

**Notice of a public meeting of
Executive**

To: Councillors Gillies (Chair), Aspden, Ayre, Dew, Douglas,
K Myers, Runciman and Waller

Date: Thursday, 12 July 2018

Time: 5.30 pm

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

A G E N D A

Notice to Members – Post Decision Calling In:

Members are reminded that, should they wish to call in any item* on this agenda, notice must be given to Democracy Support Group by **4:00 pm on Monday 16 July 2018**.

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

1. Declarations of Interest

At this point, Members are asked to declare:

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

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

2. Minutes

(Pages 1 - 12)

To approve and sign the minutes of the Executive meeting held on 21 June 2018.

3. Public Participation

At this point in the meeting members of the public who have registered to speak can do so. The deadline for registering is **5.00pm on Wednesday 11 July 2018**. Members of the public can speak on agenda items or matters within the remit of the committee.

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

Filming, Recording or Webcasting Meetings

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

4. Forward Plan (Pages 13 - 16)

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

5. Housing Delivery Programme (Pages 17 - 52)

The Corporate Director of Health, Housing & Adult Social Care and the Corporate Director of Economy & Place to present a report which sets out proposals for the council to take a strategic lead in the delivery of mixed tenure housing, in order to accelerate housing delivery and provide much needed affordable homes.

6. Delivering improved Sport and Active Leisure facilities at Burnholme (Pages 53 - 88)

The Corporate Director for Children, Education & Communities and the Corporate Director of Health, Housing & Adult Social Care to present a report which seeks consent to invest in improved sports facilities at the former Burnholme Community College site, continuing plans to create a Health and Wellbeing campus.

7. Re-procurement of Sexual Health and Contraception Services (Pages 89 - 100)

The Director of Public Health to present a report which seeks authority to approach the market for the tendering of sexual health and contraception services, in line with the council's contract procedure rules and EU procurement legislation.

8. Treasury Management Annual Report and Review of Prudential Indicators 2017/18 (Pages 101 - 112)

The Deputy Chief Executive and Corporate Director of Customer & Corporate Services to present a report which provides a review of treasury management activities, and the actual prudential and treasury indicators, for the 2017/18 financial year, in accordance with regulatory requirements.

9. YNY Ltd. (Pages 113 - 118)

The Corporate Director of Economy and Place to present a report which proposes that the council withdraw from its membership of the company YNY Ltd., so that the company can be dissolved.

10. Clifford's Tower Visitor Centre Update (Pages 119 - 126)

The Corporate Director of Economy & Place to present a report which asks Members to consider the council's response to the public announcement by English Heritage not to proceed with the Visitor Centre element of the proposals for Clifford's Tower.

Note: This item has been added to the agenda under formal urgency procedures, as it involves a key decision and has been listed on the Forward Plan for less than 28 days. An urgency notice was published on 20 June 2018.

11. Urgent Business

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

Democracy Officer:

Name: Fiona Young

Contact details:

- Telephone – (01904) 552030
- E-mail – fiona.young@york.gov.uk

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

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

Contact details are set out above.

This information can be provided in your own language.

我們也用您們的語言提供這個信息 (Cantonese)

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

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

Bu bilgiyi kendi dilinizde almanız mümkündür. (Turkish)

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

 **(01904) 551550**

City of York Council

Committee Minutes

Meeting	Executive
Date	21 June 2018
Present	Councillors Gillies (Chair), Aspden, Ayre, Dew, Douglas, K Myers and Waller
Apologies	Councillor Runciman
In Attendance	Councillors D'Agorne and S Barnes

Part A - Matters Dealt With Under Delegated Powers

1. Declarations of Interest

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

2. Minutes

Resolved: That the minutes of the Executive meetings held on 26 April and 8 May 2018 be approved and then signed by the Chair as a correct record of those meetings.

3. Public Participation

It was reported that there had been 7 registrations to speak at the meeting under the Council's Public Participation Scheme and 3 requests to speak from ward members.

The following spoke on Agenda Item 5 (York Central – York Central Masterplan and Partnership Agreement):

- Aileen Hingston, of York Liberal Democrats, voiced concerns about the effects of the proposed Leeman Road diversion on access from St Peter's Quarter to the city centre. She submitted further written comments on a number of issues; these were circulated at the meeting.

- Dr Jamie Wood, of York Cycle Campaign, highlighted the need for clear crossing points and safe access routes that respected cycling priorities, in accordance with the Local Plan objectives.
- Andrew Dickinson, a local resident, objected to the masterplan on the basis that it would provide low quality homes and add to traffic problems without committing to low car ownership or integrated public transport.
- Robert Adamson, Chair of York Central Action Group, outlined actions recommended by the group to minimise disruption during site works, ensure flexibility of land use for the future, promote health and well being and integrate facilities with existing areas.
- Richard Clark, Chair of Labour Housing Forum, argued that the balance of the development on this critical site be altered to support commercial use, as it could not deliver adequate affordable housing.
- Cllr Crawshaw, member for Micklegate ward, suggested that a music venue and theatre workshop be included on the site and that the masterplan needed flexibility, to support economic development.
- Cllr K Taylor, member for Holgate ward, highlighted the issue of the Leeman Road diversion and the need for a safe, well lit alternative route, and argued that the partnership agreement did not adequately reflect the council's investment in the site.
- Emily Nelson, a local resident, said that some Holgate residents felt they had no voice in the consultation and pointed to the lack of a safe option for pedestrians and cyclists in the proposals for diverting Leeman Road.
- Andrew Cox, a local resident, expressed concerns about pedestrian access to the site and the quality and percentage of affordable housing, which he felt should be increased.

Cllr Warters, member for Derwent ward, spoke on Agenda Item 10 (Finance & Performance Outturn 2017/18), referring to paragraphs 16 and 11 of the report. He asked that the design of

the new York boundary signs be approved by York Civic Trust and that an update be provided on the trialling of machinery to cut rural road verges and encourage wildflowers.

4. Forward Plan

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

5. York Central - York Central Masterplan and Partnership Agreement

The Assistant Director for Regeneration & Asset Management presented a report which put forward an illustrative masterplan and development parameters for the York Central site, and a Memorandum of Understanding to set the outline terms of a proposed formal agreement between members of the York Central Partnership (YCP).

Feedback from an extensive 6-week public consultation event, 'Festival of York Central', held between March and April 2018 was set out in Annex 2 to the report. Annex 3 summarised the outcomes of the event and Annex 4 set out the parameter plans, illustrative masterplan and development schedules agreed by YCP partners on 25 May. These had been informed by the response to consultation and would form part of the outline planning application to be submitted later this year. The Memorandum of Understanding was attached at Annex 5. The proposed diversion of Leeman Road to facilitate the expansion of the National Railway Museum (NRM) was explained in paragraph 40 of the report.

In response to questions from Members and matters raised under Public Participation, Officers confirmed that:

- The masterplan was intended to illustrate how the site might look and create a framework for the planning application, but did not represent a finalised design for the scheme.
- Work was under way to engage with affected communities on potential changes to access from St Peter's Quarter.
- Discussions could be arranged with the NRM on the issues relating to the Leeman Road diversion.
- A sustainability strategy would be prepared to examine how green energy and traffic issues would be dealt with;

transport assessments and design guidelines would also address this aspect.

The Chair acknowledged the points made by the public participants and the challenges that would need to be overcome, emphasising the need to balance competing issues in moving forward with the development.

Resolved: (i) That the York Central Partnership (YCP) master plan, which it is noted will inform and regulate future planning application submissions, be supported.

(ii) That the draft parameter plans and development schedules for York Central be endorsed, to enable the completion of the Environmental and Transport Impact Assessments and form the basis of planning submissions by the partnership.

(iii) That the final sign off of the York Central Design Guidelines be delegated to the Leader and Deputy Leader prior to the submission by the YCP of an outline planning application.

(iv) That the Memorandum of Understanding with the YCP be agreed.

(v) That approval of the layout and the submission of a detailed planning application for the first phase infrastructure of the York Central scheme be delegated to the Executive Member for Transport and Planning.

(vi) That further reports be received from Autumn 2018 setting out:

- a) a partnership agreement and
- b) funding arrangements.

Reason: To ensure the delivery of the York Central scheme.

(vii) That Officers be instructed to undertake further work to bring forward proposals to support and enhance the delivery of affordable housing on York Central.

(viii) That officers be instructed to bring back a detailed business case for the early investment in office accommodation on York Central as part of the council's commercial portfolio.

(ix) That officers continue to work with city partners and community groups to identify early community facilities to be developed on York Central.

(x) That the council work with YCP to support the delivery of high sustainability standards on the site.

(xi) That YCP be encouraged to continue their community engagement approach throughout delivery of the scheme.

(xii) That officers work with YCP to develop proposals for the detailed design of public spaces on York Central.

(xiii) That further engagement be undertaken with businesses to focus the occupier strategy and integrate the commercial spaces within the broader area.

Reason: To ensure that the York Central scheme delivers the economic and social benefits described.

6. Homeless Strategy 2018-2023, 'Preventing Homelessness Together', and Action Plan

The Corporate Director of Health, Housing & Adult Social Care presented a report which asked Executive to sign off the completed action plan for the 2013-18 Homeless Strategy and to approve the adoption and publication of the new 2018-23 Strategy (the Strategy), called 'Preventing Homelessness Together'.

As a result of the 2013-18 strategy, statutory homelessness in York had reduced and homeless prevention remained high. 77% of the actions in the action plan had been completed or were on track, as shown in Appendix 1 to the report. The remainder would be carried over to the new Strategy and action

plan at Appendices 1 and 2 respectively. These would focus on tackling rough sleeping and meeting the new duties under the Homeless Reduction Act 2017 to prevent and relieve homelessness. Members had the option to approve or amend the Strategy.

The Executive Member for Housing & Safer Neighbourhoods thanked officers who had prepared the Strategy, and commended it to Members. She indicated that, as of this week, the number of rough sleepers in the city was down to 16.

