the community objectives of the project.
- Establish the most efficient and cost effective arrangements for the operation of the facilities.
- Create commercially sustainable facilities.
- Enable the project partners to thrive, with no adverse impact through the delivery of the project.

Proposals and facility mix:

10. The scheme proposes an extensive range of community facilities, these are set out below:

- **Community Stadium:** 6,000 all seat stadium with hospitality & support facilities and capable of extension to 12,000 capacity – shared between rugby league and football. It will also act as a base for the clubs' extensive community activities, provide them with offices, boardroom, administration and high quality hospitality facilities and a top class playing surface. The stadium will host community sports events / finals and be available for occasional events such as concerts.

The stadium and its associated facilities will act as a focal point for community sports activity. This will be a base for the clubs to deliver their community activities, building on their present programmes. This will also give schools, adult education providers and other community groups the chance to use the stadium and sport as means of motivation to encourage educational development and participation. There will be access to the meeting areas and hospitality lounges for community use and the stadium itself to host finals for schools and leagues across the City.

- **3G Floodlit Games Courts:** Linked to the stadium and working with the Football Association (FA), Football Foundation (FF) and

local leagues, to provide a 3G pitch with a youth focus, linked to the development structure of the professional clubs. The facility will also be available for local 5-a-side leagues and training for the professional teams. This would be built with a 'shock pad' allowing rugby to be played, offering considerable opportunity for YCKs to run elements of their community programme and be used as a training facility.

- **Community Sport & Training Pitches:** Three options are provided to deliver a dedicated training and reserve team facility for Rugby League enabling the pitch quality of the community stadium to be maintained. The objective is to also invest into community sports provision across the city in delivering this facility.
- **County standard athletics facility:** 500 capacity grandstand, club and support facilities at the York Sports Village. It will act as a hub for the new regional closed circuit cycle track to be developed with the university and offer scope for other sports such as triathlon. This will be a key part of the City's Olympic legacy and establish York as sporting centre of regional importance. It will provide a sports pitch in the centre of the track (which will replace the pitch ultimately lost at Bootham Crescent, satisfying Sport England's requirements) and the business case for the provision of an additional training pitch adjacent to the facility is being explored.
- **Investment into Leisure Portfolio:** Potential to bring much needed investment into the leisure facilities at Waterworld / Huntington Stadium to secure the facilities' long-term sustainability through the procurement exercise to secure an operator. Feasibility has identified £3M investment requirement. This element of the project is not included in the stadium financial model. However, this will be considered as part of the wider procurement exercise underway as an invest-to-save initiative.
- **Community Hub:** a range of community focused facilities and uses are also proposed. These will be built as part of the Stadium's main stand, incorporated into an iconic atrium, providing a focal point for all the community activity at the Huntington site. It will be designed around a large, high quality cafe and informal communal / reception area.

The primary function of the hub is to provide a commercial revenue stream to support the community stadium's running costs and to

support the clubs in delivering their community sports programmes. However, one of the key objectives of the project has been to maximise the potential community benefits. To this end, extensive work has been undertaken to establish a mix of community facilities and users that will add considerable value to the community stadium with far reaching benefits to the City whilst providing a revenue stream at the same time. Heads of Terms have been agreed for commercial rental agreements to deliver the following:

- **York NHS Hospital Trust Community health / well-being drop-in centre:** Providing a range of clinical uses such as physiotherapy & phlebotomy , health information and services such as sexual health and health in-equalities that can use the power of sport and the attraction of the new destination to encourage use, particularly by hard to reach groups.
- **York St John University Community Institute of Sport & Wellbeing:** Linked to the NHS facility offering a range of learning opportunities and placements to provide a unique integrated learning model for sport and health studies, research and development. The work of the sports institute could provide support to the clubs and community health uses, offering access strength and conditioning and physiotherapy services.
- **Independent Living Assessment Centre:** Providing a community 'retail' facility for those with mobility problems. This important service will be given a high profile frontage as part of the new sports / community and retail destination providing excellent accessibility for a use that is currently in an inappropriate and inaccessible location. Scope exists to link this and extend the provision to include services such as stroke rehabilitation etc.
- **Training, development and conference centre:** Using the main hospitality area of the stadium (non-match day use) to deliver a range of seminars, training courses meetings, conferences. Led by York NHS Trust & YSJU and offering use for wider community use. This facility will also be used by the sports clubs to offer high quality match-day hospitality, as well as access for functions and other events in the evenings and at other times.

- **Gateway Explore Library:** Providing a new way of delivering library services, will be integrated into this new multi-agency environment. This would be at the very heart of the hub, being part of the atrium, linking into the cafe / informal areas, providing access to books, IT equipment and a range of other learning activities and spaces.
- **Child's play facility, crèche and day nursery:** Offering a new unique and exciting concept, extending to 800sq m. It will also include a day nursery (providing an excellent location with close access to the park and ride facility) a crèche – offering a new concept for the wider destination of parents wishing to drop off their children to either shop, use the leisure facilities or watch a game.

Facilities provided in other locations

11. A number of the proposed facilities that form part of the wider project are to be delivered in other locations. These relate to the replacement athletics facilities, community sport / dedicated training facilities and interim ground share arrangements.

Athletics

12. It will be essential that replacement athletics facilities are provided before work starts of the new stadium so that there is no gap in provision. This is to protect York City Athletics Club who would otherwise be without facilities in the interim period. It is proposed that the Council provide a £2m grant to the University to fund the construction of a county standard athletic facility, including spectator stand and playable grass pitch in the centre of the track, at York Sports Village.
13. York Sports Village LLP will build this facility on the land owned by the University and will be responsible for its ongoing maintenance and operation.
14. The facility will incorporate a 500 capacity stand which will include changing facilities, toilets, flexible space for meetings, clubroom, kitchen, storage and have scope for offices for the use of the University. This building may also be used by other sports users i.e. those using the potential cycling facilities and users of the grass pitch in the centre of the running track.

15. A legal agreement will secure community use. Draft heads of terms are set out for approval at **Annex8** of the Business Case.
16. Sport England has indicated that they would agree to a maximum of one year gap between the demolition of the stadium and the re-provision of the new facility. This would be a worse case and would have significant impact on the athletics club and community sport in the city. Members should be aware that this may be during or just after the Olympic year. It is therefore recommended that the grant of £2M from the council's capital programme is made to the University in order to secure an early start on the athletics provision without making it conditional on planning permission being secured for the Community Stadium because:
 - The new facilities need to be completed before work can start on the new stadium.
 - The current athletics facilities at Huntington Stadium are nearing the end of their useful life and are unlikely to obtain a further certificate to hold competition events; new facilities are therefore needed in any event.
 - There is limited impact on the continuity of the operation of the athletics club supporting and developing the far reaching community sports work delivered by the club.
 - Should planning permission not be obtained for the Community Stadium the current facilities at Huntington Stadium are unlikely to be sustainable and it will be necessary to relocate the athletics prior to any decision about what to do with the site.

Community Sport / Training Facilities

17. With two clubs using the pitch for matches at the Community Stadium it will not be possible for the pitch to be used for training or reserve matches. Consideration will be given to using a re-enforced pitch at the stadium that has been successfully used at a number of shared stadia across the UK. This may allow for some reserve team and other community based use. However, it is important that a facility is available for both clubs if they were to have a reserve team in the future.
18. The York City Knights currently have a first team and an under 18s extended scholarship team who use Huntington Stadium for games and for training. They had a reserve team up until 2011 but it was disbanded at the end of the season. In the future the Knights plan to revive the reserve team and also hope to have extended scholarship

teams for under 15s and under 16s in the future. They currently have no provision or designated facilities for either.

19. As part of the Community Stadium project it will be necessary to create additional facilities for training and reserve matches. A number of options have been considered. Those that are potentially feasible are set out below. Selection of the best option is subject to further negotiation between site owners / operators, the Council, York City Knights and others.
20. An options paper for the training facilities has been prepared (**Annex 3** of the Business Case). There has been an ongoing dialogue with the two sports clubs. It has also been suggested that another option should be considered as York College have expressed an interest. These facilities would need to be operational prior to the demolition of the new stadium. The main options are:
 - Acorn Amateur Rugby Football League Club
 - York Sports Village
 - York City's Wigginton Road training facilities
 - York College
21. There are a minimum of three options that are deliverable within the identified budget. It is now proposed to enter detailed dialogue with the relevant partners to develop a preferred option and detailed development proposal.

Interim Ground Share Facilities

22. York City FC has agreed to allow York City Knights access to use their ground during the construction of the new stadium. A licence agreement has been prepared. The parties are in discussion regarding this at present. Both parties agree in principle to this as an interim solution. £250k of the training facilities budget (£750K) is allocated to cover any costs associated with implementing these interim arrangements this will be based on open book accounting. The draft licence agreement is provided in **Annex 4** of the Business Case.
23. The entire scheme will result in around £20M investment in the city's community facilities using only £4M of public money (CYC capital). Thus, for every £1 of public money used, £4 of private funds will be invested into the project and the City's future. The range and

extent of community facilities and services provided, with such minimal reliance on public funds will be a first in the UK.

Table 1: Summary of cost / funding

Expenditure (cost)	£19.2M
Total Funding	£19.2M

Community Benefits

24. Using both quantitative and qualitative techniques, an independent Community Impact Assessment has been undertaken by Drivers Jonas Deloitte (DJD). A summary of the benefits are provided in Section 9 of the report setting out the ‘Magnitude and Significance’ of this positive impact provided by the proposals. DJD’s independent report concludes that:

‘The impacts from the Community Proposals are numerous, significant and beneficial. The cumulative impact of the development in its entirety will drive the most beneficial impact, with the main thrust of the benefits being assisted by the development of the community hub which will be the beating heart of the Community Proposals. The opportunities for collaboration, knowledge sharing and joined-up thinking around sport, health and community care make this a unique a development proposal of significant beneficial community impact.’

25. Key quantitative benefits and impacts of the Community Proposals

- The Community Proposals have the potential to create up to 90 additional permanent FTE positions.
- The Community Proposals have the potential to create 22 temporary FTE positions during the 24 month construction period.
- The new stadium should generate an increase of between 20% and 40% in visitor numbers, which would equate to up to 8,400 additional visitors per year from outside the City of York and up to £247,500 additional expenditure associated with the stadium.

- Up to £2,000,000 additional expenditure is expected to be created indirectly by the Community Proposals through job creation for York's residents.

26. Key qualitative benefits and impacts of the Community Proposals are set out in table below:

Table 2: Key qualitative benefits

Community focal point	Youth sport opportunities	Strategic policy fit
Targeted recruitment	Improved youth health	Improved male health
Improved skills and education	Delivery of sport programmes	Collaborative working and knowledge sharing
Co-ordinated service provision	York's only FA junior compliant 3G games court facility	Improved standard of healthcare provision
Additional opportunities for football and rugby community engagement	Increased youth participation	Reduction of access and health inequalities
Conferencing and hospitality provision for community	Increased chance of football and rugby team promotion	Community health outreach opportunities
Promotion of independent living	Additional stadium family visits	Visible library location
Free Wi-Fi and internet facilities	Health & education and training	High quality public realm
Community cohesion	Nurturing of talented athletes	Sustainable transport provision
Reduction in anti-social behaviour	High quality playing pitch	Healthy food provision
Reduced pressure on existing NHS facilities	Sport and health professional CPD opportunities	Education and literacy promotion
Support for carers	Raising awareness of ILAC	Increased access to learning
Increased sport-based knowledge for York	Work experience and intern opportunities	Anonymity for service users

Impact on Physical Activity Participation Levels

27. In York our Sport and Physical Activity targets are based around encouraging those who are least active to participate in Physical Activity. Local research shows that 42.1% of the adult population are not achieving at least 150 minutes of physical activity per week in accordance with UK Chief Medical Officer's recommended guidelines on physical activity. Males, those aged 17 to 25, 75+, those with a limiting disability and those in socio economic groups D

and E are least likely to be meeting the physical activity targets. This indicator is one of those included in the new Public Health Outcomes Framework which the city will be measured on by national research.

28. The stadium and associated sports and leisure facilities offer an ideal opportunity to address the imbalances in activity levels. The proposed new and upgraded facilities and extended cycle routes, as well as the fully accessible, off site re-provision of athletics facilities and likely creation of a closed circuit cycling facility will all offer additional opportunities for sports participation.
29. It is not just the facility improvements however that will help to address inactivity, equally important is the opportunity for community participation in activity as a result of the programming and operation of the facilities. Both York City Knights and York City Football Club have community sports / activity development teams who will be based at the stadium. They will run programmes for children and young people, linking local junior leagues with the clubs' own development routes. It is intended that the stadium will also operate programmes like "fit fans" which have been shown to have a significant impact on participant's weight, health and activity rates in other cities. These programmes will be targeted at young and middle aged males from lower socio economic groups who are the least active but the most likely to be regular sports spectators.
30. The 3G pitch will be programmed to attract the highest possible participation rates. After school and holiday periods will be used to attract young people to sports development activities run by the two professional clubs' community sports / activity teams. Sunday morning periods will be made available to local junior leagues for match fixtures; this will be managed through a usage agreement between the local leagues and the stadium management similar to the arrangements that have been made for the 3G pitch shortly to open at the University of York. Evening periods will focus on provision of adult small sided soccer, Back to Rugby / Touch Rugby which is in high demand and targets the 17 to 25 age bracket.
31. The existing gym facilities will be available for open membership but will have the added advantage of having the professional clubs training there too which will allow the "fit fans" participants to train along side the players. The links with York St John University Sports institute on site and the NHS clinical hub will also support and strengthen the ability to address health inequalities brought about by

inactivity. The Council's Sport & Active Leisure team are already working in partnership with the hospital's physiotherapy teams and GP's practices to run a series of community activities designed to address a number of health conditions such as back pain, risk of heart disease and weight management, specifically targeting those who do no physical activity. The co-location of NHS teams with sports/ fitness facilities offers the scope to extend this programme to operate in a new range of facilities and with a new client base.

Market testing

32. Extensive feasibility work has been undertaken to identify the optimum means of procuring and constructing the Community Stadium, operating the facilities along side the Council's existing leisure facilities in order to ensue best value. This work has been supported by a detailed market testing exercise, backed up by specialist legal and commercial advice, which suggests that:
- The proposals set out above are deliverable.
 - There is market interest in the operation of the new stadium and community facilities.
 - The operation of the facilities will be more attractive to the market if the Council's wider leisure facilities are included in the package.
 - There is potential to bring investment to the city's wider leisure facilities to ensure their long-term sustainability by including them in the package.
 - In particular, investment is needed in the facilities at Huntington Stadium (Waterworld, Courtney's and the Stadium) where there has been limited investment over the last 14 years. Should the current lease be surrendered (which could happen any time from November 2012) the Council would potentially be left with a significant capital and revenue budget pressure.
 - A number of different options exist for the management / operation of the Community Stadium, hospitality areas and catering that would be best explored as part of a dialogue process involving the principal stakeholders.
 - It will not be commercially desirable to appoint an extensive, dedicated stadium management company for the operation of the stadium component; the Council's intention is to let a contract for the leisure management of the Community Stadium facilities as a whole, alongside its other facilities.

- The operation of the athletics facility should be excluded from the leisure management contract as arrangements have already been agreed with the University and the City of York Athletics Club.
- Running separate (but dovetailed) procurements for construction and leisure management respectively is most likely to produce a commercially sustainable design for the Community Stadium, ensuring that the future operator has input to the design.