Resolved: (i) That the completed action plan for 2013-18 be signed off.

(ii) That the new Strategy for 2018-23, 'Preventing Homelessness Together' and action plan, which outlines the national and local context affecting and contributing to homelessness and the actions that will be taken in York to address these issues, be adopted and published.

Reason: To comply with the legal requirement to have a Homeless Strategy, and to have plans in place to prevent and relieve homelessness, in accordance with the new duties placed on local authorities by the Homelessness Reduction Act 2017.

7. The Library and Archives Service: Procurement of Operator

The Assistant Director of Communities and Equalities presented a report which sought approval to begin the procurement process for the operation of the council's library and archives service, currently run by Explore Libraries and Archives Mutual Limited ('Explore').

The five year contract awarded to Explore in 2014 would come to an end on 31 March 2019, so a tendering process must be carried out. As required, a Comprehensive Assessment of Need, attached as Annex A to the report, had been prepared. This had been informed by the results of a public consultation, York's demographics, the council's objectives and the current service. It culminated in a vision for the service, as set out in paragraph 12. A 15 year contract was proposed. The service specification, detailed in Annex B, set out how the vision would be realised. It was proposed to lease the existing buildings to

the operator and to set an affordability limit for tenders based on the existing budget, amounting to £31,980m over 15 years. Members were asked to decide the percentage price/quality split for the tender evaluation, based on the options and recommendation in paragraph 35.

The Executive Member for Leisure, Culture & Tourism welcomed the continuing investment in the city's libraries and the positive public response to consultation.

- Resolved:
- (i) That the outcome of the public consultation conducted between November 2017 and February 2018 be noted.
 - (ii) That the key aspects of the service specification for the new contract set out in paragraphs 14 to 20 of the report be approved.
 - (iii) That the term of the contract be 15 years, with an option for a 5 year extension.
 - (iv) That the financial framework for the contract set out in paragraphs 21 to 30 of the report be approved.
 - (v) That a 'Sinking Fund' of £147,000 per annum be established from existing budgets and used to address the council's building maintenance liabilities over the term of the contract.
 - (vi) That the recommended price/quality split of 40% price, 60% quality, as set out in paragraph 35, be approved for use in the evaluation.
 - (vii) That authority be delegated to the Director of Children, Education & Communities to:
 - a) develop and implement the procurement framework as set out in the report, including establishing the final evaluation criteria and headline weightings to be used in assessing bids, and
 - b) award the contract at the end of the process, provided the price is within budget.

Reason: To enable the council to meet its statutory duty with regard to the provision of library services.

8. Transfer of Be Independent into the direct management of the City of York Council

The Corporate Director of Health, Housing & Adult Social Care presented a report which sought approval to transfer the council's community alarm and equipment service, currently operated by Be Independent, back into direct council management.

The transfer had been agreed in principle by officers in discussion with the board of Be Independent, after a drop in the number of paying customers and the loss of additional contracts and income had contributed to the service being financially challenged. Due diligence undertaken on the proposed transfer had not identified any major concerns. The assessment was that the financial challenges could be turned around by integrating aspects of the Be Independent business with the council's services. Other options had been considered, as summarised in paragraph 32 of the report, but none could provide the same security and continuity for both customers and staff within the available timescale.

Members thanked officers for their work in negotiating this proposal, which was considered to be a sensible solution.

Resolved: (i) That the transfer of Be Independent to the direct management of City of York Council be approved.

(ii) That the transfer of all assets and liabilities from Be Independent to City of York Council, and the transfer of staff under TUPE as detailed in the report, be approved.

(iii) That it be noted that, following the transfer, a review of the service will take place to ensure that the service is operating efficiently and secure its longer term sustainability.

Reason: To ensure continuity of service for customers and staff providing the service, and to mitigate any risks.

9. Capital Programme Outturn 2017/18 and Revisions to the 2018/19-2022/23 Programme

[See also under Part B]

The Corporate Director of Customer & Corporate Services (Deputy Chief Executive) presented a report which set out the out-turn position on the council's capital budget for the 2017/18 financial year and the re-stated programme for 2018/19 to 2022/23.

An out-turn of £70.809m was reported on the approved 2017/18 budget of £88.586m; a net variation of £17.777m. This comprised requests to re-profile £20.514m to future years and adjustments of £2.767m to schemes in 2017/18. However, the overall programme continued to operate within budget.

The level of re-profiling reflected the scale of the programme, which contained a number of major schemes. Variations and re-profiling requests under each portfolio area were set out in paragraphs 11 to 73 of the report and in Annex A. Details of the 2018/19 – 2022/23 programme, updated to reflect these changes, were provided in paragraph 77 and in Annex A.

- Resolved:
- (i) That the 2017/18 capital out-turn position of £70.809m be noted and that the requests for re-profiling from the 2017/18 programme to future years, totalling £20.544m, be approved.
 - (ii) That the adjustments to schemes increasing expenditure in 2017/18 by a net £2.767m be noted.
 - (iii) That the adjustments to schemes increasing expenditure in future years, totalling £27.235m in 2018/19, be noted.
 - (iv) That approval be given to retain the unspent balance on West Offices for any future major repairs.
 - (v) That approval be given to bring forward £1m of funding from 2019/20 to 2018/19 for Highway repairs, as set out in paragraph 28 of the report.

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

10. Finance and Performance Outturn 2017/18 (formerly 'Q4 Finance and Performance Monitor')

The Corporate Director of Customer & Corporate Services (Deputy Chief Executive) presented a report which provided an analysis of the council's overall finance and performance position at the end of the 2017/18 financial year, including progress on delivering savings.

A provisional out-turn of £620k was reported on the council's net General Fund budget of £119.6m for 2017/18. This maintained the council's overall financial health and provided a strong platform from which to meet the challenges ahead. Good progress had also been made on achieving savings during the year, with delays in some areas generally being mitigated by savings in others. It was proposed to use the underspend, and part of the unallocated contingency referred to in paragraph 65 of the report, to invest in a number of key front line service areas, as described in paragraphs 8 to 20.

An update on performance under the core indicators built around the priorities in the 2015-19 Council Plan was provided in paragraphs 70 to 176 of the report. It was noted that, of the 15 strategic indicators reporting new annual data, 9 had shown improvements. York had also gained recognition as the Sunday Times' 'Best Place to Live' for 2018 and as a top quartile performer under the Happy City Thriving Places Index.

- Resolved:
- (i) That the year end underspend of £620k and the unused contingency of £761k be noted.
 - (ii) That the underspend of £620k and £511k of the unused contingency be allocated to the schemes outline in paragraphs 8 to 21 of the report.
 - (iii) That the remaining contingency of £250k be transferred to the 2018/19 contingency.
 - (iv) That approval be given to fund the employment issue outlined in paragraph 63 of the report from the reserve relating to costs for ongoing and future pay and employment claims, and that

authority be delegated to the Director of Customer & Corporate Services to make the final payment due.

(v) That the financial risks outlined in the report, and the need to continue to maintain a prudent contingency and reserves that are reflective of the risks set out in the report, be noted.

(vi) That the continued effective financial management across the council, and the ongoing delivery of savings, be noted.

(vii) That the performance information set out in paragraph 68 onwards be noted.

Reason: To ensure that significant financial issues can be appropriately dealt with.

PART B - MATTERS REFERRED TO COUNCIL

11. Capital Programme Outturn 2017/18 and Revisions to the 2018/19 - 2022/23 Programme

[See also under Part A]

The Corporate Director of Customer & Corporate Services (Deputy Chief Executive) presented a report which set out the out-turn position on the council's capital budget for the 2017/18 financial year and the re-stated programme for 2018/19 to 2022/23.

An out-turn of £70.809m was reported on the approved 2017/18 budget of £88.586m; a net variation of £17.777m. This comprised requests to re-profile £20.514m to future years and adjustments of £2.767m to schemes in 2017/18. However, the overall programme continued to operate within budget.

The level of re-profiling reflected the scale of the programme, which contained a number of major schemes. Variations and re-profiling requests under each portfolio area were set out in paragraphs 11 to 73 of the report and in Annex A. Details of the 2018/19 – 2022/23 programme, updated to reflect these changes, were provided in paragraph 77 and in Annex A.

Recommended: That Council approve the re-stated 2018/19 to 2022/23 capital programme of £302.185m, as summarised in Table 3 at paragraph 77 of the report and detailed in Annex A.

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

Cllr I Gillies, Chair

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

Forward Plan: Executive Meeting: 12 July 2018

Table 1: Items scheduled on the Forward Plan for the Executive Meeting on 30 August 2018

Title and Description	Author	Portfolio Holder
<p>Duncombe Barracks Purpose of Report To seek Executive approval to purchase the Duncombe Barracks site from the Ministry of Defence (MoD).</p> <p>The Executive will be asked to: Agree the sale with a view to developing the site for much needed affordable housing.</p>	Paul Landais-Stamp	Executive Member for Housing & Safer Neighbourhoods
<p>Q1 18-19 Finance and Performance Monitor Purpose of Report To provide an overview of the council's overall finance and performance position at the end of Quarter 1.</p> <p>The Executive will be asked to: Note and approve the report.</p>	Ian Cunningham, Debbie Mitchell	Executive Leader (incorporating Finance & Performance)
<p>Q1 18-19 Capital Programme Monitor Purpose of Report To provide an overview of the council's overall capital programme position at the end of Quarter 1</p> <p>The Executive will be asked to: Note and approve the report.</p>	Emma Audrain, Debbie Mitchell	Executive Leader (incorporating Finance & Performance)

Title and Description	Author	Portfolio Holder
<p>Construction Charter Purpose of Report To seek approval for the introduction of a minimum standards charter in respect of construction projects procured by the council.</p> <p>The Executive will be asked to:</p> <ul style="list-style-type: none"> - Adopt the charter - Agree that the council ensures all potential and existing contractors are aware of the charter - Agree that the council monitors performance of contractors against the standards included in the charter. 	Debbie Mitchell	Executive Leader (incorporating Finance & Performance)
<p>Proposed Purchase of Robinson Court and the Union Terrace Centre (formerly Arc Light Centre) Purpose of Report To consider approval for the purchase of Robinson Court from York Housing Association (YHA) and to buy out YHA from their long term lease from the Council of the Union Terrace Centre.</p> <p>The Executive will be asked to:</p> <ul style="list-style-type: none"> - Agree to the purchase of Robinson Court, as outlined in the report. - Agree to buy YHA out of their long term lease of the Union Terrace Centre. 	Tim Bradley	Executive Leader (incorporating Finance & Performance)

Table 2: Items scheduled on the Forward Plan for the Executive Meeting on 27 September 2018

Title and Description	Author	Portfolio Holder
<p>Community Stadium Project Update Purpose of Report To present a progress update on the Community Stadium project.</p> <p>The Executive will be asked to: Note the progress on the project since the last Executive report and consider a recommendation for providing continued financial support to York City Knights RLFC first team arrangements at Bootham Crescent for the 2019 season, until they move to the new stadium in summer 2019.</p>	Mark Wilson	Executive Member for Culture, Leisure & Tourism.
<p>Sale of Ashbank, 1 Shipton Road, York Purpose of Report Further to the approval given by the Executive to sell Ashbank as part of the Administration Accommodation Project Business case back in November 2005, the purpose of this report is to advise on the offers received and make a recommendation on the preferred bidder.</p> <p>The Executive will be asked to: Approved the proposed sale to the highest bidder.</p>	Tim Bradley	Executive Leader (incorporating Finance & Performance)
<p>The Provision of School Places, 2018-2023 <i>(to be added to the published Plan on Monday 9/7)</i> This report will provide an update on the work taking place to manage the school's capital programme during 2018-2023, highlighting the challenges, pressures and risks involved in delivering both the capital maintenance and school planning programme during that period. These projects relate to the management of the LA's sufficiency duty and the recommendations from phase 2 of the inclusion review.</p> <p>The Executive will be asked to: note the approach being taken meet localised need for additional school places between 2018 and 2023 and to approve the use of basic need and SEND capital funding to allow the completion of the school building projects outlined in the paper.</p>	Maxine Squire	Executive Member for Education, Children & Young People

Table 3: Items Slipped on the Forward Plan

None



Executive

12th July 2018

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

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

Housing Delivery Programme

Summary

1. This report sets out a proposal for the council to take a strategic lead in the delivery of mixed tenure housing, accelerating housing delivery and providing much needed affordable homes. The market is not currently delivering the quantity or quality of homes the city needs and the dynamic of high demand and low supply has increased house prices beyond the reach of many people living and working in York. This impacts on the quality of life of residents and their ability to play an active role in our communities and contribute to growing our local economy. There are also implications for essential services, such as health and social care, with the high cost of living affecting our ability to retain key workers.
2. It is proposed that council owned land and investment from the Housing Revenue Account (HRA) is utilised to directly deliver approximately 550 houses on six sites of which 40% will be affordable housing. This will include a range of affordable products which will help meet the housing needs of a wider group of people — from those in the most acute need to key workers and first time buyers.

3. It is the council's vision to create healthy and sustainable developments — neighbourhoods that are inclusive, improve the lives of both new and existing residents, and stand the test of time. With this in mind, the report sets out a number of principles which will underpin the design of all new developments within the scope of the programme.

Recommendations

4. Executive are recommended to:
 - I. Agree in principle to the direct delivery of mixed tenure housing on the sites listed in para 7 (excluding Tang Hall Library).
 - II. Agree in principle that the Lowfield site is appropriated from the General Fund into the HRA subject to final valuation which is to be confirmed through the Capital Monitoring Report.
 - III. Agree a recommendation to Council that a budget of £22.5m is created for the development of the Lowfield Site, funded from HRA resources (£4.5m) and market sales (£18m), as set out within the report, noting that the final funding split may change and will be reported in future reports to Executive. Agree that HRA reserves will cash flow the development prior to the start of market sales.
 - IV. Agree to bring back to Executive a revised HRA business plan setting out the funding mechanism to deliver all other sites within the programme.
 - V. Agree to undertake detailed design work to develop and submit planning applications for the Askham Bar and Burnhome sites to be funded from the HRA investment Reserve at a cost of £700k.
 - VI. Agree to procure construction partners for the Housing Delivery Programme with authority for their appointment delegated to the Corporate Director of Health, Housing and Adult Social Care in consultation with the Executive Member for Housing and Safer Neighbourhoods.
 - VII. Note that a detailed business case for each of the following sites will be brought back to Executive:
 - a. Burnhome
 - b. Askham Bar former Park and Ride

- c. Former Clifton Without school
- d. Former Manor School
- e. Former Woolnough House Older Person's Home (OPH)
- f. Hospital Fields Road and Ordnance Lane

- VIII. Agree to develop a programme of support and marketing to promote and ensure the successful delivery and uptake of market sale, self-build, rent to buy, shared ownership and downsizing schemes funded from the HRA investment reserve.
- IX. Agree to investigate opportunities for investment in additional affordable homes on private sector developments across the city and bring back proposals to Executive.
- X. Agree to dispose of the Tang Hall Library site on the open market.

Reason: To progress with the building of much needed new homes in York, to increase the number of affordable homes within the city and meet the housing needs of a broader range of York residents.

Background

5. The Government's Housing White Paper 'Fixing our Broken Housing Market' established a clear role for local authorities to create radical, lasting reform to boost housing supply and affordability by using their powers of general competence to actively engage in the facilitation of housing delivery through the exploitation of publicly owned land, providing local solutions that work for local communities.
6. As a direct response to this, the Executive report of December 2017 outlined a broad ambition to use council land and investment to accelerate housing delivery in the city and earmarked a number of surplus General Fund sites suitable for development for housing. Further work was requested to create detailed options for an extensive programme of direct housing delivery.
7. Since then, due diligence has been undertaken on the legal and financial implications of different models of delivery. In addition, a high level business case has been developed for all the potential sites in scope which includes:
- Lowfield Green

- Burnhome
- Askham Bar former Park and Ride
- Former Clifton Without school
- Former Manor School
- Former Woolnough House OPH
- Hospital Fields Road and Ordnance Lane
- Former Tang Hall Library site

8. Other sites may in future be considered for development within the programme including residential developments in the Castle Gateway.
9. The Tang Hall Library site is very small and constrained and early due diligence indicated that it is too small to develop a significant number of houses. It is therefore recommended that this is removed from the programme and disposed of to gain a capital receipt to help fund the replacement library facilities at Burnholme.

Housing Need

10. Limited housing availability and affordability issues in York dominated discussions during the Local Plan and York Central consultation process. These problems are endemic within the national housing market and there are no easy fixes, however, the council has a significant role to play in increasing housing supply and ensuring affordable quality homes are delivered. Work has been ongoing for some time to develop a comprehensive council response to the housing challenges faced in the city. This report sets out an analysis of the issues being experienced in York and proposes an exciting and ambitious vision for the direct delivery of mixed tenure housing.
11. York's Strategic Housing Market Assessment (SHMA) (2016) identifies a need for an additional 573 affordable homes each year if we are to address the shortfall within the next 20 years and 656 if we are to achieve this within a 10 year period. These figures are in stark contrast to the number of affordable homes delivered over the last 10 years, with an average of just 130 affordable housing completions per annum.
12. The deficit in affordable housing for sale has increased the demand for private rented homes, resulting in an average rent rise of 12% in the last five

years. This further pushes home ownership out of reach for many due to the difficulty of saving for a deposit whilst paying a significant amount of income as rent. The average rental price paid in York is around £879 per month. It is widely considered that spending more than 30-35% of income on household costs is unaffordable. In York, a single person on average earnings or below would exceed this affordability level. A family with one full and one part time earner on average earnings or below could not afford to rent a typical three bedroom house in York.

13. The existing market dynamic of mismatched supply and demand leads to:

- Difficulty in providing sufficient numbers of affordable housing for those in greatest need
- An inflationary impact upon private rent levels creating an affordability gap even for those on middle incomes
- Escalating house prices meaning that the option for home ownership is out of reach for many

14. The lack of affordable housing in York is particularly affecting low to middle income households including potential first time buyers, graduates, young families, and key workers. This in turn impacts upon the long term health and growth potential of our city's economy which requires a readily available and diverse housing supply of different tenures at different price points.

15. These are complex issues to address and there are no simple solutions, but if housing remains unaffordable for the majority of working age households (be it for rent or for sale) then the city could find it increasingly difficult to attract new, and retain existing, employees across a whole range of occupations, especially in the service sectors on which much of the city's economy depends. There is already evidence of recruitment difficulties in health and social care — two areas that have a direct and profound impact on the wellbeing of York citizens.

16. The introduction of the National Planning Policy Framework (NPPF) in 2012 saw an expanded definition of affordable housing to include social rented, affordable rented and intermediate housing. Earlier this year, consultation was undertaken on a draft revised NPPF which has been produced in response to

the Housing White Paper and the 'Planning for the Right Homes in the Right Places' consultation. The draft revised NPPF expands the definition of affordable housing further by referencing starter homes, discount market sale housing, and rent to buy. This contrasts with CYC's existing housing policy, which promotes a more narrow range of affordable tenures with a primary focus on social rent and discount sale. Whilst the revised NPPF is in draft only, it represents a clear attempt to bring home ownership within reach for a greater number of potential first time buyers.

17. With this in mind, and in acknowledgement of the affordability issues facing a wide range of households, it is proposed that a review of the council's housing policy is initiated, to complement the recently submitted Local Plan. This would look to maximise the level of affordable housing delivered by private developers, to meet national planning policy and to enable a wider range of affordable housing to be delivered. This will include the consideration of HRA investment in new affordable homes on larger strategic sites. A business case for investment will be brought back on a site by site basis.