Procurement Strategy

33. The proposed procurement strategy is based around the following key principles:
- In respect of the Community Stadium, adopting a ‘hub and spoke’ operational model that provides a single over-arching management contract for all the facilities, focused around a community hub (shared by all users) and from which all the facilities (or spokes) are accessed. This will offer flexibility and is likely to attract the strongest market interest, with scope to achieve the leanest operational model; the exact number of ‘spokes’ will be finalised at the detailed design stage. It is important that input from stakeholders and potential operators feeds into the design process shaping the final proposals.
 - Developing the community stadium and hub to become the focal point for community sport and well-being for the City, maximising community activity and outputs focused around sport, well-being, learning and play.
 - Facilitating commercial operator input into the design process for the Community Stadium facilities to ensure a commercially sustainable design.
 - Securing essential investment required for the existing leisure facilities at the Huntington site so they continue to be commercially sustainable.
 - Encouraging niche operators to bring forward proposals for the operation of the specific spokes of the community hub that would fit into the hub & spoke model.
 - Delivering savings in operation of the Council’s leisure facilities.
34. Procurement of the operator is already being progressed following a decision taken by the Cabinet Member for Leisure, Culture and Social Inclusion on 10 January.

35. It is likely the Procurement of the construction contract will follow an “EU Restricted” procedure. The following table shows that stages in the process set next to the process for procurement of the operator:

Table 3: Outline Procurement timetable

Date	Operation & Maintenance (Competitive-Dialogue)	Design & Construction (EU Restricted)
March/ April 2012	Pre-procurement preparation	Pre-procurement preparation
May/ June 2012	Issue OJEU Notice & bidders awareness	Pre-procurement / design & feasibility
July/ Aug 2012	PQQ Process & initial dialogue	Issue OJUE Notice
Sept/ Dec 2012	Targeted dialogue	PQQ / ITT process
Jan/ March 2013	Close dialogue / ITFST	ITT evaluation / Contract award
April/ May 2013	Evaluation	Progress detailed planning submission
June 2013	Preferred Bidder - contract	
Sept 2013	Contract operational	Construction mobilisation
Nov/ Dec 2013		Construction commences
Nov 2014/ March 2015		Facilities operational

Capital Costs

36. The capital costs for this project have developed as part of an ongoing process, from the initial proposals put forward in July 2010. The figures below (for stadium and community facilities) are based on the plans prepared by DLA Architects which form part of the outline planning application, but also include the key requirements of the design brief prepared by Holmes Miller.
37. Gardiner & Theobald (G&T), who specialise in cost and project management for stadiums, have advised the council throughout the feasibility stage. Their report relating to the project’s costs also draws on an informal tender exercise undertaken recently with three leading stadia construction firms. The costs for the indicative proposals set out in the outline planning application are set out in the table below:

Table 4: Summary of capital costs for community stadium proposals

Component	Total (£000s)	Capital Cost (£000s)	Fees (£000s)	Contingency (£000s)	Comment
Stadium	11,000	9,350	1,125	525	As per Gardiner & Theobold Cost Estimate Report.
External works	1,500	1,300	70	130	As per Gardiner & Theobold Cost Estimate Report
Community floor space	3,000	2,550	307	143	As per Gardiner & Theobold Cost Estimate Report
Athletics Facilities	2,000	2,000			Delivered through funding agreement with York University.
3G Floodlit Games Court	200	180	10	10	As per commercial quotation
Community sport facilities	750	650	65	35	To include interim ground sharing / training facilities / costs.
Project Costs	750	750			This figure reflects the preferred procurement routes for the stadium and athletic track facilities.
Total	19,200	16,780	1,577	843	

38. Value engineering options that could be used to lower the overall cost of the construction up to £1M are covered in G&T's report. These will act as a further contingency if necessary.
39. VAT is not included in the above costs. This is consistent with advice provided by the Director of CBSS. Issues relating to VAT are covered in the financial Implications section of this report.
40. There are three key funding sources, these are set out in the table below:

Table 5: Funding sources

Component	Capital Cost (£000s)	Comment
S106 Contribution	14,850	Based on Oakgate development appraisal to form part of S106.
CYC Capital	4,000	CYC approved capital programme
YCFC Capital	350	Contribution following Bootham Crescent disposal
External Funding	-	External funding options exist however none are secured.
Total	19,200	

41. A detailed risk analysis of the funding and capital costs is provided later in this report. The key issues and risk associated with capital are summarised below:
- The capital costs are supported by detailed design and cost management work. Gardiner & Theobald have conducted a detailed review of the proposal which has been backed up by a market testing exercise with leading stadia construction firms.
 - Further value engineering options exist to deliver the stadium that will offer a further contingency of up to £1M. Gardiner & Theobald advise that costs savings beyond this are achievable but this would involve the use of temporary stands for the new stadium.
 - The majority of the funding will be provided through the S106 which will be secured if planning permission is granted. Subject to the approval of this business case, the council's £4M is also secured and is allocated within the Capital Programme.
 - York City Football Club has an historic commitment to pay the Council a £2m contribution towards a new stadium, based on the FSIF loan. FSIF are committed to convert this loan into a grant if a new all-seater stadium with an appropriate safety certificate is delivered in the agreed timeframe.
 - The heads of terms agreed with YCFC secure the following:
 - 1) CYC having the final charge on the land for up to £2M
 - 2) Capping the level of YCFC debt up to July 2014 that will release will enable some funds to be acquired from the sale of the land. Any further debt charges will be subject to a review by CYC and YCFC at this stage.
 - 3) YCFC's occupancy of the new stadium.
 - 4) Option of a claw back on any shortfall of the £2M not achieved through the sale of Bootham Crescent. This will form part of the July 2014 review mechanism. It could involve a precept on ticket prices.
 - A recent valuation undertaken by Sanderson Weatherall will result in a contribution of c. £800k; however this is subject to changes in land values and planning permission etc. Thus the required contribution to deliver the project of £350K considered to be low

risk. However, if more than £350K is secured the Council will have the option to consider whether to further invest into the stadium or reduce the CYC funding allocation.

- To ensure continuity of the provision and development of athletics in the city, there should be no gap between the opening of the new track and the demolition of the existing stadium the development of the new athletics facility needs to be progressed. Authority is needed to spend the £2M, so the scheme can be progressed through the funding agreement with the university.
- If the stadium project did not progress (due to call-in or other judicial process) the situation could arise that there were two athletics tracks (new and old). With the athletics track and club moved to the new facilities at Heslington East – it would allow the council to consider disposing of Huntington Stadium. Based on a recent valuation undertaken by Sanderson Weatherall would raise considerably more than the £2M committed to deliver the new track. Thus there would be a low long-term financial risk to the council.

Revenue

42. This revenue section is based on following operational model:

- i. For the purposes of this report the financial model assumes all the proposed facilities form part of the community hub. The main profit and loss account is structured with separate leases for the stadium and other community / commercial uses. CYC would own the facilities. They would all be operated by an over-arching leisure management contract.
- ii. The community hub would be the main focal point of the operation (shared by all users) from which all the facilities are accessed.
- iii. The stadium would be one of these spokes operated under lease. The selected contractor may choose to introduce a specialist operator, such as a catering firm or possibly one of the two sports clubs, to operate the stadium component as part of the community hub.

43. The estimated financial operating performance of the Community Stadium is set out in detail in Chapter 9 of the Business Case. A detailed and strong evidenced financial model has been created by:

- i. Providing comprehensive benchmark figures to allow stakeholders to have confidence in the financial assumptions used are achievable.
 - ii. Testing specific income streams with commercial operators and commercial agents. Evidence to support this model is sourced from the following specialist advisors:
 - Edwards Symmons – stadia income / cost valuation
 - Gardiner & Theobald – stadia cost consultants,
 - UHY Calvert Smith – accountants
 - Lawrence Hannah – commercial & property agent
 - DJD – economic impact and visitor numbers
 - KPMG – financial due diligence, in addition to the Council's own financial analysis
 - iii. Formalising heads of terms with commercial partners to establish accurate levels of rental income.
 - iv. Undertaking financial and due diligence work.
 - v. Sensitivity and risk analysis on all operational figures.
44. The results of this financial modelling provides a sound base to conclude that the Community Stadium can be commercially sustainable, which neither leaves the sports clubs financially disadvantaged nor exposes the Council to a high risk of being requested to support elements of the scheme on an ongoing revenue basis.
45. It must be noted that this is an illustration of one operating scenario which is deliverable. It is not a final proposal.
46. The summary table below shows the results of the base model, using the cautious financial assumptions and provides a revenue surplus of £83,000 per year. Even if a further allowance were to be prudently applied for an operational contingency fund (£20k per annum) the operating forecasts would still suggest a residual operating profit (before tax and any profit distribution) of £63k (or c. 10% of the overall estimated turnover of £601k across the stadium and community hub facilities).

Table 6: Summary Profit & Loss Account

Component	Surplus / (loss) (£000s)	Comment
Stadium, conference and hospitality areas	14	Assumes base model according to assumptions as set in detailed business case Chapter 9.
Commercial rents from community hub and atrium	266	Assumes commercial rent for 1,815sqm – see breakdown in detailed business case Chapter 9.
Sinking fund & maintenance	(197)	Assumes contribution for all facilities based on advice provided by Gardiner & Theobold. Detail provided in Business Case Chapter 9.
Surplus / (loss)	83	

47. To help understand how the model works and assess the risks a summary of the underlying assumptions relating to the stadium's operating position and that of the two sports clubs is provided.

Stadium

48. This would be operated by lease agreement with the leisure operator or appropriate special purpose vehicle. The stadium profit and loss account based on a number of principles, namely:

- Operated under lease by a third party, but as part of an overarching management contract for the wider community complex.
- Maintenance and sinking fund contributions are included for the wider facility to ensure a high level of on-going investment for all the community facilities. The allocations are based on guidance set out in a report from Gardiner & Theobold.
- Catering and hospitality operation is contracted competitively to a professional catering firm, responsible for all match day and non-match day catering / hospitality.
- Match-day income for the clubs under such an arrangement would be based on a profit share arrangement with the relevant clubs (to be agreed with the clubs).
- York NHS Hospital Trust leases the hospitality facilities on exclusive terms from Monday to Friday 9-5 as a training, development, conference and teaching centre.

- Rental levels, naming rights and other income have been evidenced from a number of specialist commercial agents.
- All costs for running the stadium (staffing, insurance, facilities management, utilities and rates) are based on figures provided by YCFC then tested against leisure operators in the market and other stadia.

Table 6: Estimated Community Stadium Profit & Loss Account

Item	£000
Fixed rental payment – YCFC	125
Fixed rental payment – YCK	25
Non match day income - lease & functions	97
Naming rights	50
Net rental on floodlit 3G artificial grass pitch	28
Telecoms rentals	10
Sub-total: estimated income	335
Pitch staff	(40)
Buildings insurance	(30)
Stadium specific facilities management costs	(101)
Utilities	(90)
Rates	(60)
Sub-total: estimated operating costs	(321)
Surplus / (loss)	14

York City FC & York City Knights RLC

49. A financial review of YCFC and YCKs has been undertaken by Accountants UHY Calvert Smith. The finding of this report provides detailed up to date financial information relating to YCFC. Issues relating to an updated position for YCKs have not yet been concluded, thus the model draws on numbers provided in the previous financial review of the clubs in 2010 for YCKs. Adjustments to the model can be made when this information is finalised.
50. Evidence provided by in an independent report (Edward Symmons) provides a range of rents for clubs occupying Local Authority controlled stadiums. Their assessment is that the rents proposed in this model are as follows: YCFC at the lower end of the average range and YCKs well below the average range.
51. Analysis suggests a substantial £278k improvement in YCFC's operating position, a figure broadly in line with annual losses at currently incurred by the club. This is consistent with the club's objective to break even and put the club on a more sustainable

financial footing as a result of any move. This will result in the football club being in a minority position of operating without a loss. (See KPMG report and evidence).

52. With regards to YCKs an improvement of £50K would be achieved. It must be noted this is based on the previously reviewed 2009/10 accounts and may be subject to change.
53. The rental arrangements set out in this model are an illustration one scenario. They have not been formally agreed with the clubs. These are based with a balance of the club's ability to pay and the market rent. If below average rentals are agreed, it would reflect the recognition of the community work secured and delivered through the occupancy of the stadium. These rates are based on existing average attendances. Any future agreement would include a profit share or uplift mechanism on a risk / reward basis. There would however need to be a fine balance – as the clubs must have a strong incentive to attract crowds to progress, this is one of the underlying principles of the project.

Sensitivity and risk analysis

54. A detailed risk and sensitivity analysis has been undertaken as part of the business case. In addition KPMG has undertaken a review of the project's deliverability and robustness. The key points raised in this report are covered in the financial implications section.
55. The risk analysis considers 28 key risks, ranked high, medium or low. A summary of the risks with the highest ranking likelihood is provided below:

Table 7: Summary of High / Medium Risks

Rating	Risk	Value	Comments / Mitigation measures
Medium	Planning committee defer application and seek reduction in retail floorspace	£14,850M Capital	<p>IMPACT Any material reduction in retail floor space would have a critical impact on the project.</p> <p>MITIGATION There are limited options for mitigation. The scheme is undeliverable if the funding is reduced by a significant level.</p>

Rating	Risk	Value	Comments / Mitigation measures
High	Planning permission refused	£14,850M Capital	<p>IMPACT No other deliverable solution. Significant future impact on future of professional sport in city, the community work undertaken by clubs and the future sustainability of Huntington stadium leisure complex.</p> <p>MITIGATION None</p>
Medium	Not realising rental income on commercial space (including café)	£93k of the £266k total income	<p>IMPACT Not sufficient revenue to ensure all running costs of stadium is fully covered.</p> <p>MITIGATION Heads of Terms have been signed and received from all four potential tenants giving indication of their commitment to the project. A commercial process could be used to find new tenants if any of these dropped out. A report prepared by commercial agent Lawrence Hannah states there would be strong market interest in letting the space to other potential tenants. If all partners dropped out, we would remove this part of the build and invest in Leisure and Health & Fitness, as this has a strong revenue return equal to the amounts generated by the commercial use. (See Annex 10 in business case). Leisure and Health & Fitness would offer a better revenue return, with less community benefits.</p>
Medium	Not realising £2M income from YCFC / FSIF	Up to £2M capital	<p>IMPACT Low impact on the deliverability of the project. Only £350K is required from the sale of Bootham crescent. There high risk of not securing the full to £2M from the sale. Council will have option to reduce their contribution if more than £350K is secured.</p> <p>MITIGATION Result of the procurement testing exercise confirmed several construction companies that could deliver quality stadia for under £10 million. This removes the need for the funding from YCFC, as the project can be financed without this contribution. Based on current valuation, a 'worse case' contribution of c. £800k would be secured. Heads of Terms have been agreed for a legal mechanism to secure the payment of the YCFC funds which includes the option of a claw back mechanism for any shortfall in the £2M commitment made by the club.</p>

Rating	Risk	Value	Comments / Mitigation measures
Medium	Capital cost over-run	Assuming a potential 10% cost over-run	<p>IMPACT Limited impact on the delivery of the project, though VE cost options could see a slight reduction in the quality of the facilities. Potential call on council for more funding.</p> <p>MITIGATION The initial procurement exercise would ensure the stadium contract was let with costs fixed and determined at the outset of the project. This would mitigate any real risk of capital over-run. All the costs have a minimum 5% contingency built into them. Further VE options exist. Strong chance of securing more than £50K funds from Bootham Crescent.</p>
Medium	Sport clubs unable to meet rental commitments	Up to £150K	<p>IMPACT Not sufficient revenue to ensure running costs of stadium is fully covered. May require council subsidy.</p> <p>MITIGATION Heads of Terms have already been agreed with the clubs. Specialist reports suggest rates at low end of market norm. Financial review undertaken suggests that this is affordable and sustainable to the club.</p>
Medium	Planning delayed by Call-in or Judicial Review	Up to £250K extra on project costs c. £300K on BC capital receipt	<p>IMPACT This would add to the project costs. FSIF timelines must be re-negotiated with the FSIF. YCFC financial position would become worse.</p> <p>MITIGATION Limited mitigation options. Position would need to be reported back to members when adjusted timelines known. Risk of abortive costs if project does not proceed.</p>
Medium	Athletics Track delivered but Community Stadium is not built	£2,000,000 Cost for the facilities.	<p>IMPACT Two athletics facilities exist (new and old), £2M CYC capital spent but the stadium project not delivered.</p> <p>MITIGATION The Athletics track will deliver a number of community benefits and secure continuity of provision. Moving the Athletics track enables the disposal of Huntington Stadium. Value considerably higher than £2M committed for the athletics track.</p>