Current HRA developments

18. In response to the housing challenges in the city, the council has been developing new houses since 2010 when 19 houses were built off Lilbourne Drive in Clifton. Following this, a £20m HRA investment fund was created to deliver council houses across a number of sites. As part of the first phase of the delivery programme, 250 affordable homes—including general needs, homeless, and older person's accommodation—are being developed. This £20m Phase 1 investment fund was supplemented by another £20m of funds made up of grant from Homes England, capital receipts from housing and land sales and S106 money.
19. In December 2017, Executive approved the updated Housing Revenue Account Business Plan (2017 to 2047), which included the creation of a Phase 2 £20m investment fund to support additional affordable housing delivery. To date, members have approved the delivery of Lincoln Court, the purchase and repair of three homes to be converted from shared ownership homes into social rent, and the buy back of some ex Right to Buy (RtB) homes. This will require around £1.8m from the investment fund plus around £900k of RtB receipts.

20. This leaves £18.2m of the Phase 2 investment fund which has not been allocated to specific housing schemes. This £18.2m of Phase 2 investment fund could be supplemented by RtB receipts, Homes England Grant, or additional unallocated S106 funds received. These unallocated funds could support the delivery the Housing Delivery Programme.

21. We are in receipt of Homes England grant to deliver a further 65 shared ownership homes to be purchased on the open market but as a council we are currently delivering a relatively narrow range of the housing tenure products available.

The Vision

22. It is the council's vision to play a leading role in the direct delivery of a range of housing solutions to address the affordability challenge facing many residents. This is underpinned by a desire to create healthy and sustainable communities. The vision will be achieved through four strands:

- a. Delivering the type of housing which meets the needs of our residents
- b. Meeting the full range of affordable housing need
- c. Building homes to higher environmental standards
- d. Creating healthy places where people want to live

Delivering the type of housing which meets the needs of our residents

23. The Strategic Housing Market Assessment (SHMA) indicates that there is greatest need for two and three bedroom homes, as well as a wider range of accommodation for older people who are currently living in unsuitable and often large homes.

24. The SHMA is informed by longer term population projections including:

- a growth in population from 200,018 to 224,498 between 2012 and 2031, above the average for Yorkshire and Humber
- that the largest growth is projected for people aged 60 and over; an increase of 16,500 (36%) from 2012 to 2031;
- that the population aged 75 or over is projected to increase by a greater proportion than this (56%);

25. Consultation with colleagues within the Housing Standards team has identified a local shortage of adaptable and accessible housing. This under provision has significant social and financial implications. Individuals who live in housing that does not meet their accessibility needs have poorer mental and physical health, are four times less likely to be in employment and are more likely to need to claim benefits. There are also significant costs to health and social care associated with falls, delayed discharge due to inappropriate accommodation, and the need for additional support from care services.

26. The demand for accessible housing is expected to rise significantly, with an increase in the number of people with long-term health problems and mobility issues (see table below - source SHMA).

	Number of individuals (2012)	Number of individuals (2032)	Percentage increase
Long-term health condition or disability	30,389	39,800	31%
Mobility problems	6,514	10,268	57%

27. The private housing market is not currently meeting the housing needs identified above — instead it typically provides housing which delivers the greatest financial return. This results in new housing developments that are skewed towards three and four bedroom houses, rather than smaller family houses and homes designed for an aging population. The market also tends to deliver schemes at a speed which maximises sale prices. This can result in modest build out rates, delaying the delivery of much needed new homes for the city. By directly delivering homes, the council will retain control over both the build speed and type of housing delivered. The council will therefore be able to deliver homes that meet priority need and are built to higher accessibility and adaptability standards.

Meeting the full range of affordable housing need

28. A key part of the council's vision is to deliver above planning policy requirements in terms of affordable housing numbers. This is a response to the existing deficit in affordable housing provision which is not being met by private developers. Therefore 40% of the new homes delivered will be an affordable tenure. This represents 20% more affordable homes compared to the number that would be delivered by the market if they were to comply with planning policy.
29. In light of the affordability challenge highlighted in the section above, and the government's response to bring home ownership within reach of a greater number of people, it is proposed that the council deliver a range of products to meet a broad range of housing need. This could include:
- **Market Sale** – Selling a range of housing types which meet the needs of the city, including starter homes for young couples, well proportioned family houses, and housing which is attractive to an aging population to encourage downsizing.
 - **Council Houses** - Aimed at households in the highest need and acting as a vital safety net for those on the lowest incomes.
 - **Rent to Buy type products** – This tenure traditionally offers people a tenancy where the rent is set at a maximum of 80% of the market value. The tenant is then given the option to buy the property at market value at intervals set out in the agreement, generally over a period of 5 - 10 years. This approach provides security of tenure and works well for young households who expect to increase their income during the rental period. The potential for delivery of a similar product by the Council will be explored.
 - **Shared Ownership** – This tenure option allows people to buy an initial 25%-75% share of the property using a shared ownership mortgage. Rent is charged on the remaining value of the property at 2.75%. The occupant has the choice to buy greater equity up to 100% as their financial circumstances improve. Typically only a 5% deposit is needed on the initial share allowing households that would otherwise have struggled to save enough for a typical mortgage deposit to get a foot onto the property ladder.

- **Discount Sale** – This tenure allows for the home to be purchased at a set percentage of its market value based on affordability criteria with the buyer owning 100% of the home. When the owner decides to sell, they can only do so at the same percentage of its market value ensuring it stays affordable in perpetuity. This approach is helpful to those who have a modest income and deposit and whose financial circumstances may not change significantly in the future.
- **Self-Build** – Self-build is a blanket term for housing which is directly delivered by the individual or group who will be the benefactor of the finished product. While not a standard affordable product it can provide access to home ownership to those who may not be able to afford a market property. By using sweat equity to commission or undertake work themselves, self-builders can create a house for less than it could be bought on the open market. Community self-builds, where a group forms an organisation to construct and manage the property, can deliver further affordable home opportunities for both sub market rent and homeownership.

30. The split of affordable tenures will be determined on a site-by-site basis depending on local need.

Building homes to higher environmental standards

31. The majority of new build housing in the city does not significantly exceed building regulations in terms of energy efficiency. Fuel poverty is intrinsically linked to housing energy efficiency. It affects 10.7% of the population of York and incurs significant social and financial costs to health and social care providers.

32. Housing in York is responsible for 1.1 million tonnes of CO₂, 40% of the city's emissions. It is therefore a significant priority to build housing in a manner that minimises its carbon footprint. If housing is not built to higher environmental standards, there will also be additional costs to the council in the near future, as the government has recently committed to decarbonising new housing stock from 2020 onwards. In light of these issues, the programme aims to build homes to higher environmental standards than current building regulations.

Creating places where people want to live

33. A central part of the council's vision is to create healthy and sustainable neighbourhoods and a lasting legacy. In light of this, the following concepts will be integral to the design of our new housing schemes:
- a. Creating mixed communities, both in terms of age and tenure
 - b. Providing well-designed, bright and spacious housing
 - c. Creating places for people to come together and spend time outdoors e.g. quality green space, children's play equipment and communal growing areas
 - d. Building homes in a manner that better accommodates the needs of individuals with mobility issues
 - e. Designing developments in a way that is inclusive and allows individuals with and without mobility or health issues to enjoy communal facilities
 - f. Encouraging the use of sustainable transport e.g. adequate cycle provision, electric car charging points, bus stop improvements, connections to cycle and footpaths
 - g. Ensuring developments are well connected to their neighbours—encouraging new and existing residents to come together and share facilities
 - h. Supporting digital inclusion and our Digital City ambitions by making the most of existing technology and designing schemes in a manner that accommodates future advancements e.g. free Wi-Fi in public spaces and dwellings that are able to utilise ultra fibre broadband

Supporting the local economy

34. By directly delivering housing, the council is able to maximise the economic benefits of house building. Delivering housing of the scale proposed across multiple sites requires significant capital investment. Added social and economic value can be secured through the procurement of building contractors utilising the principles of the One Planet agenda. Procurement can be used to encourage the use of local supply chains and local labour, as well as increasing opportunities for training and apprenticeships for young residents of the city.

Options for delivering the vision

35. Significant due diligence has been undertaken since December 2017, when the Executive approved the principle of establishing a Housing Delivery Programme. This due diligence process included internal and external legal support. There are multiple ways of delivering housing. The primary routes to housing delivery by a local authority are:
- a. Through a council owned Development Company or Limited Liability Partnership
 - b. Through the Housing Revenue Account
 - c. Through the disposal of sites to private sector house builders
36. In the December 2017 Executive report, one of the two key objectives was around revenue generation. Based on this, the advice was that a wholly-owned company was the most appropriate delivery method. However, since this time there has been a clear shift in emphasis away from revenue generation to be entirely focused on meeting housing need in a sustainable way.
37. Through this shift in ambition it is now also appropriate to deliver schemes through the HRA on the basis of it being a programme undertaken pursuant of our powers to provide housing to meet housing need. Our existing housing powers through the HRA permit us to develop sites whereby land is appropriated to the HRA for development and the resulting affordable housing held within the HRA. The legal advice we have received is clear that the housing powers held in the HRA do not prevent the market sale of houses. Indeed, the sale of market housing cross-subsidises the affordable housing, enabling more to be delivered.
38. Having established that there are three primary delivery options available, the next section of this report analyses which of these best meet our objectives and sets out their relative risk profile.
39. The table below summarises our vision for housing delivery into a range of objectives. A RAG (Red, Amber, Green) analysis has been undertaken against these objectives.

<u>Key Objectives</u>	Dev Co	HRA	Sell Sites
An increase in housing supply	Green	Green	Green
The accelerated delivery of new homes	Yellow	Green	Yellow
An above planning policy number of affordable homes	Green	Green	Red
Meeting a broader housing need	Green	Green	Red
Healthy placemaking	Green	Green	Red
Delivering more adaptable and accessible homes	Green	Green	Red
Meeting higher environmental standards	Green	Green	Red
Supporting the local economy	Green	Green	Yellow

40. The RAG analysis highlights that simply selling the sites on the open market is likely to deliver fewer of the objectives. Selling the sites removes control over when the sites are brought forward for development, the amount of affordable housing, the type of housing, and the quality of places created.

41. By the council delivering the housing developments directly, either through a separate development company or the HRA, control is retained over all aspects of the developments. This provides the opportunity for the authority to design and build the schemes in such a way that all objectives across the delivery programme are met.

42. The benefits of a programme of council led housing delivery needs to be balanced against the delivery risks. The table below summarises these key risks and where the three delivery options sit against these.

<u>Key Delivery Risks</u>	Dev Co	HRA	Sell Sites
Complexity of delivery	Yellow	Green	Green
A delay in the delivery of Phase 1 sites	Yellow	Green	Yellow
Budgetary impact of falling sales values	Yellow	Yellow	Green
Budgetary impact of rising construction costs	Yellow	Yellow	Green
Construction contractor risk	Yellow	Yellow	Green

43. As highlighted above, there is a different risk profile associated with delivering housing through the HRA or a development company. Whilst a development company, as a separate legal entity from the council, allows for the ring fencing of some financial risk, delivering through this approach is likely to require significant borrowing from the general fund. Therefore, financial exposure to development risk, including any decrease in prices or increases in costs is a risk whether delivery is through the HRA or a development company. There are also risks associated with appointing a contractor to undertake work on the council's behalf. This risk covers both the quality of work and the risk that any contractor may have financial difficulties during development. These risks can be mitigated to some extent through a thorough procurement process; however some risk remains due to external factors beyond our control.
44. However, where the HRA does present a reduced risk to the aim of accelerating housing delivery is in terms of complexity. Setting up a development company or LLP would require external expertise to assist in company formation. Setting up a company or LLP takes time. The process is complex with the necessity of ensuring all relevant governance and financial management systems are in place. Undertaking this work could delay the start of the construction of new houses. The objectives of meeting wider affordable housing need through the development of housing on the sites identified in paragraph 7 are consistent with the council's powers within the HRA to provide housing to meet accommodation needs.
45. It is therefore proposed that the sites listed within recommendation VII of this report be delivered through the housing powers pursuant in the HRA. It is further recommended that due diligence work continue in respect of the establishment of a development company or LLP. This would allow the council to respond quickly to any further housing opportunities which become available where housing need is best met through the provision of PRS and where the development provides wider regeneration benefits.
46. A revised HRA business plan will be brought before Executive in the autumn taking account of the scope and scale of the Housing Delivery Programme. This will include both general needs housing and older people's accommodation.

47. The proposed process to develop the identified sites through the HRA would be as follows:

- Procure design and planning work, with the design process to include public consultation
- Sites are appropriated from the general fund to the HRA at market value after planning permission is received
- A building contractor is procured to develop the sites and support the sales process – development cost paid by the HRA
- All affordable homes are retained by the HRA with the remaining sold on the open market to create sustainable mixed tenure communities

Phasing

48. Delivering significant new housing projects requires staffing resource. The HRA is already geared up to deliver new housing and an expansion of the development team will be required to meet the housing ambitions. In order to suitably manage resources and financial risk, it is proposed that the development of the sites identified in this report be split into phases. Phase 1 would consist of Lowfield, Burnholme and Askham Bar as these sites are vacant and ready to be brought forward for development. The aim would be for construction to commence on all three sites in 2019, with the first site, Lowfield, starting in early 2019. It is anticipated that the design and planning of Askham Bar and Burnholme will begin this summer, in view to getting on site in Autumn/Winter 2019. Phase 2 will consist of the former Clifton Without School, former Woolnough House OPA, former Manor School site, and Hospital Fields Road and Ordnance Lane.

Delivering Phase 1

49. It is estimated that Lowfield will cost around £22.5m to develop. In addition, the land would need to be appropriated from the General Fund to the HRA at an estimated land value of around £5m.

50. It is anticipated that total sales receipts from market sale, shared ownership equity, and discount sale homes would be around £18m. This leaves a funding gap of approximately £4.5m. This gap would be met by HRA

investment funds and where possible Right to Buy receipts, commuted sums, and Homes England grant. To deliver Lowfield will require a spend of approximately £10m before sales receipts are received which would then help to cross fund the remaining construction costs.

51. The table below summarises the housing delivery and financial implications of developing Lowfield.

Lowfield	
Total Homes	165
CYC Developed Homes	140
Self and Community Build	25
Affordable Tenure Homes	56
Estimated Development Cost (excluding land)	£22,500,000
Estimated Total Sales Receipt	£18,000,000
Estimated cost of land	£5,000,000
Maximum HRA Borrowing requirement	£10,000,000

52. Burnholme and Askham Bar are identified as the other two sites within Phase 1 of this programme. These two sites are ready to be developed and currently serve no social or commercial function. The housing on Burnholme will be set within a wider council led development, including a community and health hub and a care home. The two sites are both draft housing allocations within the local plan. It is anticipated that up to £700k be spent undertaking site surveys, preparing and submitting planning applications, and to developing a detailed business case for these two sites. This will be funded from the HRA Investment Reserve.

53. The Phase 1 and 2 sites identified within this report would deliver around 550 new homes for the city. Of these, over 100 would be new council houses with more than another 100 new mixed tenure affordable homes to help people into affordable home ownership.

Council Plan

The proposals in this report will contribute directly to the following objectives in the Council Plan 2015-19

A prosperous city for all

- Residents can access affordable homes while the greenbelt and unique character of the city is protected
- Local businesses can thrive
- Residents have the opportunity to get good quality and well paid jobs
- Environmental sustainability underpins everything we do
- Visitors, businesses and residents are impressed with the quality of our city
- Be entrepreneurial, making the most of commercial opportunities

A focus on frontline services

- Everyone has access to opportunities regardless of their background
- All York's residents live and thrive in a city which allows them to contribute fully to their communities and neighbourhoods
- Every child has the opportunity to get the best possible start in life
- Residents are encouraged and supported to live healthily

Implications

Financial – In November 2017 Members approved the latest HRA business plan which created a new investment reserve of £20m over the period 2018/19 to 2023/24 to deliver new affordable housing. To date Members have approved £1.2m expenditure to develop Lincoln Court and there have been purchases of former council houses requiring up to £380k from the investment reserve. There remains £18.4m unallocated to support other schemes.

The key financial highlights of the business plan are that the HRA is forecasting to pay off its current debt of £140m whilst maintaining minimum levels of reserves at c.£20m. Overall the HRA can be seen to be in positive financial health.

It is therefore possible to use this strong position to deliver the housing ambitions on our sites through the Housing Revenue Account.

The proposal to develop Lowfields at a gross cost of £27.5m with market sales assumed at £18m through the HRA has a number of financial implications.

The land (existing assumed value £5m) will need to be appropriated from General Fund to the Housing Revenue Account. The financial impact of this appropriation will be that an adjustment equivalent to the market value of the land to be transferred will be made to the apportionment of the council's debt financing costs; increasing the costs to the HRA and decreasing the costs to the General Fund by approximately £200k per year. The increased costs will need to be met from existing HRA budgets. The appropriation will lead to the HRA increasing its level of debt from c£140m to c£145m which is close to the current HRA debt cap of £146m. Whilst this is allowable it will lead to little flexibility in future appropriations without the HRA repaying debt or there being a relaxation of the HRA debt cap. The current debt cap position is shown in the table below.

	£'m	£'m
HRA debt Cap		146.0
HRA debt @ 31/3/2018	139.0	
Marjorie Waite Court appropriation	0.4	
Revised Debt		139.4
Debt Headroom		6.6

Table A Debt Cap and Headroom

The development costs (£22.5m gross) can be funded from a combination of Market Sales (£18m) and HRA Investment Reserve (£4.5m). There may be other opportunities to receive other funding such as Homes England, Right to Buy receipts and these will be explored.

At this stage the likely indicative funding profile is shown below

	£'000
Estimated Development Cost (excluding land)	22,500
Estimated Sales Receipts	18,000
Funding from HRA Investment Reserve	4,500
Estimated cost of land (appropriation)	5,000
Peak HRA Borrowing requirement	10,000

Table B cost of development

It will be necessary for the HRA to cash flow the cost of the development which is estimated to be a maximum of £10m before sales will be received. This can be funded through a combination of general HRA reserves which are currently c£19m and HRA investment reserve.

The detailed design costs at Askham Bar and Burnholme (£700k) can be funded from the HRA investment reserve.

The new investment reserve has the following resources available

	£'000
Approval Nov 2017	20,000
Lincoln Court (March 2018)	-1,200
Repurchase former HRA homes (Nov 2017)	-380
Uncommitted	18,420
Approvals sought	
Lowfield Scheme (net)	-4,500
Other Scheme development	-700
Revised Balance	13,220

Table C Investment Reserve

This overall capacity to fund the investment and cash flow deficit within the HRA is shown below

		£'000
Debt Cap	Table a	6,600
Investment Reserve uncommitted	Table c	18,420
HRA Working Balance @ 01/4/18		19,420
Available Resources		44,440

Table D Overall HRA resources

It will be necessary to provide an update of the HRA Business Plan in the Autumn which reflects the new ambitions of delivering the house building through the HRA to consider how the scales, speed and size of ambitions can be delivered through the HRA

Human Resources (HR) – In order to deliver the work plan set out in this report the project team will be expanded. The cost for this expansion is included within the £22.5m budget estimate to deliver Lowfield. Council policies will be followed for any recruitment.

One Planet/Equalities - The development of a wider range of mixed tenure housing on the city will contribute to narrow the affordability gap which will impact on communities with protected characteristics. The Better Decision Making Tool is attached as annex A.