Rating	Risk	Value	Comments / Mitigation measures
Medium	Value engineering proposals can not be realised due to desire for a better spec or greater capacity. Stakeholders put pressure on the Council to underwrite the funding gap rather than take the pain of VE.	Up to £700k Capital	<p>IMPACT</p> <p>If VE cannot be realised then a pressure of between 0 to -£700k is possible. This also has a negative affect on the projects cash flow.</p> <p>MITIGATION</p> <p>The Council may choose to cash flow the shortfall. It is likely more than £350K will be realised from the disposal of Bootham Crescent. The legal mechanism claw back funds from YCFC could also be considered.</p>
Low	Ongoing maintenance costs exceed sinking fund allowance (Life cycle costs versus planned maintenance costs)	Up to £11k per annum	<p>IMPACT</p> <p>Low impact, assuming a potential 20% overrun against sinking fund & maintenance allowance, there is a contingency in the revenue account.</p> <p>MITIGATION</p> <p>In the short term, the fund is unlikely to be needed as there would be little 'improvement' maintenance required. In the longer term, this could be developed as part of the rent reviews of the clubs and a contingency built in for the tenants to contribute. Gardiner & Theobald have evidenced a life cycle cost are correct for this facility. Our research shows that few if any stadiums have lifecycle costs in their budgets, thus it is unlikely to be critical to the business model particularly in the short and mid-term.</p>
Medium	There may be significant abortive costs should the project not build a Community Stadium	<p>Total exposure</p> <p>May12 -57 Nov12 -159 May13 -312 Oct13 -750</p>	<p>IMPACT</p> <p>Development costs being charged against Capital need to be charged against Revenue.</p> <p>The impact in financial terms is dependent on when the project is aborted. Classified as a Medium likelihood but Low impact. Expect to change to Low likelihood but Medium impact after November 12.</p> <p>MITIGATION</p> <p>The risks that could result in cessation of the project are identified elsewhere in the risk register.</p> <p>A report would be taken back to members to advise on the position if there is a call-in / JR.</p>

Rating	Risk	Value	Comments / Mitigation measures
Medium	Potential negative impact of VAT on revenue model	Up to £20,000 per annum	<p>IMPACT Potentially impact the stadium revenue model. A number of options exist relating to VAT treatment. This may have a potential impact on lease structures and abilities of some tenants to fully reclaim VAT.</p> <p>MITIGATION All rental levels in the business case are excluding VAT, however, as part of the feasibility. Further VAT work required and discussion with partner organisations to ensure the VAT liability is mitigated.</p>

56. It is also useful to consider some positive financial scenarios, not least to the extent that it will assist with ongoing negotiations with the sports clubs and firming up a set of mutually acceptable lease terms. A detailed sensitivity analysis has been undertaken that models some potential improvements on the financial position. Two examples are provided below:
57. **Naming rights:** Evidence suggests that the figure of £50K identified in the base case could be improved significantly. However, this is often influenced by local circumstances. A number of smaller clubs have achieved more than £100K per annum. An additional £25K could easily be achieved.
58. **Additional attendances:** Strong evidence suggests that attendances improve at new stadia by between 40-50%. However, the long term retention of these attendances is often then based on future performance. The base case assumes no increase in attendances. The financial impact of 15% and 25% increase has been considered. Working on a fixed rental agreement:
- 15% increase would give an additional annual income to YCFC of £98k and YCKs of £19K.
 - 25% increase would give an additional annual income to YCFC of £162K and YCKs of £31K.
59. This arrangement provides no benefit to the stadium's operating vehicle, therefore a profit share arrangement should be considered. The above scenario shows between £117K and £193K per annum additional income would be generated. A prudent estimation would

provide a minimum of c. £50K per annum improvement to the stadium's operating position. The business model provides options of how this could be achieved, however further detailed discussion is required with the clubs.

Options

60. The principal options open to members are to:
- Approve the current business case at its current stage of development as attached to this report.
 - Reject the business case and commission further work on it.

Analysis

61. This is a complex development scheme which requires the business case to be developed in stages as the project progresses. This is an iterative process which continues all the way through the procurement and construction of the project through to delivery. The current stage of development is fit for purpose to give members confidence to sign off of the core principles of the way the stadium and associated community facilities will be delivered, operated and maintained.
62. The business case provides a robust evidence base to demonstrate the following:
- i. There would be extensive and far reaching community, social and economic benefits from the proposed community stadium project. These benefits are set out in an independent report undertaken by DJD.
 - ii. The shared vision for the community stadium at a cost of £19.2M. This is set out in a report by stadium cost specialists Gardnier & Theobold.
 - iii. There is certainty over £18.85M of funding. This leaves a capital shortfall of £350K, which can be secured through the disposal of Bootham Crescent.
 - iv. The revenue model presents a sustainable business plan with an operating surplus of £83K per annum. This is based on current average attendances. It also includes a sinking fund and maintenance programme of £197K.

- v. Heads of terms have been secured exist with York University for a funding agreement to deliver the new athletic facilities with minimal risk to the council. This is reliant on providing the commitment of £2M funding so the procurement process can begin and the facilities are in place prior to the demolition of the stadium.
- vi. Heads of Terms have been secured with all the potential stakeholders proposing to occupy the new community hub. This provides financial security for the business plan, but adds significant weight to the cumulative social and economic benefits arising from the scheme.
- vii. Specialist commercial evidence provided by Edward Symmons and Lawrence Hannah supports the rental levels proposed financial arrangements set out in the business plan. Strong evidence also exists to demonstrate there would be considerable market interest if some of the proposed tenants were to withdraw their interest.
- viii. A fall back option exists if the proposed community hub proved undeliverable. The £3M investment into a new health and fitness suite would deliver a better return on the capital investment. However, the community benefits would be significantly less.
- ix. Based on the information provided, the operating model would have either a neutral or positive impact on both sports clubs. If attendances increase with the new stadium, for which there is strong evidence to support, the operating position of clubs would further improve.

Impact of project not proceeding

- 63. The council must also consider the impact of this scheme not progressing. As set out in the Report to the Cabinet Member for Leisure, Culture and Social Inclusion, 10 January 2012 the current operator of the leisure facilities at the Huntington Stadium complex has a lease that could be terminated as early as November 2012.
- 64. The council currently receives an income of £160K per annum from the facilities. Greenwich Leisure Limited (GLL) has written to the council stating that they are making considerable losses running the existing facilities. If the project does not proceed and the prospect of investment into the wider site is removed, it is probable they will

not be able to not continue with the operation. This would have considerable and immediate financial impact on the council and sports clubs.

65. Recent feasibility work has established that in its current format the facilities would cost an additional c. £300k to operate, with c. £78K costs relating to the stadium. If a contract were to be let for long term operation the annual costs would likely be higher accounting for lifecycle and maintenance costs.
66. YCFC have written to the Council setting out the impact of the project not proceeding. They would not be able to remain as a full time professional club and their community programme and youth investment would be severely reduced.
67. YCK and the athletic club currently have no long-term security of tenure at the stadium. Their rents do not cover the true costs of running the stadium. There would be considerable uncertainty for both clubs as the council would need to consider how to address the significant financial pressure that would exist.

Conclusion

68. The nature of such a complex project which involves multiple sites, partners and funding streams, inherently has a large number of risks. The main emphasis relates to the ongoing operation.
69. Many of these operational risks are manageable in isolation. Members need to be aware that the cumulative impact of some of these risks may be harder to mitigate. Although there is a reasonable operating contingency and there are potential upsides with many of the income streams. The council would be ultimately responsible for the asset and operation of the facility if there was considerable under-performance in a number of areas. This would ultimately mean the council being called upon to underwrite the ongoing operation of the facility.
70. The business case demonstrates that the proposed facilities are deliverable and sustainable and deliver community benefit. However, the benefits of the proposal do need to be carefully balanced against the potential risks.
71. On balance it is recommended to endorse the progression of the business case to the next stage and approve it as a capital project

and to be submitted as a supporting document for the outline planning application.

Next Steps

72. Officers will undertake the following actions:

- If approved, submit the business case as a supporting document for the outline planning application currently being determined.
- Begin detailed discussions with relevant stakeholders regarding 1) the design of the stadium, athletics facilities and community facilities as part of the preparations for the procurement exercise and 2) finalise the options for the community sport and training facilities and identify a preferred option within the identified budget and time constraints.
- Finalise the funding agreement with the university and agree the terms of the delivery of the new athletics track.
- Recruit a project team to assist the council in designing, developing and delivering the proposed facilities.
- Continue with the preparations for the procurement exercise for the wider operation of the council's leisure facilities to include the delivery of the community stadium. There is an estimated £3M investment need into these facilities and additional revenue pressure that is not covered in this paper.

Council Plan

73. The intention to deliver the Community Stadium is set out in the Council Plan 2011-2015 in order to help deliver 'an improved community infrastructure'. This in turn supports one of the key 5 priorities, 'Build Stronger Communities'. In addition the Council has signed up to the Co-operative Councils initiative as part of its core capabilities. This procurement exercise has the potential to deliver a social enterprise operator.

Implications

74. **Financial:** To date revenue funding of £500k has been made available by the Council to support this project to this stage. This is now fully committed. In December 2011 Council approved drawing down of £200k of the £4m capital funding approved in the programme for the project. This report recommends drawing on the

£3.8m balance of the £4m capital budget. It should be noted that as with the £200k certain costs incurred and funded from the £4m should the scheme not progress successfully will result in abortive costs that would ultimately need to be funded from revenue resources.

75. The capital costs are set out in sections 36-41 and are summarised below, along with sources of finance. Any additional costs in excess of the budget would potentially need to be met by the Council, and would require additional borrowing.

Table 8 Capital Summary Table

Expenditure Component	£,000s
Stadium	11,000
External works	1,500
Community floor space	3,000
Athletics Facilities	2,000
Floodlit 3G Artificial Grass Pitch	200
Community sport facilities	750
Project Costs	750
Total	19,200
Funding Sources	
S106 Contribution	14,850
CYC Capital	4,000
YCFC Capital	350
Total Funding	19,200

76. Both the revenue and capital costs have risks which are set out in paragraph 55.
77. Further advice has been sought from KPMG with regard to the financial assumptions, including capital and revenue costs, in order to provide further financial analysis to support the Councils internal financial assessment. The KPMG report concludes that the key underlying financial assumptions for the project and the Stadium as set out in the Business Plan are in general reasonable and wherever possible have been substantiated by external advice. The opinion concluded that overall the Profit and Loss account appears to have been prepared on a prudent basis and it is largely based on third party evidence.

78. The projected annual operating position of the stadium management company is set out in paragraphs 42-48 and is summarised below:

Table 9: Summary Profit & Loss Account

Component	Surplus / (loss) (£000s)
Stadium, conference and hospitality areas	14
Commercial rents from community hub and atrium	266
Sinking fund & maintenance	(197)
Surplus / (loss)	83

79. As part of developing the Business case the Council has taken advice from KPMG with regard to VAT. A number of options have been considered and the impact on CYC and stadium operation model been assessed. The recommended approach from the Director of CBSS is that the Council opts to tax on the Community Stadium project, to ensure the Councils partial exemption on VAT is not lost. The effect of this is to make all rents payable under the leases subject to VAT and all input tax incurred on the construction would be recoverable. All capital costs are stated net of VAT on the basis that the chosen procurement method will enable full recovery of input VAT.
80. The Profit and Loss account has been prepared on the basis that there is no VAT leakage on the various leases. It is assumed that the lessee will be able to recover the input VAT in full.
81. It should be noted that the ability to mitigate risks is much more difficult when a combination of risks such as a capital cost overrun and the non achievement of a certain stream of capital funding combine. In such cases the combined impact of this would naturally be more significant than one individual risk.
82. Members should note the risks associated with the capital and revenue costs, and consider these in the overall decision making process.
83. Members need to fully accept that these financial risks bring with them potential liabilities for the Council in the form of additional capital contributions, or ongoing revenue costs. Whilst the business case sets out a prudent assessment of planned capital and revenue assumptions, and sets out mitigation to manage risk, there remain risks

that could have potentially significant financial implications for the Council.

84. **Legal:** Under Section 1 of the Localism Act 2011, the Authority has a general power of competence. This part of the Act came into force on 18th February 2012 and replaces the general well-being powers contained in Section 2 of the Local Government Act 2000. This new Act gives local authorities the power to do anything that individuals may do, whether or not for the benefit of the Authority, its area or people resident or present in its area. This power is wide ranging and would cover the proposed capital contribution to the Community Stadium Project.
85. Where a public authority provides financial support to a private body this may constitute State Aid under Article 87 of the EC Treaty. In order for there to be a State Aid, all components of the State Aid test in Article 87(1) must apply namely:
- i. The measure is granted through state resources;
 - ii. It confers an economic advantage to an undertaking;
 - iii. The aid is selective and favours a particular undertaking or category of undertaking; and
 - iv. The aid has the potential to distort competition and affect trade between Member States.
86. State Aid might potentially arise in relation to the proposed £4 million capital contribution to the development costs; in connection with the benefit of the new stadium to the commercial users, principally the Sports Clubs; or the financial contribution to the interim training budget.
87. In regard to the contribution to the development costs, provided this is given as part of an open and competitive procurement process to select a developer, this should not amount to State Aid, as the aid is not selective and would not distort competition between Member States. In relation to the benefit to the Clubs, provided they use the Stadium under a commercial arrangement with the Authority, no economic advantage would be gained and there would therefore be no distortion of competition and no State Aid. As regards contributing to the temporary training facilities, this is unlikely to amount to State Aid as the clubs are small local clubs and any aid granted to them would not distort competition between Member States.
88. The Authority also has a common law fiduciary duty to act for the benefit of taxpayers within its area. This places a duty on the Council to ensure that it is spending public money prudently, and for the overall

benefit of taxpayers. This duty does not, however, mean that financial considerations must outweigh all others. It is a matter of balancing competing interests and making sure that the fiduciary obligation is given proper consideration and significance.

89. With regard to the £2 million contribution from York City Football Club, this is to be secured by way of a legal charge over Bootham Crescent. This will be a third charge and will only become payable if and when the ground is sold and if there is sufficient monies left over after discharging the first and second charges. An agreed consent from the first and second charge holders would also be required before creating a charge in favour of the Council. The Council would also need to formalise the arrangements contained in the Heads of Terms with the Football Club to ensure it has a binding agreement to secure any outstanding monies due.
90. The Section 106 contribution is dependant upon obtaining planning permission from the Planning Authority. The timing of the payment will be subject to negotiations between the Council and the Applicant Developer, and be decided by the Planning Committee.
91. Legal advice will be provided in relation to the procurement and appointment of the Design and Build contractor, the Developer and the Operator of the facilities, and all commercial agreements.
92. **Property:** The structure of the various property related leases and agreements between the Council as freeholders of the asset, the various stakeholders and users of the facility and the operating company will be determined as part of the procurement exercise. The overriding outcome, from a property asset viewpoint, should be that community use is ensured and future costs, both revenue and capital, to the Council are minimised.
93. **Equalities:** An Equalities Impact Assessment (EIA) has been drafted which reflects the research, consultation and engagement undertaken by the Community Stadium Project Team including:
 - Discussions regarding equalities with other stadia in the UK.
 - Taking initial community stadium concepts to the Social Working Inclusion Group (in December 2009) for ideas, issues and discussion.
 - Taking the project vision and proposals to the Equalities Advisory Group (18 July and 10 October 2011) for ideas, issues and discussion.