Legal - The Council has the power under section 9 of the Housing Act 1985 to build or acquire housing which includes houses for sale. There are a range of supplementary powers available to the Council which can also assist in delivering this project including powers to borrow. As the Council does not intend to do this for a commercial purpose the Council can act as the developer without the need to do so through a company structure. Disposals of land held under the HRA must be at best consideration unless a dispensation has been granted allowing sales at under value. Tenancies of HRA properties will need to be granted under normal Housing Act provisions including those as to security of tenure and the right to buy unless the tenancy falls within an exception under the legislation.

As with the exercise of any power the Council must ensure it makes decisions in accordance with normal public law principles including as to

reasonableness. The report clearly demonstrates a proper rationale for its recommendations. Members are also well aware of their obligations under the Equalities Act including the need to advance equality for those with protected characteristics. That need must be considered now and as the project progresses.

Crime and Disorder – none

Information Technology – The Housing Delivery Programme will seek to ensure that all housing developments supports digital inclusion and our Digital City ambitions by making the most of existing technology and facilitating future enhancements. This ambition will be supported by utilising existing resources from the ICT team.

Property – Covered in the report

Risk Management

54. It is recognised that there are risks associated with housing development. A number of these are identified in the legal and financial implications above. In addition, risks are identified below in respect of sales values and costs, the success of a variety of affordable housing options, construction contractor risks, planning and resources. These risks will be managed through regular monitoring of a programme risk register.

Fall in sales values and an increase in development costs

55. The high level financial models for the Phase 1 and 2 sites include an estimation of the likely sale values. Further detail on this will be included in the revised HRA business plan to be brought to Executive in the Autumn. Market conditions will be continually monitored to ensure site proposals and financial models are well informed and the houses are attractive to future buyers and renters. A strong evidence base will be developed and continually reviewed. However, sale prices are entirely dependent on the market conditions at the time of sale. Should the market fall, lower sales values will be achieved. This could impact on the HRA's financial capability to deliver all of the affordable homes proposed within this programme. There is also the potential that costs may rise. Whilst detailed due diligence will be undertaken on each site, there is always the risk of unknown costs once development commences. The programme reduces the overall development risk by proposing a mixed tenure housing solution.

Failure to generate sufficient interest in the range of affordable home ownership tenures

56. As outlined in this report, recent council policy has focused on delivering social rent and discount sale housing. The vision outlined in this report seeks to create a broader range of affordable home ownership tenures to help a greater range of residents in housing need. In order for these tenures to be successful and to attract potential buyers, we will need to undertake promotion of these products to ensure that residents are both aware of their availability and the opportunities they bring. However, there is a risk that one or more of these tenures may not be appealing to residents. A potential mitigation is to allow some flexibility on each site in terms of the proportion and type of homes which are offered under the different tenure options.

Construction contractor risk

57. The proposed delivery approach includes procuring a building contractor to develop the houses and associated infrastructure and public open space. Whilst all appropriate checks will be undertaken as part of the procurement process to ensure that the potential development partners are financially sound and can deliver a high quality product, such an approach brings risk, both financial and reputational. Any development partner will be subject to external market conditions which could create financial difficulties during the development process. Contract controls and the employment of a clerk of works and site project manager will help to ensure that the council closely monitors quality over the course of the development.

Planning

58. Five of the seven sites within Phase 1 and 2 of the programme are draft housing allocations in the local plan. However, there remains a risk of any of these sites either not obtaining planning permission or not obtaining permission for the scale of development envisaged. This would negatively impact the number of affordable homes delivered through the programme. To help mitigate risk, public consultation will be undertaken on each site in addition to liaison with internal and external stakeholders.

Resource capability to deliver the programme

59. The Housing Delivery Programme creates a step change in the council's ambition in respect of taking a lead on the delivery of housing at scale. To deliver this ambition will require an increase in internal capacity. There is an established development team within the HRA which can be supplemented by members of the Major Projects team who have developed this vision and supported by those working on the Older Persons Accommodation Programme. However, it is considered that this will need to be supplemented to ensure sufficient experience and skill is in place in respect of project management, sales, marketing and letting, as well as technical expertise. A re-structure will take place to ensure the development team are sufficiently geared up to deliver the ambition.

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Wards Affected: All

For further information please contact the author of the report

Background Papers:

Executive reports

December 2017

[Housing Delivery Programme - Establishing a Delivery Model and the Scope of the Programme](#)

[Housing Delivery Programme - Delivering the Lowfield Scheme](#)

March 2017

[Strategic Partnership opportunities with the Homes and Communities Agency for the Accelerated Delivery of Housing](#)

Annexes

Annex A - Better Decision Making Tool

Annex A - Better Decision Making Tool



'Better Decision Making' Tool

Informing our approach to sustainability, resilience and fairness

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

Please complete all fields. If you wish to enter multiple paragraphs in any of the boxes, hold down 'Alt' before hitting 'Enter'.

Introduction

Service submitting the proposal:	Housing Delivery Programme (Major Projects)
Name of person completing the	Josephine Ozols-Riding
Job title:	National Management Trainee
Directorate:	Economy and Place
Date Completed:	19/06/2018
Date Approved (form to be checked by head of service):	29/06/2018

Section 1: What is the proposal?

Name of the service, project, programme, policy or strategy being assessed?
Housing Delivery Programme
What are the main aims of the proposal?
To use council land and investment to accelerate housing delivery in the city, creating sustainable neighbourhoods with much needed affordable housing.

What are the key outcomes?

Number of homes delivered
Number of affordable homes delivered

Section 2: Evidence

What data / evidence is available to support the proposal and understand its likely impact?
(e.g. hate crime figures, obesity levels, recycling statistics)

The Strategic Housing Market Survey highlighted a number of unmet housing needs in the city. This information, in conjunction with consultation with colleagues within housing, was drawn upon to establish priority housing needs .
Various documents were consulted to establish the link between housing quality and healthy placemaking and social and economic outcomes.

What public / stakeholder consultation has been undertaken and what were the findings?

Public consultation will be done on a site by site basis.

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

The regeneration of Castle Gateway and development of York Central will both include new residential developments. There is the potential for the council to invest in affordable housing on strategic sites within the Local Plan.

Section 3: Impact on One Planet principles

Please summarise any potential positive and negative impacts that may arise from your proposal on residents or staff.

This section relates to the impact of your proposal on the ten One Planet principles.

For 'Impact', please select from the options in the drop-down menu.

If you wish to enter multiple paragraphs in any of the boxes, hold down 'Alt' before

Equity and Local Economy

Does your proposal?		Impact	What are the impacts and how do you know?
3.1	Impact positively on the business community in York?	Positive	By providing more affordable housing we will better be able to retain talent within the city, helping local businesses.
3.2	Provide additional employment or training opportunities in the city?	Positive	Through the procurement process, contractors will be encouraged to deliver additional social benefits such as apprenticeships, and training.
3.3	Help improve the lives of individuals from disadvantaged backgrounds or underrepresented groups?	Positive	Provisional of good quality affordable housing (including social housing) will help some of the most vulnerable residents. There is also the potential for apprenticeships etc to be targeted at certain groups e.g. the long-term unemployed, individuals who have been in care etc.

Health & Happiness

Does your proposal?		Impact	What are the impacts and how do you know?
3.4	Improve the physical health or emotional wellbeing of residents or staff?	Positive	Developments will be designed with healthy placemaking principles in mind e.g. bicycle storage, good connections to cycle and footpaths, open space, etc. By building homes to higher accessibility standards, new residents will be able to live more comfortably and independently.

3.5	Help reduce health inequalities?	Positive	By building homes to higher accessibility standards, new residents will be able to live more comfortably and independently
3.6	Encourage residents to be more responsible for their own health?	Positive	Developments will be designed with healthy place making principles in mind e.g. bicycle storage, good connections to cycle and footpaths, green space. This will potentially encourage residents to be more active.
3.7	Reduce crime or fear of crime?	Positive	Developments will be designed in a way that considers crime.
3.8	Help to give children and young people a good start in life?	Positive	Children living in or near the new developments will be able to make use of green space and play equipment . Developments will be designed in a manner that enables individuals with mobility issues to make use of communal facilities.

Culture & Community

Does your proposal?		Impact	What are the impacts and how do you know?
3.9	Help bring communities together?	Positive	The provision of open space will provide opportunities for residents to come together. Some site will include community hubs, providing additional opportunities for communities to come together.
3.10	Improve access to services for residents, especially those most in need?	Neutral	Some developments are co-located with health and social care facilities, libraries etc. Residents living in these new developments would therefore have good access to these services.
3.11	Improve the cultural offerings of York?	Neutral	No impact
3.12	Encourage residents to be more socially responsible?	Neutral	No impact

Zero Carbon and Sustainable Water

Does your proposal?		Impact	What are the impacts and how do you know?
3.13	Minimise the amount of energy we use and / or reduce the amount of energy we pay for? E.g. through the use of low or zero carbon sources of	Neutral	The construction process will of course require energy expenditure. However, efforts will be made to minimise the carbon footprint of new dwellings through the use of low and zero carbon energy sources, where possible. Electric car charging points will be provided to encourage the use of electric vehicles over traditional fuel.
3.14	Minimise the amount of water we use and/or reduce the amount of water we pay for?	Neutral	The construction and use of new homes will require additional water usage. However, water saving measures will be employed, where possible.

Zero Waste

Does your proposal?		Impact	What are the impacts and how do you know?
3.15	Reduce waste and the amount of money we pay to dispose of waste by maximising reuse and/or recycling of materials?	Neutral	The construction process will create waste. However, contractors will be encouraged to minimise waste sent to landfill / recycle more. The housing developments created will support initiatives to reduce waste through provision of recycling facilities.

Sustainable Transport

Does your proposal?		Impact	What are the impacts and how do you know?
3.16	Encourage the use of sustainable transport, such as walking, cycling, ultra low emission vehicles and public transport?	Positive	Developments will be designed in a manner that connects them to existing footpaths and cycle paths, where possible. Electric car charging points will be provided to encourage the sue of electric vehicles over traditional fuel. Bus stops will be upgraded where appropriate.
3.17	Help improve the quality of the air we breathe?	Neutral	By promoting the use of sustainable transport it is possible that there will be improvements to air quality.

Sustainable Materials

Does your proposal?	Impact	What are the impacts and how do you know?
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3.18	Minimise the environmental impact of the goods and services used?	Neutral	Through the procurement process, contractors will be encouraged to make use of sustainable materials.
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Local and Sustainable Food

Does your proposal?		Impact	What are the impacts and how do you know?
3.19	Maximise opportunities to support local and sustainable food initiatives?	Neutral	No impact

Land Use and Wildlife

Does your proposal?		Impact	What are the impacts and how do you know?
3.20	Maximise opportunities to conserve or enhance the natural environment?	Positive	Opportunities to create sustainable green spaces will be maximised. Efforts to sustain and improve the ecological value of the area will be made, through the retention of important trees on site, planting of new trees, and the creation of new high ecological value.
3.21	Improve the quality of the built environment?	Positive	The developments will bring some much needed vibrancy back to the existing brownfield sites through the delivery of high quality homes and communities.
3.22	Preserve the character and setting of the historic city of York?	Neutral	No impact
3.23	Enable residents to enjoy public spaces?	Positive	We will maximise opportunities to provide open space. Some sites will also include community hubs.

3.40	Additional space to comment on the impacts
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Section 4: Impact on Equalities and Human Rights

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

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

Equalities

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

		Impact	What are the impacts and how do you know?
4.1	Age	Positive	The homes provided should positively impact on the lives of residents of a wide range of ages. A number of the affordable housing products will help young people and families to get on the housing ladder. A range of accommodation suitable for older people will also be provided, including bungalows and more accessible houses and apartments.
4.2	Disability	Positive	The number of homes built to higher accessibility and adaptability standards will be maximised. This will include delivering some homes that are fully wheelchair accessible. This will help individuals live more comfortably and independently in their own homes.
4.3	Gender	Neutral	No impact anticipated

4.4	Gender Reassignment	Neutral	No impact anticipated
4.5	Marriage and civil partnership	Neutral	No impact anticipated
4.6	Pregnancy and maternity	Neutral	No impact anticipated
4.7	Race	Neutral	No impact anticipated
4.8	Religion or belief	Neutral	No impact anticipated
4.9	Sexual orientation	Neutral	No impact anticipated
4.10	Carer	Positive	Carers will benefit from homes that are more accessible and better adapted to the needs of the individual they are caring for.
4.11	Lowest income groups	Positive	More affordable housing (including social housing) will be provided than would be anticipated if the sites were delivered by the private sector. This will positively impact on the lives of individuals from low income groups. The higher environmental standards of developments will also potentially reduce the bill costs for residents.
4.12	Veterans, Armed forces community	Neutral	No impact anticipated

Human Rights	
Consider how a human rights approach is evident in the proposal	

		Impact	What are the impacts and how do you know?
4.13	Right to education	Neutral	It is not expected that there will be any impact
4.14	Right not to be subjected to torture, degrading treatment or punishment	Neutral	It is not expected that there will be any impact

4.15	Right to a fair and public hearing
4.16	Right to respect for private and family life, home and correspondence
4.17	Freedom of expression
4.18	Right not to be subject to discrimination
4.19	Other Rights

Neutral	It is not expected that there will be any impact
Neutral	It is not expected that there will be any impact
Neutral	It is not expected that there will be any impact
Neutral	It is not expected that there will be any impact
Neutral	It is not expected that there will be any impact

4.20	Additional space to comment on the impacts

Section 5: Planning for Improvement

	What have you changed in order to improve the impact of the proposal on the One Planet principles? (please consider the questions you marked either mixed or negative, as well as any additional positive impacts that may be achievable)
5.1	The programme aims to create healthy and sustainable communities. Therefore throughout the programme's development we have been looking to maximise the potential to deliver additional social and environmental benefits. This process will continue as more detailed site-specific plans are developed.

	What have you changed in order to improve the impact of the proposal on equalities and human rights? (please consider the questions you marked either mixed or negative, as well as any additional positive impacts that may be achievable)
5.2	The programme aims to provide new homes that meet priority need. Key to this is ensuring that people of different ages, accessibility needs and income level etc. are catered for. As site-specific plans are developed, efforts will be made to ensure the housing delivered meets the local need identified.

	Going forward, what further evidence or consultation is needed to ensure the proposal delivers its intended benefits? e.g. consultation with specific vulnerable groups, additional data)
5.3	Public consultation will occur on a site-by-site basis, this will enable us to tailor the new development to meet local need.

5.4	Please record any outstanding actions needed to maximise benefits or minimise negative impacts in relation to this proposal? (Expand / insert more rows if needed)
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Action
Public consultatio on a site-by-site basis

Person(s)	Due date
Michael Jones	Prior to the development of each site

In the One Planet / Equalities section of your Executive report, please briefly summarise the changes you have made (or intend to make) in order to improve the social, economic and environmental impact of your proposal.



Executive

12 July 2018

Report of the Corporate Director Children, Education and Communities and the Corporate Director of Health, Housing and Adult Social Care

Portfolios of the Executive Member for Culture, Leisure & Tourism and the Executive Member for Adult Social Care & Health.

Delivering improved Sport and Active Leisure facilities at Burnholme

This report will seek consent for investment in improved sports facilities at the former Burnholme Community College site, continuing the plans to create a Health and Wellbeing campus. The report sets out how this project at Burnholme will complement the growing range of sports facilities across the city including the new community stadium and leisure facility at Monks Cross currently being built and the existing Energise Leisure Centre and Yearsley Swimming Pool. Burnholme will focus on offering local opportunities for residents to participate. The report will also seek agreement to the vision for sport and management arrangements for the site. Members' agreement will be requested for venture fund borrowing to cover the short term operating cost, capital investment, the preparation and submission of a planning application for the work and for the proposed timetable of work.

Recommendations

1. The Executive will be asked to:
 - a) Agree that net investment of £2.45m should be made to deliver improved sports facilities at the Burnholme Health and Wellbeing campus and further enabling works to facilitate the delivery of sports, health and housing on the site and that an application for planning permission be prepared and submitted for these works.
 - b) Recommend to Council that the net investment of £2.45m for the Burnholme Sport facilities capital investment works and sport, health and housing enabling works are added to the Capital Programme and funded from receipts secured by the Older Persons' Accommodation Programme (and Section 106 contributions

received for improving sports facilities).

- c) Agree, that in light of the recommendation 2 and other minor changes set out in the report, to recommend to Council a revised total capital budget for the Burnholme development of £8.529m.
- d) Agree the extension of the Greenwich Leisure Ltd (GLL) leisure facilities operation service contract dated 16th November 2017 to cover the Burnholme Sports provision on the terms described in the report and for the term of that contract.
- e) Approve the use of the Venture Fund to manage the early years deficits on the Burnholme operations, up to a total of £0.2m, to be funded from surpluses due in the later years.

Reason: So that improved sports and active leisure facilities are made available for the benefit of the citizens of York.

Background

- 2. A Business Case agreed by Executive in May 2016 for the Burnholme Health & Wellbeing Campus confirmed that the site will continue to offer a range of sport and active leisure facilities to support the health and wellbeing of local residents. The Burnholme Campus will realise a range of strategic and financial benefits, including:
 - a) public health, educational development and social inclusion outcomes;
 - b) access to good quality residential care beds at a favourable market rate; and
 - c) homes for local people.
- 3. The retention of existing community sports activity on this site forms a key part of this vision. These activities – primarily delivered via local teams and clubs – include Badminton, Balance Bikes, Football, Fight Fit Combat, Rugby, men’s Fitness, Netball, Sambarca, Disability Athletics, Handball and Basketball. Activities are very inclusive and attract a wide age and ability range into sport and active leisure. This is to be celebrated and replicated. An example timetable of the current use can be seen at Annex 4.
- 4. The current on-site facilities which include a sports hall, school gym, changing rooms, toilets, small office, 3g pitches and outdoor grass sport fields have continued to be temporarily managed by the Council’s YorWellbeing Team during the demolition and redevelopment process

for the wider site. It is however acknowledged that this is not a long term viable operational solution for the provision of these facilities.

5. The facilities are currently only available for approximately 20 hours per week and employ one part time leisure assistant, based on the original community lettings hours when the former school was in operation.
6. Public Consultation events prior to the start of redevelopment on site highlighted the importance of the sports facilities to the local community. Priorities for consultees were:
 - increased access to the grass pitches and open space;
 - the re-opening of the cycle track to neighbouring Derwenthorpe and the Sustrans cycle track beyond;
 - the sports hall retained for its many and varied uses; and
 - the provision of a gym and fitness facilities.
7. The Sports hall roof was replaced during summer 2107 as it had become a priority for the ongoing operation of the site.
8. The next phase of the Burnholme Health & Wellbeing Campus is now to confirm the long term vision for sport at Burnholme. It has already been acknowledged that this will involve some capital improvement works to the sport facility buildings.
9. The Programme has completed a high level options appraisal on the viable long term operational solution for these sport facilities. This options appraisal outlined a preference solution for GLL (as the operator of other Council leisure facilities) to take over the operation of the site, should it be financially viable to all parties. All other Council leisure sites are now operated by GLL under a minimum 13 year Design, Build, Operate and Management (DBOM) contract which commenced on 1 December 2017.

The vision for sport at Burnholme

10. The Council has been clear in its vision for sport on this site: that it should be many and varied, should be community focused and that it should be inclusive of all ages and abilities. In line with the city's Health & Wellbeing Strategy the over-arching need is for an accessible sports and active leisure offer at Burnholme which will help to improve the health and wellbeing of local residents, some of whom are amongst the most economically, socially and health deprived in the city.