- Engagement and consultation with individuals and groups from protected equalities characteristics as a follow up to attending the Equalities Advisory Group: York Independent Living Network, North Yorkshire Sport Disability Officer, City of York Council Disability Officer and York Youth Council.

94. The EIA is continually developing and further work will be undertaken in the New Year if planning permission for the stadium is granted. This will include a community consultation which will explain and raise the profile of the community elements of the project.
95. The EIA will be used in the procurement of the stadium. It will be submitted as a 'user specification' to potential bidders so they understand the vision that the Council, its partners and residents have for the Community Stadium.
96. There is no Crime and Disorder, Human Resources, or Information Technology implications.

Risk Management

97. A detailed report regarding the project's risks was presented to the Audit and Governance Committee on both 6 December 2010 and 19 April 2011. Risks are addressed, reviewed, analysed and updated regularly through the fortnightly Community Stadium Officer Team meetings.
98. An in depth risk analysis has been undertaken as part of the Business Case in **Annex A**.
99. KPMG's risk report is included in **Annex B**.

Recommendations

100. The Cabinet is asked to recommend to Council to:
- Approve the business case as presented noting the financial risks and potential resultant liabilities that may arise as a result of proceeding with the scheme.
 - Approve its submission to the Planning Committee in support of the outline planning application submitted by Oakgate Group plc.
 - Approve the inclusion in the Capital Programme of the Community Stadium scheme at the value of £19.2m to be

funded from £14.85m of S106 Contribution, £4m of Prudential Borrowing (£200k 11/12 and £3.8m 12/13) and £350k York City FC. Members should note that the funding from York City Football Club could be higher than a £350k contribution and this would result in a reduction of the Councils contribution

- Approve the release of the balance of the Council’s £3.8m Prudential Borrowing as shown in the capital programme in 12/13 in order to progress the Community Stadium project.
- Approve that as part of the release of the £3.8m capital funding available that £2m to be allocated for the new athletics facility with York University and commit to the delivery of the project. Note the risks outlined in paragraph 50 that if the stadium scheme does not proceed that £2m of CYC Prudential Borrowing will be spent on delivering athletics provision for the City.
- To note, and accept, the risks set out in the risk management section of this report, and the financial implications section.

Reason: To enable plans for the community stadium project to be developed and progressed.

Annexes:

- A. Business Case (including Annexes 1-12 please note Annex 2 to follow) (Confidential)
- B. KPMG Letter (Confidential)

Contact Details

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	Report Approved	✓	Date	24.02.12
Specialist Implications Officer(s)				
Ross Brown Principal Accountant	Philip Callow Head of Asset and Property Management			
Glen McCusker Legal Services	Zara Carter Procurement			
Wards Affected:			All	✓
For further information please contact the author of the report				

Background Papers:

- Community Stadium Report to Staffing and Urgency Committee 21st May 2008
- Staffing and Urgency Committee Minutes 21st May 2008
- Deloitte report on community stadium for CYC 20th June 2008
- Active York's Sport and Leisure Strategy
- Executive Reports of 15th July 2008, 9th September 2008, 20th January 2009, 23rd June 2009, July 6th 2010, October 19th 2010, 6 December 2011
- Report to the Cabinet Member for Leisure, Culture and Social Inclusion, 10 January 2012

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Addendum for Community Stadium Business Case report 6th March 2012 Cabinet *[tabled at meeting]*

This addendum has been provided for the Cabinet in considering the Community Stadium Business Case item. A number of amendments and additional information are provided to supplement the report.

Key quantitative benefits

Under para 25, 4th bullet (Cabinet Report) and Para 117, 5th bullet (Annex 1) change to:

- £1M additional expenditure is expected to be created indirectly by the community proposals through job creation for York's residents.

Summary of Qualitative Benefits

Add at para 26 (Cabinet report) and para 118 (Annex 1):

- **Community focal point:** The new stadium will be a positive community focal point for the city which will instil pride and will be an important cultural asset.
- **Increased supporter demand for football and rugby:** The new stadium has the potential to increase supporter demand and attendance numbers. The new facility will accommodate this increase where the existing facilities are unable to do so.
- **Additional opportunities for community engagement with football:** The new stadium, with improved conference facilities and function rooms, will provide the opportunity for the community to attend sessions at the stadium, in greater numbers than could be engaged with previously. York City FC have indicated that if they do not move to the new stadium, their community work would have to be downsized considerably, to even stop entirely, due to financial constraints and lack of revenue.

- **Development of the visitor economy:** The new stadium will provide continued support for the development of the visitor economy in York by providing a new venue for events.
- **Provision of fully compliant pitches:** The 3G floodlit games court will be the correct dimensions (60 yards x 40 yards) to comply with the Football Foundation's mini-soccer and junior soccer regulations. This will be the only facility of its kind in York and will therefore be a unique opportunity for youth participation in competitive football.
- **Collaborative working:** The NHS clinical hub will have the opportunity to work collaboratively with the YSJ facility on research programmes, preventative healthcare programmes and professional training programmes. This has the potential to increase the quality of service provision for the community.
- **Ability to take advantage of the footfall from the stadium:** The ILAC facility and the library will be suitably located to take advantage of the footfall from the stadium to maximise their community benefit. In addition, the NNS and YSJ facilities will use the stadium visitors to promote preventative healthcare.
- **High quality children's play facilities:** The Clip and Climb Adventure Centre and the indoor and outdoor skateparks will provide unique leisure activity for the children and teenagers of York.
- **Community meeting place:** The café provided within the community hub will be a centralised meeting point for visitors and staff to relax and communicate in a high quality environment.

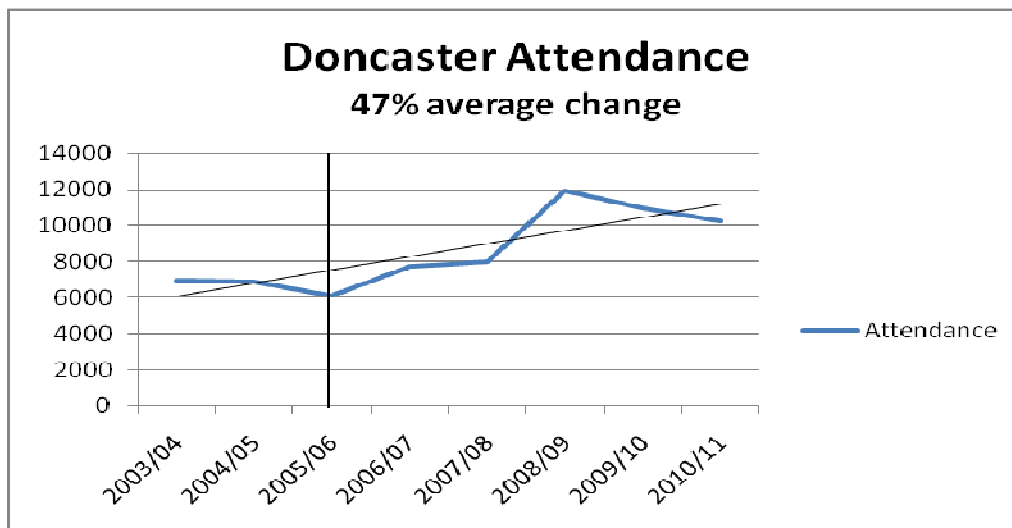
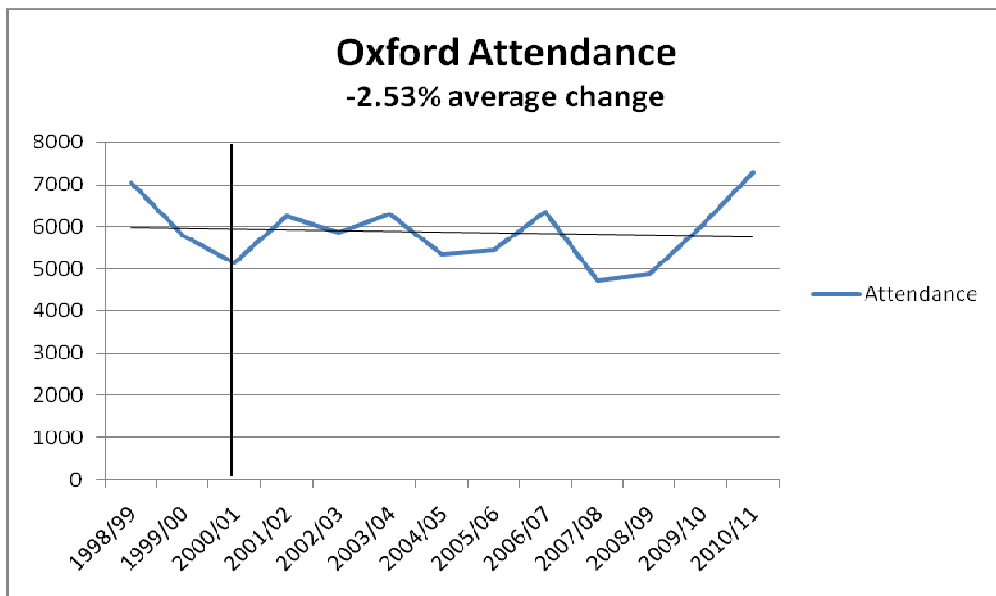
New Stadium Impact

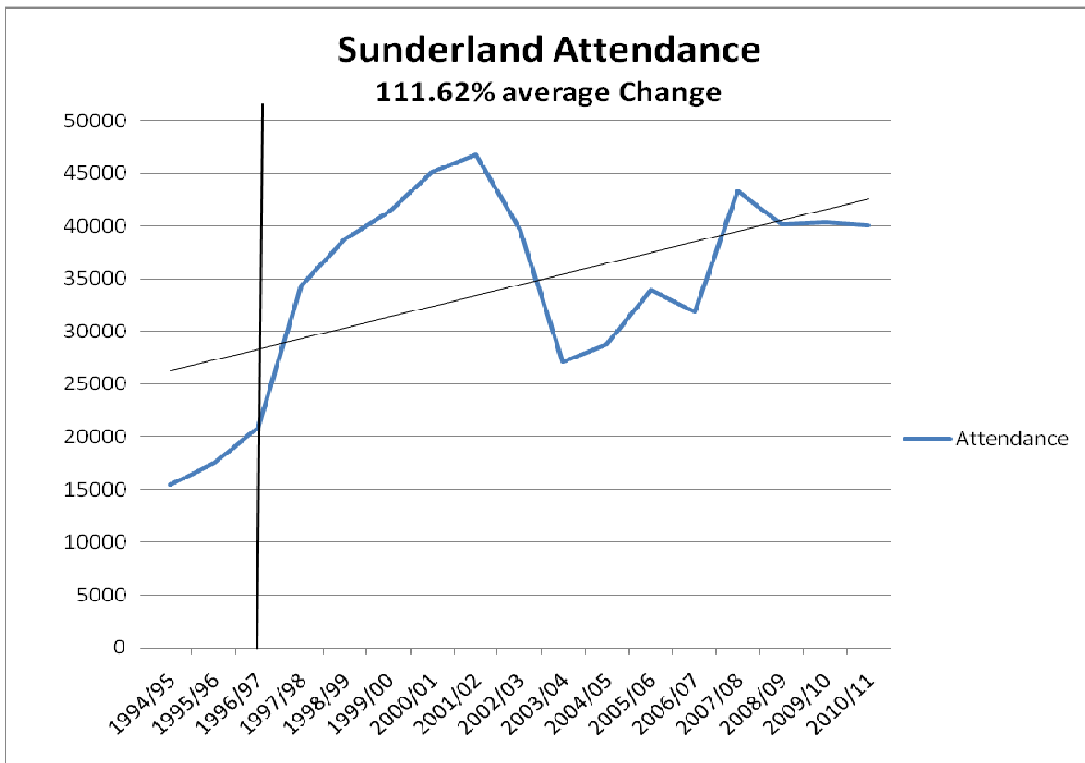
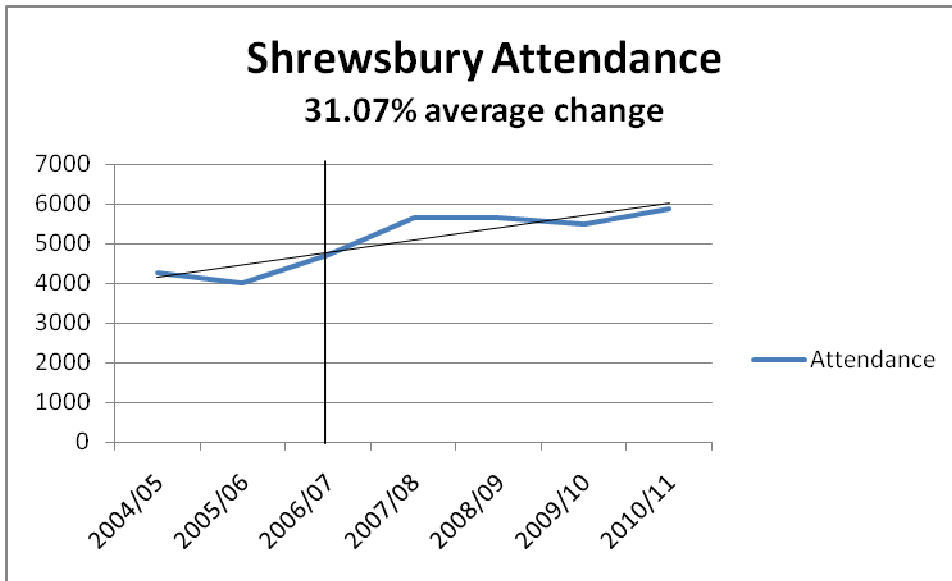
The financial model in this business case is based on the current average gates of both sports clubs. York City FC 3092 and York City Knights 1,080. The ticket prices used in the model are also based on the season 2008/09 YCFC and 2009 YCKs.

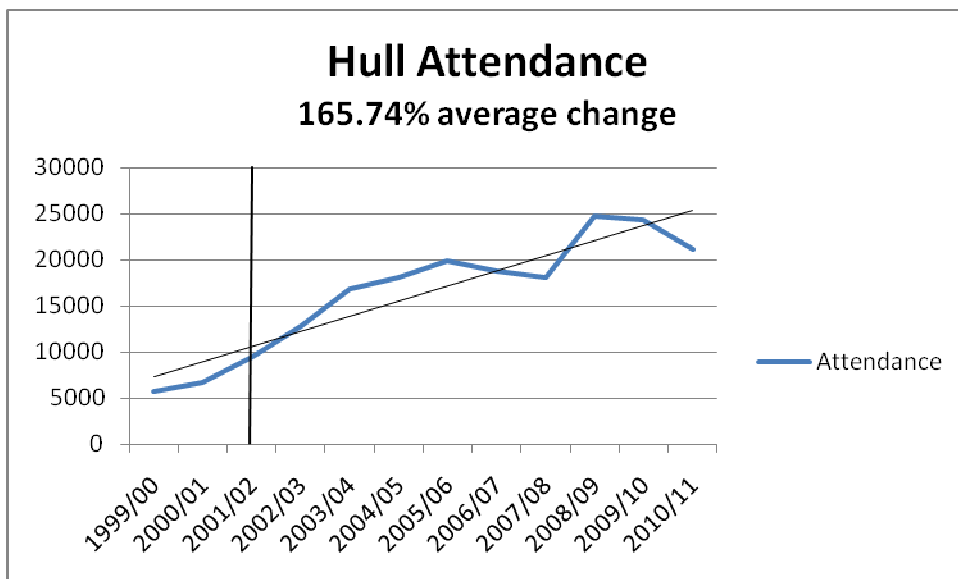
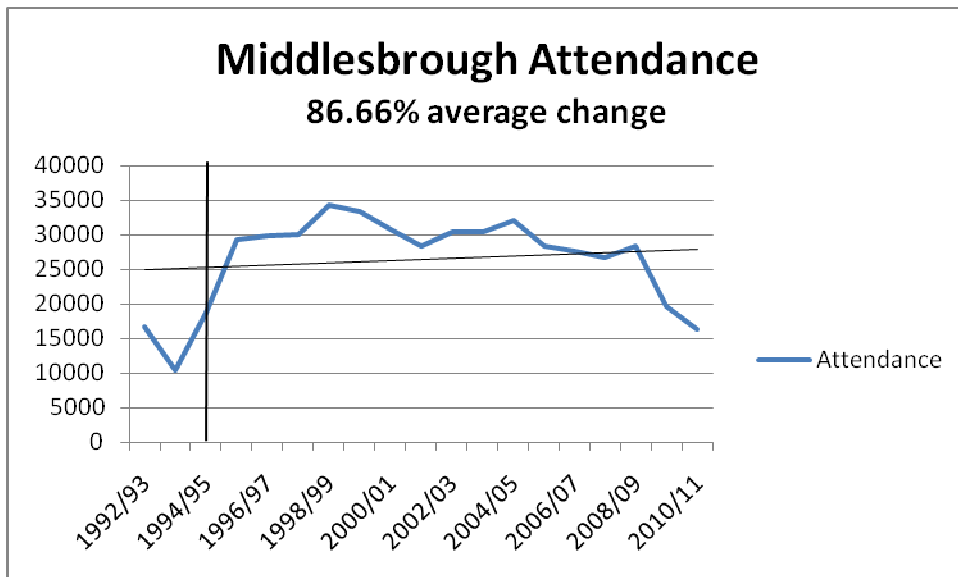
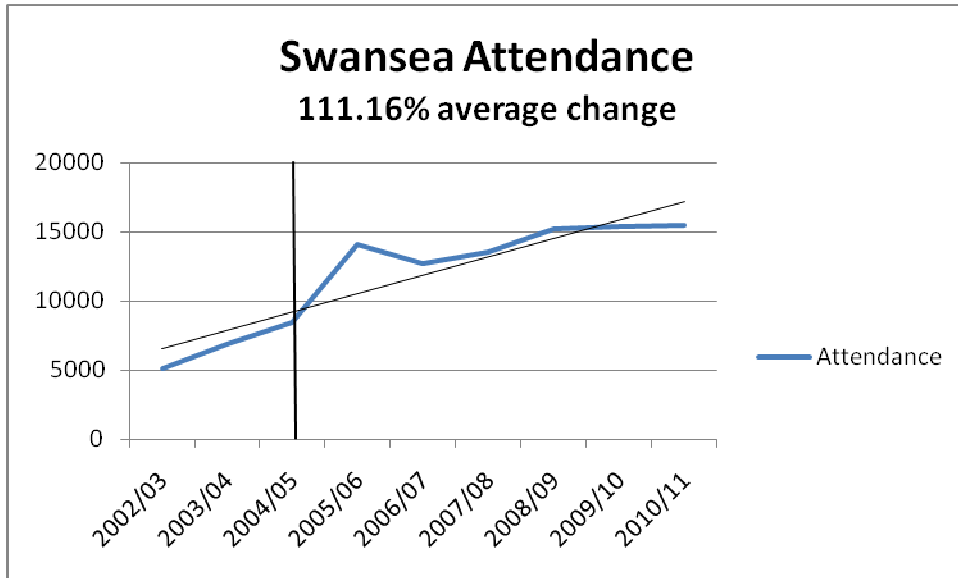
Some of estimated community and social benefits have worked on increases in attendance between 20-40%.

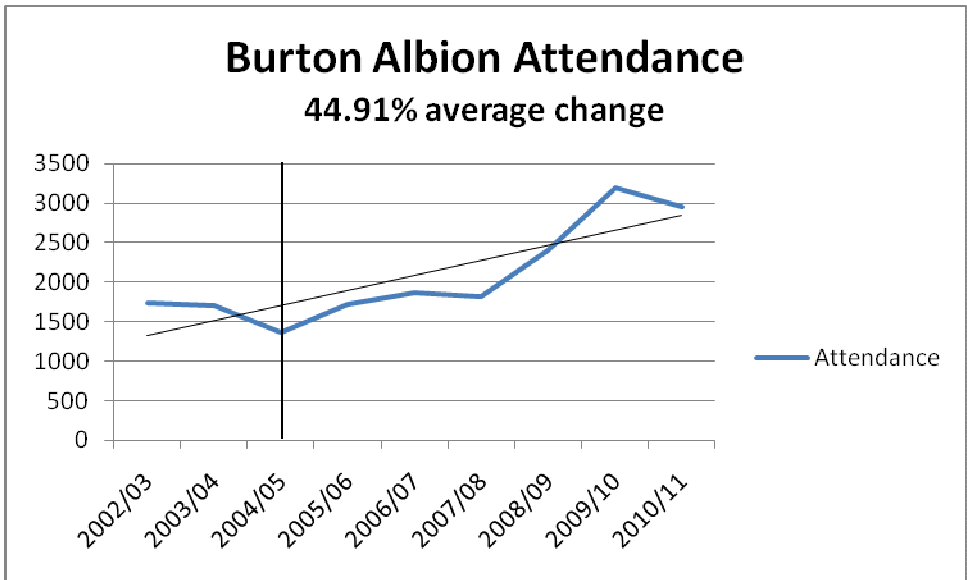
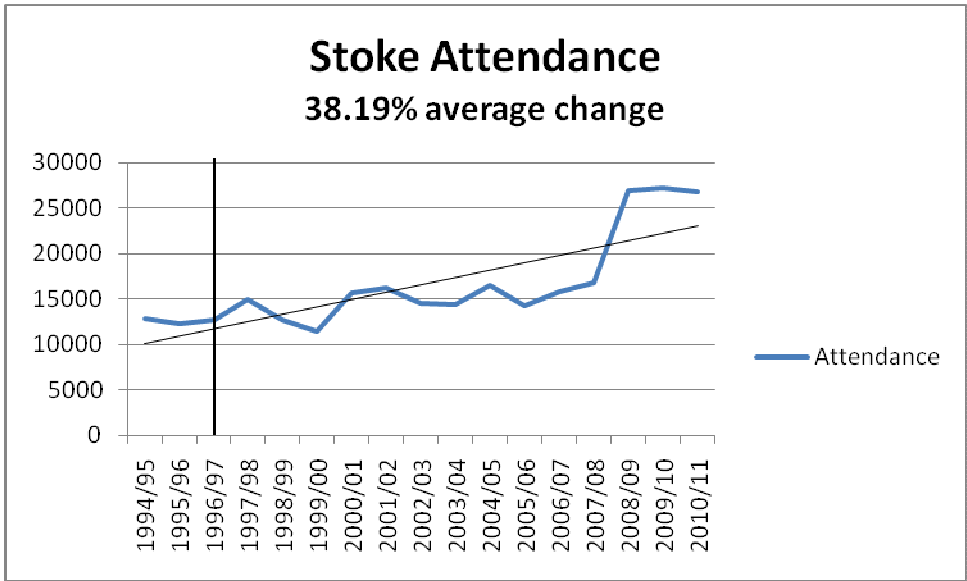
The risk analysis undertaken in (para 54 Cabinet Report and Chapter 11 Annex A) considers the impact of attendances not being achieved. The report also examines the potential positive impact of increase attendances modelling two scenarios of 15% and 25% uplift.

Further evidence is provided examining the longer term and sustained impact a new stadium could have on attendances. Each example has unique characteristics, but the evidence shows that it is not unreasonable to assume over a 10 year period a sustained improvement of 20-40%.









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Cabinet

6th March 2012

Report of the Cabinet Member for City Strategy

Pre application Advice Service Review

Summary

- 1 This report assesses the operation of the formalised pre application service for planning advice which was introduced on 4th January 2011, and provides options for the delivery of the service going forward. It sets out the extent to which the service has been used in terms of the number and type of queries received, and the number leading to applications.

Background

- 2 The fee based pre-application advice service at York was established in conjunction with a number of changes to the Development Management Service including:-
 - Development of web based information to improve “self-service” for many customers.
 - Proportionate use of resources to ensure that commercial and major schemes were afforded appropriate officer input.
 - Move to more efficient electronic working including document management and roll out of “e-consultation” to consultees, Parish Councils and Planning Panels.
 - Further training and development of customer contact centre staff to be able to deal with an increased number of routine planning enquiries.
- 3 Prior to January 2011, the pre application service comprised a formalised system of advising householders as to whether permission and building regulations was required for alterations to dwellings. At £36, the fee for this discretionary ‘Do I Need Permission’ service was nominal, much less than that being charged at adjacent authorities (for example the Hambleton Council charge is £60).

- 4 For advice relating to whether permission would be likely to be granted, contact from developers was received across a range of services within the Directorate. Cases coming direct to Development Management (DM) were logged, but there was no single point of contact within the Directorate as a whole, which at times lead to uncertainty amongst developers and also administrative issues as to which section would be taking the lead. Given that the emphasis was on dealing with planning applications (for which sometimes substantial fees had been paid), the provision of informal advice inevitably received less priority.
- 5 The formalised service was introduced to ensure there was a consistent and structured approach to enquiries, with timeframes for dealing with them. The service provides the following benefits for prospective applicants :-
 - An understanding of how national, regional and local guidance and policies will be applied to the proposal.
 - Potential for reducing the time that professional advisors may spend in working up the proposals for submission.
 - An indication of those proposals that are completely unacceptable, so saving the cost of pursuing a formal application.
 - Written confirmation of the advice given at the pre-application stage, that can then be submitted in support of any subsequent application.
 - A primary point of contact from City of York Council to manage the process, particularly for larger scale developments, from pre application enquiry to implementation on site.
- 6 A protocol for dealing with enquiries was developed (see Annex 1). The provision of advice remains discretionary, but without it planning applications that are received 'cold' can take longer and prove costlier for applicants to resolve at the formal stage. In order for the level of resource to be maintained to be able to provide a service in York, a fee system was introduced (Annex 2). All the adjoining Local Planning Authorities now charge for discretionary planning advice, and it is common practice amongst local authorities nationally. Whilst the fees do not cover all of the costs involved, it was necessary to help maintain staff resource in the directorate to help provide advice.
- 7 The number of advice requests and income received in the first year of operation (January 2011 to December 2011) is shown at Annex 3.

- 8 From the 300 'will I get permission' requests received last year, 103 have to date been followed by the submission of an application. Some of the cases are still ongoing, and so a higher final number of follow up applications is likely. The purpose of the advice is of course not only to facilitate acceptable applications, but also to advise where the likelihood of gaining permission is low – thus allowing the enquirer to decide whether or not to commit resources to working up an application.
- 9 Further analysis of the enquiries shows that the average time to send an acknowledgement from receipt of the request was 5 working days and the average time to deal with the pre-application from submission was 26 working days.
- 10 When the new regime was introduced a number of discussions regarding larger sites including those of strategic importance at York North West York Central, and Castle- Piccadilly, were ongoing, and the well established development team approach was operating. It was agreed that for these discussions there would be no fee requirements at least for the first 12 months. Therefore a significant amount of pre application income to support this work was not generated despite the amount of officer time being devoted to them.
- 11 During the initial months of the new service up to April 2011, the income generated was relatively modest. However for the current financial year, income from the service already exceeds the budget target of £100,000. And as the service and charging regime becomes more established and widely applied, a higher level of income is anticipated for 2012/13. A budget requirement of an additional £50,000 income has been set .

Consultation

- 12 Early feedback on the pre application advice service was gathered at an agent and developer forum in April 2011. The consensus at that time was that the information and guidance received at the informal stage had improved, and that time scales have also been reduced. Despite the new fee requirement, most agreed that the receipt of a more comprehensive and timely response was worth the cost.
- 13 All of the users of the service in the first 12 months have recently been consulted via an online questionnaire (see Annex 4). 41 responses were received. The results generally indicate that those

replying felt they had received good advice from the Authority but that there were issues for most respondents in relation to the speed of the service and responsiveness. The relatively low number of responses suggests that most were satisfied with the advice given and had moved on to either submit an application or consider other options. Most will not be likely to engage with the service on a regular basis such that the request and any subsequent application would be a 'one off' engagement.

- 14 Users were also asked to suggest improvements to the service. These are summarised at Annex 5.
- 15 Providers of the service (i.e. staff within the Directorate) were also asked to give their opinions on the delivery of the service, in terms of what works well, what problems are encountered and what improvements could be made. Again these are summarised at Annex 5

Analysis of comments received

- 16 The helpfulness and quality of the comments are generally highly rated by the respondents. From these perspectives the service appears to represent value for money. A main issue raised by them is the time taken to register cases and then for officers to deal with them. Contributory factors in these cases appear to be:-
 - Previous rationalisation of the administrative resource within DM and the recent Directorate restructure which has altered the management arrangements of the relevant team, and affected the level of support available to initially register the queries. It is anticipated that once the transition to the new working arrangements has been completed that a more consistent and efficient registration process will result.
 - Officer capacity to deal with application and associated casework (e.g. conditions discharge). The significant number of large scale major and more complex applications currently within the system inevitably stretches the available resources. Staff within the Design, Conservation and Sustainable Development (DCSD), Major Developments Projects and Initiatives (MDPI) and other teams such as Highway Network Management also have other priorities within their workloads, and are involved in providing specialist advice to the larger schemes with the authority.
 - The dependence on a number of internal consultee groups for their responses before being able to provide properly considered and comprehensive feedback. Again input to pre

application enquiries has to compete with other workloads and priorities.

- 17 The user comments are in part reflected within the comments of the staff delivering the service. For example the time available to deal with the queries along with other workloads is highlighted. Other technical and administrative issues are raised. However staff also state that the regime results in clearer information being submitted upon which to base advice and that overall there is a more equitable and more consistent approach to handling enquiries. Informal feedback received by staff is that from users is that on the whole the system is well received.
- 18 From the suggestions made to improve the service a number of improvement themes emerge:-
 - Reiteration and follow up training of staff on when to provide straightforward free advice, how to ensure enquiries are properly logged (for staff in DCSD and MDPI), and how to record advice given and communicate it. Simplification of the regime in terms of follow up enquiries (currently a 'half price' follow up query is included which can create inconsistency as to when it should be applied and discourage further dialogue) may also assist.
 - Clarification of categories of pre application enquiry to ensure appropriate staff are dealing with them e.g. possible need for a listed building advice enquiry where no DM officer input needed at that stage. A new Highway Advice category has been suggested; although where the enquiry does not relate to a potential planning submission and is a purely highway matter, this would be best administered by Highway Network Management as Highway Authority. However where the level of specialist input to a planning enquiry is significant, for example where detailed traffic modelling or protracted affordable housing negotiations are involved, additional charges would be appropriate.
 - The need to give pre-application enquiries sufficient priority. A new performance monitoring system to ensure appropriate priority is given to 'pre-apps' and that they are dealt with equitably would be beneficial.
 - A number of technical improvements to the electronic system and the process employed to distribute and communicate enquiries

- Potential for establishing ongoing working and fee arrangements with larger organisations and developers in the City who either:-
 - a) regularly submit pre application advice requests.
 - b) have large scale longstanding pre application schemes being developed collaboratively with the Council.This would help to remove the administrative costs of receiving individual payments for each pre application enquiry, and give certainty that time spent by a range of staff on larger projects is appropriately recognised.

- 19 With regard to some of the other suggestions, the removal of the fee for the 'Do I need permission' categories would result in a significantly reduced income despite a considerable amount of discretionary work being involved. For example the 611 householder enquiries dealt with last year all required a detailed assessment of the information supplied against the permitted development regulations, further check of the planning constraints e.g. conservation area, green belt etc and an assessment as to whether Building Regulations approval is also required. The removal of the 'Do I need Permission' charges, at a loss of over £30,000 would make it very difficult to achieve the additional £50,000 income target for 2012/13. Also the creation of a sliding scale of fees and time based fee system would complicate to the system, which is not intended to operate on a full cost recovery model.
- 20 Whilst very simple verbal advice and face to face discussions can and do form part of the pre application service, an important aspect of it is the provision of written advice to developer, which gives the comfort of a considered opinion. There is then less scope for misunderstanding or confusion as to the interpretation of any advice given which can occur if only verbal advice is given. The level of service offered which in most cases includes a site meeting is set out in the protocol at Annex 1.
- 21 The VAT receipt is incorporated into the acknowledgment letter which many users have found to be satisfactory for business purposes.

Options

- 22 The options suggested to the Cabinet are:
- a) Continuation of the service but with:-

- i) Refinement of the administration of the service in light of the user and staff comments received;
- ii) Modest increase in charges to recover more of the costs of provision, as required in the budget.

b) As (a) plus :-

- i) Simplification of the fee structure for applicants by removal of the second fee for follow up enquiries (but with the right to charge for significantly different scheme);
- ii) Removal of the 'Do I need Listed Building Consent' advice category in Section A (covered by the other categories) and addition of listed building advice category in Section B of the schedule (see Annex 6)
- iii) Clarification that more technical and complex specialist input to pre application enquiries (e.g. for detailed traffic modelling) may incur additional charges. For large scale schemes where a bespoke fee is agreed, these can be identified when the enquiry is first scoped.

c) As (b) plus introduction of fees for ongoing schemes where no charge has been made for the last 12 months, and establishment of 'retainer'; fees for regular developers and organisations in the city.

Analysis of Options

- 23 Option (a) would include a number of measures as suggested by users and staff to ensure that all enquiries were dealt with in a more timely way – with changes to the way they are received, distributed and how they are monitored to ensure that none are left without a final response for an unacceptably long period. As the restructure of the Directorate beds down, the issues that have been raised regarding delays will begin to be resolved . More effective processes are being developed to process cases. Similarly as staff becomes accustomed to applying the pre application regime it is anticipated that the number of enquiries and the income generated will increase. A modest increase in the charges will further assist with achievement of the target set for the new financial year.
- 24 Option (b) seeks to add further refinement of the regime, to clarify and simplify it by removing the charge for follow up enquiries and to recognise the distinct set of enquiries dealt with solely by the conservation staff within DCSD. These enquiries can sometimes

require detailed advice and discussions, and therefore a charge similar to that for the 'other' category is suggested.

- 25 Option (c) seeks to ensure that the Council's commitment to a number of important projects is acknowledged, and to demonstrate to other developers that are now paying the pre application charges that the regime is being applied fairly and consistently. The 12 months 'period of grace' is considered to have been a reasonable length of time for those with longstanding discussions to adjust to the new arrangements.
- 26 Option (c) also suggests that the regular and larger developer and organisations in the city should be invited to pay an annual charge for the pre application engagement . As stated previously this would reduce time spent negotiating fees for larger sites, provide certainty of income and certainty for developers that the authority is able and committed to providing appropriate advice.

Council Plan Priorities

- 27 The provision of a responsive and comprehensive pre application advice service assists in the delivery of the following priorities:-
- Create Jobs and Grow the Economy – Early identification of issues with development proposals can significantly reduce the time and effort expended by developers and investors, who may otherwise have to either amend or abort well advanced plans at the later formal stage. The Council can help to facilitate schemes that are viewed as acceptable and desirable for the city, reducing the decision making process and helping to ensure that the interests of the community are considered from the outset (again helping to minimise controversy, the prospect of challenge etc).
 - Protect the Environment – The shaping of schemes from an early stage can ensure that the environment is given appropriate consideration throughout the process. Early identification of issues such as wildlife protection requirements can allow survey and mitigation work to be factored into the development timeframes, reducing overall delays and costs at the later formal stages.
 - Get York Moving – Advice on the provision of appropriate transport measures, including for example incorporation of the costs of proper cycle storage facilities, or of travel plan

requirements during formulation of schemes, helps to ensure such measures and costs are taken into account to at an early stage. The service provides the opportunity to influence and coordinate new proposals in the City from the small scale to strategic level, to ensure that consideration of this Council priority is at the forefront of all future development.

Implications

Financial

- 28 As raised above, the income generated by the service now makes an important contribution to the Directorate budget and has helped to ensure that the service can be maintained. Consistent implementation of the fee structure and the measures proposed at option (c) would ensure the income target of £150,000 for 2012/13 is achieved.

Human Resources

- 29 No HR implications arising

Equalities

- 30 No equalities issues raised by this report

Legal

- 31 The pre application advice service is discretionary and is chargeable under the provisions of the Local Government Act 2003. The Act, however, restricts Councils to recovering the costs of the service. Taking one year with another the Council is not entitled to run the service at a profit.

Crime and Disorder

- 32 There are no direct crime and disorder implications arising from this report.

Information Technology

- 33 No implications. Existing IT systems can be utilised in implementing improvements.

Property

34 None.

Other

35 None.

Recommendation

36 That the Cabinet:-

- (i) Approve option (c) as set out above i.e.:-
 - Refinement and enhancement of the service combined with modest increase of the fees to recover more of the costs of provision as required in the budget
 - Removal 2nd charge for follow up queries and add listed building advice category
 - Introduction of fees for ongoing schemes where no charge has been made for the last 12 months; establishment of 'retainer'; fees for regular developers and organisations in the city, and provision for additional charges to be levied where significant detailed or complex specialist input becomes necessary.

- (ii) Approve the schedule of fees as set out in Annex 6

Reason: In order to continue to provide a consistent and structured approach to enquiries, within the required timeframe.

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Wards Affected: All

For further information please contact the author of the report.

Annexes

- 1) Pre application Advice Protocol
- 2) Current Schedule of Charges
- 3) Cases received 4.1.11.to 31.12.11
- 4) User Questionnaire results
- 5) User and Staff comments
- 6) Proposed Schedule of Charges 2012/13

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Pre–Application Planning Advice (Applicable to all new enquiries from 4th January 2011)

Outline of the service

The Council is committed to working with prospective applicants to improve the quality of planning submissions by offering pre-application advice. The Local Plan and the Council's Supplementary Planning Guidance contain policies and advice which applicants should refer to before making an application. The Council also encourages prospective applicants to discuss their proposals before they are formally submitted.

The Local Government Act 2003 allows us to operate a scheme of charging for discretionary services, e.g. pre-application advice on certain types of development so that the costs of providing the service do not fall to the Council taxpayer, and service can be improved. (The current statutory planning application fees do not cover the cost of pre-application advice).

The pre-application advice service aims to offer prospective applicants:-

- An understanding of how national, regional and local guidance and policies will be applied to the proposal
- Potential for reducing the time that professional advisors may spend in working up the proposals for submission
- An indication of those proposals that are completely unacceptable, so saving the cost of pursuing a formal application
- Written confirmation of the advice given at the pre-application stage, that can then be submitted in support of any subsequent application.

The Service Provided

Minor or Small Scale Developments

- Named officer contact and consideration by Development Management case officer with input from other specialist officer(s) as required.
- Detail of relevant planning history of the site
- Identification of planning constraints and the relevant planning policies that apply and other material planning considerations are likely to be taken into account, including constraints.
- An indication in relation to any anticipated S106 obligation requirements
- A site visit if appropriate.
- Details of responses from CYC consultees, and where possible, identification of external organisations who may be consulted at the application stage
- A meeting if deemed to be necessary by the case officer

- Informal and “without prejudice” discussions and guidance on the content, construction and presentation of an application likely to satisfy the Council’s planning policies.
- Guidance on how to best undertake community consultation
- Advice on the documents and information to be submitted with an application to as far as possible ensure it is valid on submission
- We will aim to offer advice on minor and small-scale development (in most cases) well within 20 working days of valid receipt of the request including the appropriate fee.

Major Developments

In addition to those elements of the service provided in relation to minor or small scale development we will also: -

- Follow the *(to be)* Published protocol for handling Major Developments
- Advise on any Environmental Impact Assessment requirements
- We will aim to offer advice on major development within 30 working days of valid receipt of the request including the appropriate fee.
- Aim to determine any subsequent application which has received an indication of likely acceptability to officers in less than 13 weeks.

Large Scale Major Developments

In addition to those elements of the service provided in relation to minor or small scale developments we will also: -

- Provide a key single contact from LPA identified (a senior officer to take overall project management role).
- Propose Planning Performance Agreement (PPA) in accordance with the Council’s PPA charter, where appropriate
- Provide input from a full range of professional areas (city strategy and other Directorates)
- Provide multiple written responses / meetings over weeks/ months to an agreed level
- Agree wherever possible appropriate timetable for the submission of an application and timescale for determination, in accordance with the PPA if applicable.

What is not provided

- A plan drawing or design service
- Feedback from external organisations that we may consult at the application stage, although these will be identified as part of the pre application process so that they can be contacted directly. However in the case of large scale Major development contact with and involvement of external consultees may form part of the pre application formulation of the scheme.
- A guarantee of officer support at the application stage when issues not apparent at the pre application advice stage are subsequently presented.
- Where an application is dealt with by Planning Committee rather than officers under delegated powers, any guarantee of approval or support from the Committee.

Pre application advice Schedule of Fees from 2nd January 2012

Section A - Advice as to whether permission / consent is required

Category	Fee (+VAT)
Householder enquiry (ie house extensions, garages, sheds, etc)	£52.50 +VAT = £63
Listed Building enquiry (is LBC required for works eg re-roofing, re-painting, re-writing, plumbing, etc)	£52.50 +VAT = £63
Other commercial development (to establish if "development" or whether "permitted development" or not)	£52.50 +VAT = £63

Section B - Advice in relation to the prospects of permission / consent being granted

Proposed Development Type	Fee for formal written advice (see notes 1 & 2)	Fee for 2nd and any subsequent written advice (see notes 1 & 2)
Householder	£52.50 +VAT = £63	£26.25 +VAT = £31.50
Advertisements	£52.50 +VAT = £63	£26.25 +VAT = £31.50
Commercial (where no new floorspace)	£78.75 +VAT = £94.20	£40 +VAT = £48
Change of use	£78.75 +VAT = £94.20	£40 +VAT = £48
Telecommunications	£105 +VAT = £126	£52.50 +VAT = £63
Other	£105 +VAT = £126	£52.50 +VAT = £63

Small scale commercial development (inc shops, offices and other commercial uses)		
Up to 500m ²	£265 +VAT = £318	£132.50 +VAT = £159
500-999m ²	£525 +VAT = £630	£262.50 +VAT = £315
Small scale residential		
1 dwelling	£105 +VAT = £126	£52.50 +VAT = £63
2-3 dwellings	£265 +VAT = £318	£132.50 +VAT = £159
4-9 dwellings	£525 +VAT = £630	£262.50 +VAT = £315

Note 1 - All fees are subject to VAT

Note 2 - with site visit and meeting if Development Management Officer considered to be required

Note 3 – Includes all other minor development proposals not falling within any of the categories such as variation or removal of condition, car parks and roads, and certificates of lawfulness

Category - Major Development

Proposed Development Type	Fee for formal written advice (see notes 1 & 2)	Fee for 2nd and any subsequent written advice (see notes 1 & 2)
Major new residential sliding scale as follows		
10-49 dwellings	£1,600 +VAT = £1920	£800 +VAT = £960
50-199 dwellings	£2,200 +VAT = £2640	£1,100 +VAT = £1320
Small scale commercial development (inc shops, offices, other commercial uses)		
1,000m ² - 3,000m ²	£1,600 +VAT =	£800 +VAT = £960

	£1920	
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Note 1 - All fees are subject to VAT

Note 2 - with site visit and meeting if Development Management Officer considered to be required .

Category - Very Large Scale Development

Proposed Development Type	Fee for formal written advice (see notes 1 & 4)
Single use or mixed use developments involving sites of 1.5hs or over	Fee to be negotiated with minimum fee of £3,000 +VAT = £3600 (see note 5)
Development of over 200 dwellings	
Development of over 3,000m ² of commercial floorspace	
Planning briefs / Masterplans	

Note 1 - All fees are subject to VAT

Note 4 - With multiple meetings including a lead officer together with Development Management case officer and other specialist officer inputs as required for a period of up to 12 months

Note 5 - The fee for pre-application advice expected to be not less than 20% of anticipated planning fee for a full application for the development proposed

Exemptions

Advice sought in the following categories is free:

Where the enquiry is made by a parish council or town council

Where the development is for specific accommodation/facilities for a registered disabled person

Advice on how to submit an application

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Requests for Advice 4th January to 31st December 2011		
Type of Request	Number	Income
Do I need permission?		
Householder enquiry (i.e. house extensions, garages, sheds, etc)	611	£30550
Other Commercial Development	27	£1596
Prospects of permission / consent being granted		
Householder	70	£3500
Advertisements	16	£800
Commercial (where no new floorspace)	47	£2350
Change of use	44	£3300
Telecommunications	3	£300
Other	19	£1900
Small scale commercial development (inc shops, offices and other commercial uses)		
Up to 500m ²	13	£3250
500-999m ²	6	£3000
Small scale residential		
1 dwelling	43	£4300
2-3 dwellings	10	£2500
4-9 dwellings	6	£3000
Major new residential		
10-49 dwellings	9	£13500
50-199 dwellings	0	£0
Small scale commercial development (inc shops, offices, other commercial uses)		
1,000m ² - 3,000m ²	14	£10500

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User Questionnaire Results

Annex 4

	The forms and guidance were straightforward to complete	Any help I required to submit my application was provided promptly	The officer dealing with the enquiry was available if required	Bearing in mind the nature of my enquiry, the charge was reasonable
Strongly agree	7	6	4	2
Tend to agree	16	6	7	7
Neither / nor	9	11	10	12
Tend to disagree	6	9	10	11
Strongly disagree	2	9	10	9
No response	1	0	0	0
	Bearing in mind the nature of my enquiry, it was dealt within a reasonable time	The advice I received was useful and helped to inform the next steps	I feel my enquiry was treated fairly	
Strongly agree	1	5	5	
Tend to agree	9	14	16	
Neither / nor	4	9	9	
Tend to disagree	9	5	0	
Strongly disagree	18	8	9	
No response	0	0	2	

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Pre application Advice Service

Comments from users and providers

Users - Suggestions for improvements

- Response timescales need to be consistently applied and adhered to and refund if not met.
- Deal with simple enquiries/questions for free
- Engage in more verbal or face to face discussion/ for City Centre enquires deal with them on site in meetings
- Treat all enquiries e.g. householder query to major developments equally
- Remove the charge for asking if permission is needed
- Give enquiries the same priority as applications
- Allow submission electronically through the Planning Portal
- Provide a tiered level of service and fee structure
- Reduce the planning application fee if a 'Pre-App' leads to one.
- Speed up time from receipt to registration
- Provide a VAT receipt for payment

Staff - Benefits of the Service

- The fee system introduces effective prioritisation
- The fee offers some modest compensation for the staff resource incurred.
- We receive a financial contribution towards Directorate services that help facilitate acceptable development.
- The introduction of a charge has filtered out the more 'frivolous' enquiries.
- There is a shared record of the advice given
- It encourages joint working at an early stage
- It requires more information from the client so it is possible to prepare and this should lead to better feed-back
- The cost of the service is at least partly borne directly by those benefitting from it rather than the taxpayer
- The service appears to be well received by applicants

Staff - Issues

- There can be delays in getting pre-apps to DCSD officers
- Since Support Services has been transferred out of the DM section, delays between a pre-application request being submitted and it reaching this team appear to have increased
- The formal process puts a further strain on limited staff resources. Planning applications get priority so pre-applications get left behind.
- Some inconsistency in our approach to charging, depending on which section first received the enquiry
- Some consultations are sent directly to the DCSD team without any consideration by the DM officer. This can be unhelpful, as it is DM officers who will determine any subsequent application
- The problems arise when we have to consult other busy council departments and we have to arrange site visits etc
- In MDPI there is sometimes uncertainty on the role of initiating scheme or only giving advice on payment of a fee
- Developers are sometimes tempted to jump into a planning application and negotiate from there- effectively getting a pre application service for free
- Overall less advice is given out as fewer people (customers) engage in the formal process
- Formal comments take longer to produce so minor issues can take more time than necessary and become prioritized above other work
- The lead officer is not readily identifiable on the form.
- Occasionally DM officers circumvent the internal system so pre-apps are not logged with DCSD, though we have given the advice. This can lead to duplication of effort with DM officers acting only as a “post box”.
- In a few cases pre-app advice on listed building or within conservation areas has been given solely by DM, which can result in conflicting advice on the actual application
- The difference between a Query and a Pre-app consultation needs to be clarified – often the same work is involved as the information submitted has not been adequate to assess scope of proposals at the stage of contact. The forms ask for quite a lot of information and sometimes the scope of the project is unclear.

- Some technical issues with closed cases still showing on the system.
- Some non-strategic projects are going through the MDPI team
- There is inconsistency in the way clients are being treated i.e. some are being offered free pre app consultations
- Some organisations still expect advice to be free or are not aware of the system yet.
- The fee structure can be read in different ways. Clients are usually redirected to DM.
- There is often a follow up with non planning staff, which should perhaps be recognised in the fee structure. A scale of charges not a fixed price should be incorporated.
- The actual time spent by officers on each case is not recorded and this varies widely between cases

Staff - Suggestions

- Clarify whether Development Management should own the process or whether it is to be directed to different sections as appropriate.
- Have a “teach in” to explain the fee structure and answer questions on anomalies.
- Review the form and guidance notes, and include a box for internal use where the lead officer’s initials are recorded
- Speed up initial processing systems
- Provide advice on quick simple queries without charge and verbally to reflect the limited time available, and channel more involved queries or pre apps through the pre application process.
- Create processes and communication to redirect queries to a more appropriate section quickly. And assess those already in the system for this reason.
- Define what the fee can be charged for (e.g. repairs advice?)
- Engage major client organisations (e.g. Minster, York Museums Trust, York Conservation Trust) to establish pre application working arrangements.
- Introduce categories for distinct advice on listed buildings and on highway matters where no subsequent planning application is required.

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Proposed Fee Increases from April 2012 (Current charges at Annex 1)

Pre application advice Schedule of Fees from 1st April 2012

Section A - Advice as to whether permission / consent is required

Category	Fee (+VAT)
Householder enquiry (i.e. house extensions, garages, sheds, etc)	£55 +VAT = £66
Other commercial development (to establish if "development" or whether "permitted development" or not)	£55 +VAT = £66

Section B - Advice in relation to the prospects of permission / consent being granted

Proposed Development Type	Fee for formal written advice (see notes 1 & 2)
Householder	£55 +VAT = £66
Advertisements	£55 +VAT = £66
Commercial (where no new floorspace)	£80 +VAT = £96
Change of use (non residential)	£80 +VAT = £96
Telecommunications	£110 +VAT = £132
Listed buildings alterations etc	£110 +VAT = £132
Other	£110 +VAT = £132

Small scale commercial development (includes shops, offices and other commercial uses)	
Up to 500m ²	£280 +VAT = £336
500-999m ²	£555 +VAT = £666
Small scale residential (including changes of use /conversions)	
1 dwelling	£110 +VAT = £132
2-3 dwellings	£280 +VAT = £336
4-9 dwellings	£555 +VAT = £666

Note 1 - All fees are subject to VAT

Note 2 - with site visit and meeting if Development Management Officer considered to be required

Note 3 – Includes all other minor development proposals not falling within any of the categories such as variation or removal of condition, car parks and roads, and certificates of lawfulness

Category - Major Development

Proposed Development Type	Fee for formal written advice (see notes 1,2 & 6)
Major new residential sliding scale as follows (including changes of use /conversions)	
10-49 dwellings	£1,700 +VAT = £2040
50-199 dwellings	£2,330+VAT = £2796
Small scale commercial development (inc shops, offices, other commercial uses)	
1,000m ² - 3,000m ²	£1,700 +VAT = £2040

Note 1 - All fees are subject to VAT

Note 2 - with site visit and meeting if Development Management Officer considered to be required.

Category - Very Large Scale Development

Proposed Development Type	Fee for formal written advice (see notes 1,4 & 6)
Single use or mixed use developments involving sites of 1.5hs or over Development of over 200 dwellings Development of over 3,000m ² of commercial floorspace Planning briefs / Masterplans	Fee to be negotiated with minimum fee of £3,180 +VAT = £3816 (see note 5)

Note 1 - All fees are subject to VAT

Note 4 - With multiple meetings including a lead officer together with Development Management case officer and other specialist officer inputs as required for a period of up to 12 months

Note 5 - The fee for pre-application advice expected to be not less than 20% of anticipated planning fee for a full application for the development proposed.

Note 6 – Where during the enquiry additional detailed or complex specialist input is required, an additional charge may be levied.

Exemptions

Advice sought in the following categories is free:

- Where the enquiry is made by a parish council or town council
- For alterations, extensions, etc. to a dwelling house for the benefit of a registered disabled person
- Proposals solely for the carrying out of the operations for the purpose of providing a means of access for disabled persons to or within a building or premises to which members of the public are admitted
- Advice on how to submit an application
- Advice covered in Section B relating to ongoing enforcement investigations, prior to the instigation of any formal proceedings.

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Cabinet

6 March 2012

Report of the Cabinet Member for Corporate Services

Council Tax Support Briefing Paper

Summary

1. The purpose of this briefing paper is to provide Cabinet with the key information, issues and concerns with regard to the Government's proposal to replace Council Tax Benefit with Council Tax Support. This brief is based on the document 'Localising Support for Council Tax in England' issued by the Department for Communities and Local Government on 11 August 2011 and the Government's response to the outcome of consultation issued in December 2011.

Background

2. The Government released a formal consultation document in August 2011 on their plans for abolishing Council Tax Benefit and replacing it with a new local system of Council Tax Support. The paper confirms the announcement in the spending review that help with Council Tax will not become part of Universal Credit – the new benefit that amalgamates tax credits, out-of-work benefits and Housing Benefit – but will instead remain a local authority responsibility. It also confirms the need for local authorities to save 10% of current expenditure but, importantly, makes clear that pensioners will be excluded from the effect of these cuts. The consultation period ended on 14 October 2011 and the Government's response to the consultation published on 19 December 2011 makes no changes to the scheme. The technical details including funding are not due until the Spring of 2012.

3. The Governments key aims are to:
 - give local authorities including York a greater stake in the economic future of their local area which supports the Governments wider agenda to encourage stronger, balanced economic growth across the country;
 - provide local authorities with the opportunity to reform the system of support for working age claimants;
 - reinforce local control over council tax (Local decisions about what support is given i.e. council's will be free to establish whatever rules they choose for working age customers);
 - implement new schemes by April 2013
 - provide local authorities with a financial stake in the provision of support for council tax (The fixed grant will not be ring-fenced).

4. Council Tax Benefit (CTB) provides means-tested help to people on a low income who have to pay Council Tax. For working age people there is a limit on savings of £16,000. Customers who claim means-tested out-of-work benefits (Income Support, Jobseeker's Allowance and Employment and Support Allowance) will generally receive full assistance, so that they do not pay Council Tax at all. Customers who are in work or have other income can still receive CTB but are likely to receive less than the full amount, so that their Council Tax bill will be reduced but not eliminated.

5. A more generous system applies to pensioners. If they claim Pension Credit (guarantee element) there is no limit on the amount of savings they can have and they will normally not pay Council Tax at all. Pensioners with higher incomes can also qualify, even if they do not get Pension Credit, and depending on their circumstances can qualify with an income of £400 a week or more. Around 60% of pensioners are entitled to CTB, though many fail to claim.

Key facts*

- Current national expenditure on CTB is around £4.8 billion
- Nationally over 5.8 million people claim CTB, more than any other means-tested benefit

- Nationally almost half of CTB claimants (2.7 million) are pensioners
- Nationally a quarter of CTB claimants (1.6 million) have dependent children
- Nationally a tenth of CTB claimants (0.7 million) are low earners
- On average CTB is worth £820 a year (£15.80 per week)
- Many people do not claim the CTB they are entitled to: around 2.5 million people are missing out on benefits worth £2 billion a year

*From 'entitlement' consultation document

Impact of the proposed changes

6. When the new system of local support for Council Tax is introduced in April 2013 the amount of subsidy provided to local authorities including York will be reduced by 10% relative to current expenditure on CTB, saving around £480 million a year nationally and just over £1m in York. As pensioners who are already customers will not be affected by the cut (they are protected under the new scheme from losing any benefit) as are any new pensioners applying for support the percentage of the benefit loss to working age customers will be much higher.
7. At a national level the loss to working age customers is estimated to be approximately 19%. This is set out in a little more detail at Table 1 below:

Table 1

National summary statistics for Council Tax Benefit*

	Number of recipients	Average weekly award	Expenditure (£, million)	% reduction needed to make £480m savings
Over pension age	2,677,690	£16.01	£2,210	Protected
Working age: full CTB	2,182,030	£16.55	£1,880	26%

Working age: some CTB low earner	682,900	£13.66	£490	99%
Working age: some CTB not in work	285,810	£14.34	£210	225%
All working age	3,150,740	£15.72	£2,580	19%
Total	5,828,430	£15.83	£4,800	

*From 'entitlement' consultation document

8. As well as protecting pensioners entitlement to their current level of Council Tax Benefit the Government propose two additional principles to underpin local schemes:
 - Local authorities should also consider ensuring support for other vulnerable groups;
 - Local schemes should support work incentives, and in particular avoid disincentives to move into work.

9. It is the Government's intention to prescribe the criteria, allowances and awards for council tax support to pensioners. This means there will be no flexibility for councils in respect of this element of the scheme. Both this and the Government's wish to incentivise customers into work and protection of the vulnerable is emphasised in the Government's response to the outcome of consultation published in December 2011.

10. There will need to be some fundamental decisions taken by the council as to which customers will lose benefit in any scheme that York develops. Public consultation is not timetabled to take place until the Autumn of 2012 with schemes being developed during Summer 2012 there is no escaping the fact that York's council tax benefit customers other than pensioners will lose more than 10% of their current benefits. The following paragraphs look at this in more detail.

Local Impacts

11. To illustrate the financial impact on Council Tax Benefit customers in York all the recipients have been placed into five categories as set out at Table 2 below:

Table 2

Cat	Description	No of Claims	Annual Cost (£)
A	Pensioner Income Support	3919	3,466,889
B	Pensioner non-income support	2516	1,711,789
C	Working age Income Support	3469	3,347,725
D	Working age non-income support (vulnerable status)	227	155,423
E	Working Age non-income support (all remaining customers)	2436	1,621,887
Total		12865	10,303,713

12. The Government in their consultation document have made it clear that we cannot remove benefits from pensioners. This leaves those customers in category C – E to share the 10% (£1,030,371) saving. Applying this on an even basis across category C - E would see a reduction of approximately 20.1% in customer's benefit.
13. It is likely that customers who are already viewed as vulnerable would need to be protected (Category D and Para 8). This is not a large number of our customers or high value of benefits paid but would increase the saving required across category C & E to approximately 20.7%. The Government in their response to consultation document highlight the fact that they wish to work closely with local authorities to ensure that they understand their existing responsibilities in relation to vulnerable groups especially in relation to the Child Poverty Act 2010, Disabled Persons Act 1986 and Housing Act 1996. This work may see the number of

customers categorised as vulnerable increase resulting in the cut for other customers rising above 20.7%.

14. This would leave a very difficult choice with regards to taking away benefit from customers who are already receiving Income Support so are amongst the most financially vulnerable and those on non income support many of who will be working and on low income. The consultation document makes it clear that the council should not de-incentivise those working and on low income or encourage those on full income support not to enter work. This is further referred to in the more recent response to the consultation which sets out the clear principles of the Governments welfare reform agenda:
 - People should get more overall income in work than out of work;
 - People should get more overall income from working more and earning more;
 - People should be confident that support will be provided whether they are in work or out of work, and it will be timely and correct.
15. Table 3 below provides details of the number of council tax benefit customers in each council tax band and the financial affect of a 20.7% reduction in council tax benefit. This is split between those customers who receive some Income Support and those who receive no income support but qualify through low income. The average loss will vary between £167 & £283 per annum for recipients of income support and between £108 & £227 per annum for customers on low income. The highest individual loss will be £409 per annum and the lowest £1.20 per annum depending on the customer's circumstances.

Table 3

Annual Benefit Loss by Council Tax Band

Band	Working Age Income Support Benefit		Working Age Low Income Benefit	
	Reduction	No	Reduction	No
A	-167.13	1509	-128.21	684
B	-190.08	1422	-135.82	1088
C	-207.77	384	-144.44	497
D	-218.75	90	-151.21	113
E	-248.86	39	-208.29	42
F	-283.49	16	-215.73	8
G	-193.87	9	-227.91	4
Grand Total		3469		2436

16. There are further potential implications in respect of customers in category C & E other than just the financial loss. There are potentially vulnerable families amongst these categories who whilst not currently officially categorised as vulnerable may have young children or medical conditions and may meet the wider criteria outlined by the government and set out at paragraph 13.
17. Many of the customers who receive council tax benefit may also be affected by the changes to housing benefit announced by the government earlier in the year. The number of customers claiming both council tax and housing benefit in York is a little over 9,000. Annex A shows both the financial affect on council customers receiving benefit of these changes and the cumulative loss of benefit and income into the York economy. The geographical spread of the changes in council tax benefit is modelled at Annex B with anonymous customer case studies set out at Annex C.
18. Table 2 above shows the position as at September 2011 and takes no account of York's ageing population. It is probably safe to assume that the number of pensioners in receipt of CTB is likely to increase in the coming years passing on greater cuts to those under pension age. It also takes no account of the number of pension age customers who do not claim but may have entitlement if they did so.

19. As the Government has not yet announced how the funding baseline will be measured it is difficult to take any decisions that may put us in a better position financial position. Other concerns include a very challenging implementation timetable to develop new local schemes and the supporting software coupled with the diseconomies of scale in moving from a nationally prescribed system to a localised one, in particular with regards to the IT development.
20. Work is ongoing regionally with other local authorities to look at the best solutions available both at a local and regional level to ensure consistency in the type of scheme developed and benefits that customers will receive.

Options

21. This is a briefing paper only at this time.

Council Plan 2011 - 2015

22. The implication of the changes contained within the Governments consultation and response to consultation documents will impact on several of the council's priorities that create the council plan 2011-2015. This specifically includes:
 - a) Protecting vulnerable people
 - b) Building strong communities
 - c) Creating jobs and growing the economy

Implications

- (a)**Financial** – The risk to the council of not collecting the Council Tax that vulnerable customers will now be required to pay is a little in excess of £1m. The cost of fully supporting customers at existing levels will be in the region of £1m pa with effect from 1 April 2013.
- (b)**Human Resources (HR)** - There are no implications
- (c)**Equalities** – The decisions made by the council as to who will lose benefit will give rise to potential equality issues
- (d)**Legal** - There are no implications

(e) **Crime and Disorder** - There are no implications

(f) **Information Technology (IT)** - There are no implications

(g) **Property** - There are no implications

Risk Management

23. At this early point in the consultation process it is difficult to categorise how high the risk to the council may be. The implementation of any local scheme will carry with it potential damage to the council's reputation. The main risk will be a financial one where failure to collect income from financially vulnerable customers could give rise to a little in excess of £1m in annual income been lost.

Recommendations

24. Cabinet are asked to:

a. consider the paper and the implication of the Governments proposal to reduce council tax benefit and localise its administration;

Reason

To make Members aware of the financial impact on customers of the Governments changes to the Council Tax Benefit scheme

b. receive a further paper once the technical details have been provided by the Government (Spring 2012) setting out more detailed proposals and options for delivering a scheme in York.

Reason

To keep Members informed of the more detailed technical changes to be outlined in the Governments technical paper due in the Spring of 2012 and the ongoing work to develop local schemes.

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**Report
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Date 22/02/2012

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Wards Affected Not applicable

All

For further information please contact the author of the report

Background Papers

Localising Support for Council Tax in England –D CLG

The impact of the Government’s proposals for replacing Council Tax
Benefit – entitled to

Localising Support for Council Tax in England: Government’s response
to the outcome of consultation – DCLG

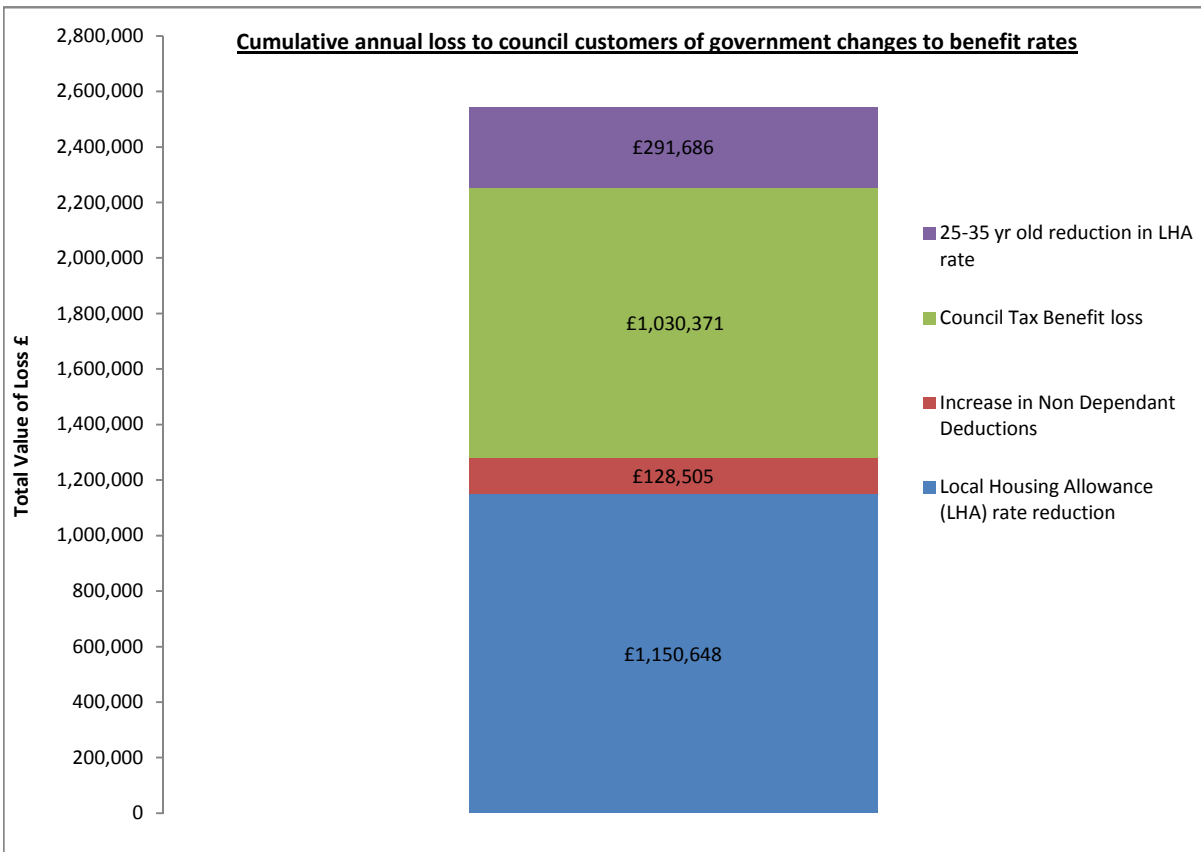
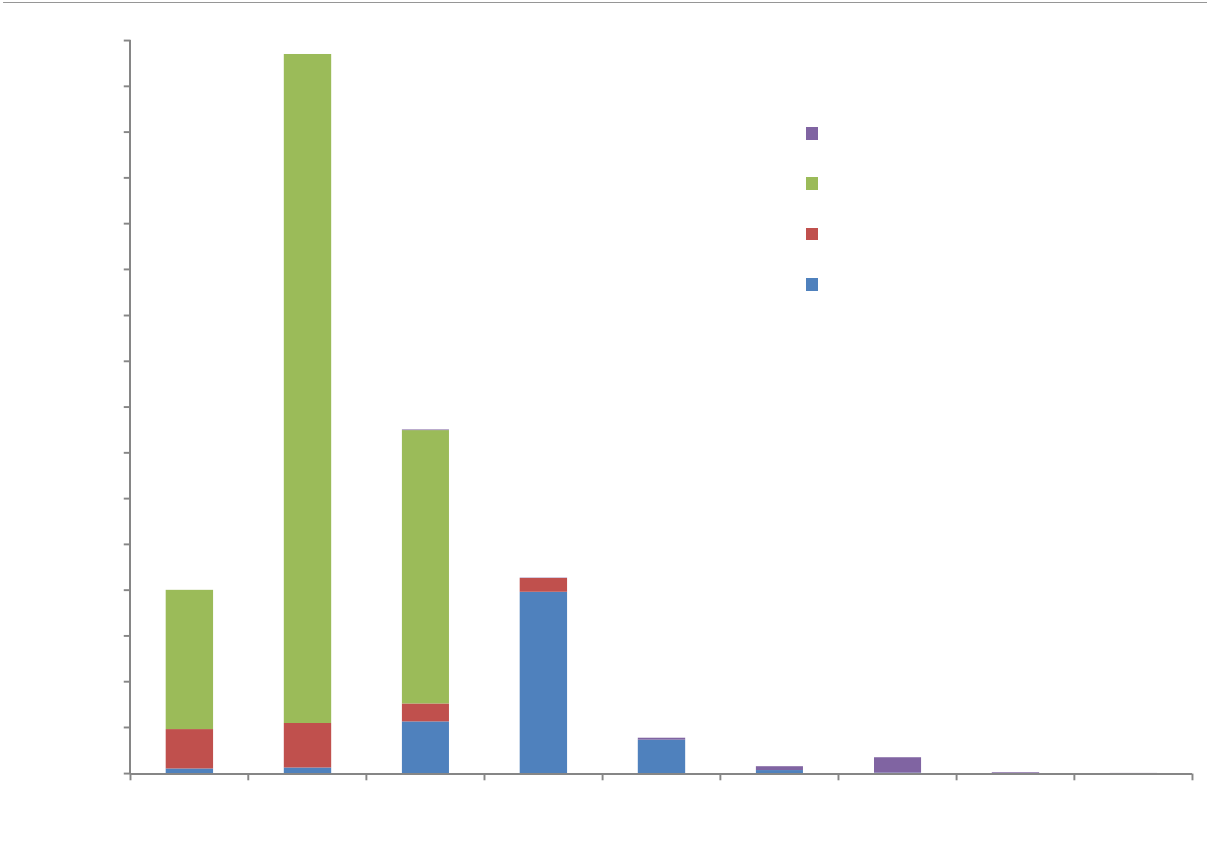
Annexes

Annex A – Graphs showing the financial impact on York customers

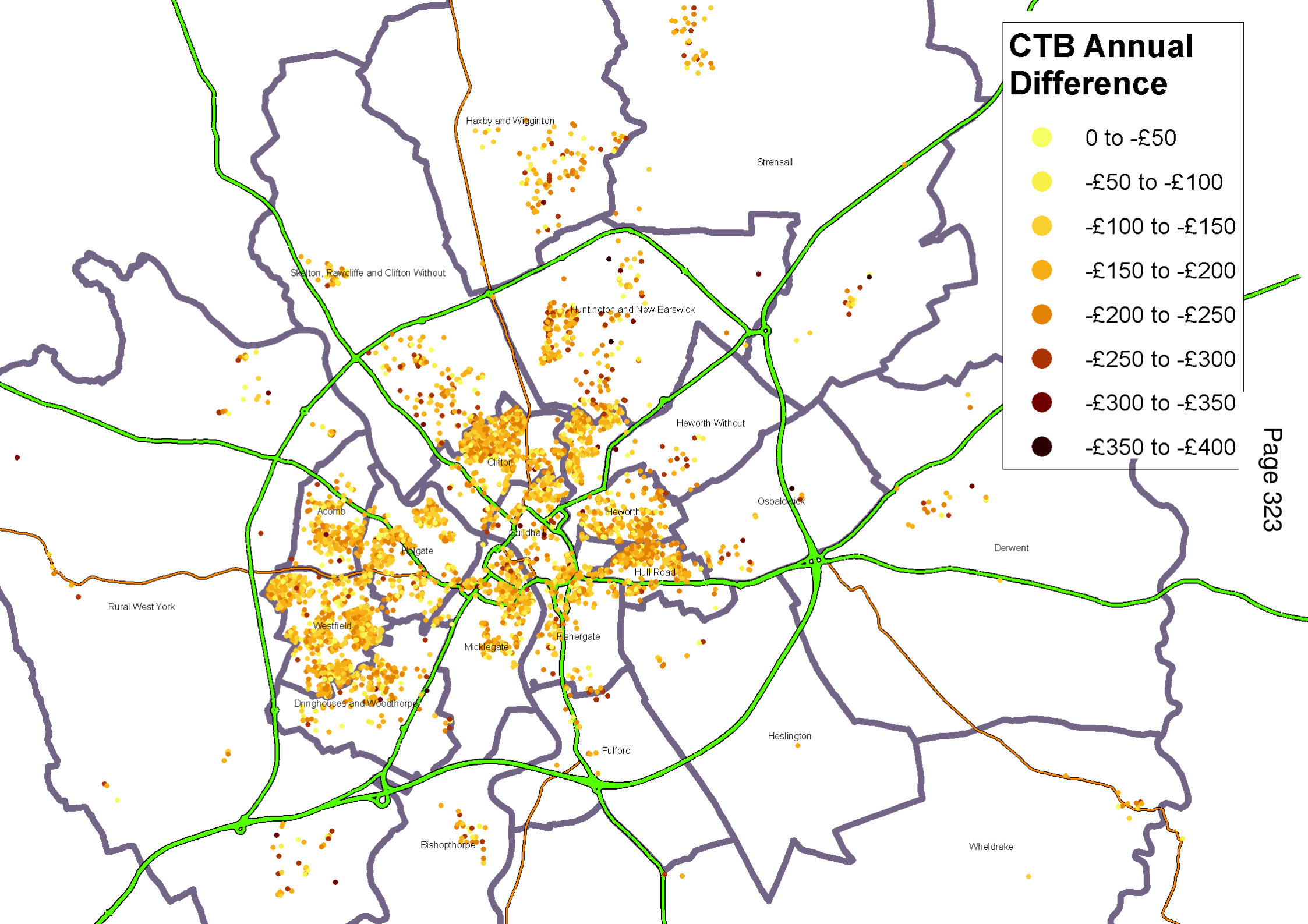
Annex B – Geographical maps of customers affected by the changes in
Council Tax Benefit

Annex C – Individual anonymous case studies

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“Mr J”

Mr J is a single man of 43 years of age currently in receipt of Income Support. In addition to his Income Support he is also in receipt of Disability Living Allowance Mobility Component at the High Level and the Care Component at the Middle Level. These benefits combined will generate an approx weekly benefit income of £197.05 (£10246.60 per annum)

COUNCIL TAX CHANGES

At present his Council Tax Liability is approx £615.70 and he receives a full weekly entitlement to Council Tax Benefit of £12.98 per week.

Under the revised entitlement a 20.7% reduction will see Mr J's Council Tax Benefit reduce to £10.29 a week which is a reduction of £2.69. As a result of this John will have to make up the shortfall of £138.70 on his Council Tax Bill.

LOCAL HOUSING ALLOWANCE CHANGES

At present Mr J receives a weekly Housing Benefit entitlement of £113.92.

Changes to the Local Housing Allowance will result in a revised weekly entitlement of £92.20 which represents a weekly shortfall of £21.72. Mr J will have to make up the shortfall in his rent.

SUMMARY

The changes represent a reduction in his overall income of £1268.14 per annum as it can be assumed he will have to use his Income Support and DLA entitlement to make up for the shortfall.

“MS T”

Ms T is a single parent with a 13 year old son. She works part time and is in receipt of Child Tax Credit and Working Tax Credits. Her approx net weekly income is £620.81 per week.

COUNCIL TAX

At present Ms T has a Council Tax Liability of £1078.38 and she receives a Council Tax Benefit entitlement of £3.60 per week.

Under the revised entitlement a 20.7% reduction will see the Council Tax Benefit reduce to £2.85 per week which is a reduction of £0.75. As a result of this Ms T will have to make up the shortfall of £38.00 on her Council Tax Bill.

HOUSING BENEFIT

At present Ms T receives a weekly Housing Benefit entitlement of £132.69

Changes to the Local Housing Allowance will result in a revised weekly entitlement of £115.74 which represents a weekly shortfall of £16.95. Ms T will have to make up the shortfall in her rent.

SUMMARY

The changes shown will represent a reduction in her overall income of £919.40 per annum as it can be assumed she will have to use her earnings or benefit payments to make up for the shortfall.

“Mr S”

Mr S is a single man of 52 years of age currently in receipt of Employment and Support Allowance (Assessment Phase) of £67.50 per week which maybe increased following the Work Capability Assessment.

COUNCIL TAX CHANGES

At present his Council Tax Liability is approx £905.00 and he receives a full weekly entitlement to Council Tax Benefit of £17.36 per week.

Under the revised entitlement a 20.7% reduction will see the Council Tax Benefit reduce to £13.77 a week which is a reduction of £3.59. As a result of this Mr S will have to make up the shortfall of £186.68 on his Council Tax Bill.

LOCAL HOUSING ALLOWANCE CHANGES

At present Mr S receives a weekly Housing Benefit entitlement of £110.00.

Changes to the Local Housing Allowance will result in a revised weekly entitlement of £88.28 which represents a weekly shortfall of £21.72. Mr S will have to make up the shortfall in his rent.

SUMMARY

The changes represent a reduction in his overall income of £1316.12 per annum as it can be assumed he will have to use his Income Support and DLA entitlement to make up for the shortfall.

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Ms C

Ms C is a single parent with three children between the ages of 5-10. She works part time and is in receipt of Child Tax Credit and Working Tax Credit. Her approx net weekly income is £378.86 per week.

At present Ms C's Council Tax Liability is £1978.84 and she receives a Council Tax Benefit entitlement of £37.85 per week.

Under the revised entitlement a 20.7% reduction will see the Council Tax Benefit reduce to £30.01 a reduction of £7.84 per week. As a result of this Ms C will have to make up the shortfall of £407.68 per annum on her Council Tax Bill.

As this represents a reduction in her overall income of £407.68 per annum it must be assumed that Ms C will have to use her earnings/means tested benefit payments to make up the shortfall.