11. This will also support the Local Area Teams and Local Area Coordinators who operate in the local wards to offer support and engagement to those hardest to reach.
12. To help the Council achieve this vision and these outcomes they will work with Greenwich Leisure Ltd (GLL), the Council leisure facilities operations service provider who began managing the council's leisure facilities in December 2017.
13. GLL have been engaged since January 2018 with Council colleagues to understand the site better and assess its potential. In March presenting a business proposal to the Council for GLL to take over the operation of the site from 2019/20, following the redevelopment work.
14. Officers have worked with GLL to develop a proposal which will be tailored to meet the needs of local residents and create more opportunities for sport. Together we propose a programme of activities which will attract a wide range of users of all ages and abilities, encouraging young people who use the site informally and to transition to more formal use while also to deliver a programme that is attractive to older people, to families and to those with medical conditions and which allows them to be active.
15. The city's Sports Facilities Strategy (2014) highlights the shortage of sports hall space and the lack of pay and play opportunities in sports halls, as most are in schools and further and higher education establishments.
16. As a complementary leisure offer for the city, Burnholme would operate alongside Yearsley, Energise and The Stadium Leisure Centre. The proposed redeveloped leisure facilities on the Burnholme site would be tailored to meet the needs of the local demographic. Therefore, it is proposed that the sports offer at the site will include:
 - a) Approximately 75 hours of operation per week, up from the current 20;
 - b) A fitness gym, with inclusive/ accessible equipment;
 - c) Fitness studios with a programme of exercise classes targeting those who are least active, including specialist classes in partnership with the neighbouring health centre;
 - d) An extensive junior gymnastics coaching programme, there is a shortage of gymnastics opportunities in the city and the extension of the opening hours for the city will allow after school and weekend coaching;
 - e) Continued access for all current indoor and outdoor users;

- f) Pitch improvements to reduce disruption of fixtures due to poor weather and low level fencing around the pitches to deter dog mess;
 - g) Free open access to the open space around the pitches to encourage walking and informal recreational activity;
 - h) The sports centre will become the home of the city's GP exercise referral programme; and
 - i) Continued free access for local schools including Applefields who use the indoor and outdoor facilities.
17. The redeveloped leisure facilities on the site would be GLL's York hub for their Healthwise programme, giving life to our health and wellbeing ambitions for the Burnholme site. The Healthwise programme will complement the work of the Health Hub on the site, once it is operational.
18. To deliver this vision for sport, council officers and GLL are working with architects drawn up plans (see **Annex 1**) for the refurbishment and improvement of the sports facilities which will be shared at a community engagement event at Burnholme prior to the submission of a planning application. The works will include:
- a) The refurbishment of the old school gymnasium to create an equipped fitness gym and studio space for fitness classes;
 - b) Refurbishment of the existing school P.E. changing rooms to create fit for purpose facilities which will meet the needs of users. These will be dedicated indoor changing rooms;
 - c) Additional changing facilities designed to Football Foundation guidelines to serve the outdoor pitches. These will include officials changing rooms, to ensure that the site is able to accommodate league fixtures;
 - d) A second studio for fitness activities, designed to accommodate classes for those with long term medical conditions;
 - e) A new reception and circulation space to link the retained sports hall (which was re-roofed last summer) with the other facilities;
 - f) Pitch drainage and improvement work to increase the playing capacity of the pitches, and low height fencing around the pitches to protect the playing surface and prevent dog fouling;
 - g) Open up the remainder of the grassed area for walking and informal recreation; and
 - h) The pedestrian and cycle route between Derwenthorpe and Burnholme will be re-opened.

19. At the same time as these works are undertaken, further enabling works will be undertaken including extension of the access road and services to the housing site.
20. The anticipated time table for the delivery of the sports facility improvements is:
 - User and community consultation and an engagement events about the proposals will be held prior to the end of July 2018. Feedback from this will be used to inform the planning application.
 - A planning application will be prepared for Submission Q3 2018.
 - Planning decision will be made during Q4 2018
 - Procurement of a construction partner Q4 2018
 - Start on site Q1 2019
 - Completion Q4 2019

The outcomes for the City

21. Improved health and wellbeing in the Burnholme area will have a positive benefit to that area and to the city as a whole.
22. One fifth of the City's 4-5 year olds are overweight or obese, this rises to 29% of 10-11 year olds, while 60% of the City's adults are overweight or obese.
23. The Heworth ward and surrounding wards experience some of the highest Indices of Multiple Deprivation (IMD) deprivation scores across York, with Heworth Ward having the joint 3rd highest in York of 16.9 IMD, and Hull Road Ward with the 6th highest at 14.6 IMD.
24. Health indicators for the specific wards including and close to the Burnholme site tell an interesting story about the need for a Health and Wellbeing hub in this area, and the multiple strands of service that it should offer.
25. Heworth Ward
 - a) Male and female life expectancy is in line with the city average.
 - b) % with limiting long term illness or disability is the same as the city average.

- c) % of obese adults is slightly less than city average.
- d) % of adult's binge drinking, at 33.7%, is high as it is in the bottom 5 wards in city for this indicator.
- e) % of adults eating healthily is less than city average: 27% compared 29.09% city wide.

26. The conclusion could be drawn from this information is that more information and guidance of healthy eating and drinking may be of benefit.

27. Heworth Without Ward

- a) Male and female life expectancy is higher than the city average.
- b) % with limiting long term illness or disability is higher than the city average.
- c) % of obese adults higher than city average: 23.5% compared to 22.68%.
- d) % of adults binge drinking is less than city average.
- e) % of adults eating healthily is slightly higher than city average.

28. From these indicators we could conclude that an older population and one which is slightly more obese than the city average may benefit from the varied active leisure programme offered by the Burnholme campus.

29. Hull Road Ward

- a) Male and female life expectancy is lower than the city average.
- b) % with limiting long term illness or disability is the lowest in the city.
- c) % of obese adults is lower than the city average.
- d) % of adults binge drinking, at 33.3%, is high and places the Hull Road ward in bottom 5 wards in the city for this indicator.
- e) % of adults eating healthily slightly lower than the city average.

30. From these indicators we could conclude that residents would benefit from the full range of services offered on the Campus.

31. Osballdwick and Derwent Ward

- a) Male and female life expectancy is slightly lower than the city average.

- b) % with limiting long term illness or disability is higher than the city average.
 - c) % of obese adults slightly higher than the city average.
 - d) % of adults binge drinking is less than the city average.
 - e) % of adults eating healthily is slightly higher than city average.
32. These indicators suggest that sport and active leisure could benefit the residents of this ward.
33. The sport and physical activity hub at Burnholme will be ideally placed to tackle some of these issues. The GLL plan for the site would be for it to be a health hub during the day and more of a sports hub on an evening, helping to attract different demographics at different times of the day.
34. In addition, it is noted that improved levels of health and wellbeing will benefit educational attainment, economic inclusion and lessen the use of NHS services.
35. The model of sports and active leisure provision which is proposed at Burnholme will also serve as a beacon for other areas in York, allowing us to show what works and the many benefits that can flow an active lifestyle. The GP exercise referral programme which will be introduced in this area will be monitored and rolled out more widely once success is proved.
36. We anticipate that, subject to planning consent being awarded, that approximately 80 new homes will be built on the land adjacent to the sports facilities, helping to address the housing shortage in the city.

Implications

Financial

Revenue

37. The current sports facilities at Burnholme cost approximately £60k net per annum to operate. This is funded from the surplus properties budget. The objective is to operate the new facilities at Burnholme at nil cost to the Council.
38. The proposal from GLL is to operate the centre over the remaining life of the Leisure Facilities Contract (11 years and 2 months) at an overall surplus to the council (at current prices) of £115k which equates to c £10k per annum.
39. It should be noted that in the early years of the contract (up to 2023/24) there is an ongoing deficit as the facilities take time for maximum revenues to be achieved. The maximum cumulative deficit totals £152k, after this date it provides an overall revenue surplus to the council.
40. It is proposed that this deficit be mitigated by use of the Venture Fund. A draw down of a maximum of £200k is recommended which will then be repaid when revenues are greater than costs from year 2024/25. It is envisioned that it will be fully repaid by 2028/29.

Capital

41. In May 2016 Executive approved the Business Case for the transformation of the Burnholme Community College site in order to deliver a Health & Wellbeing Campus at Burnholme. This was estimated to cost £7m at that point in time. The most recent projection of the cost of the project has increased to £8.5m due to the enhanced specification of the sports facilities.
42. The following table shows the original and revised estimates of the spend and funding of the campus:

Costs:	Original estimate £000	Revised Estimate £000	Variance
Enabling works	1,071	1,060	(11)
The Centre + Sports Roof	4,927	5,019	92
Sports facilities	986	2,450	1,464
Total	6,984	8,529	1,545

Funded by:	Original estimate £000	Revised Estimate £000	Variance
Sale of land at Burnholme	6,084	6,100	(16)
S106 contributions	650	472	178
Sale of Tang Hall Library	250	262	(12)
Use of Older Person's Homes receipts	0	1,695	(1,695)
Total	6,984	8,529	(1,545)

43. Members approved spend in May 2016 and December 2016 totalling £5.998m in regard to;
- The enabling works at the site (£1,071k)
 - the Centre build & associated costs (4,727k)
 - Repairs to the sports centre roof (£200k)
44. Members have regularly been alerted to the need to improve the sports facilities at Burnholme the cost of which was originally estimated at £986k. This brings the original estimate for the work at Burnholme to £6.984m.
45. This paper proposes a significantly improved specification for the sports facilities which will cost £2.450m, an increase of £1.464m. There is also likely to be a small overspend on the enabling work and the cost of the Centre's build of £81k that also needs addressing.
46. It was acknowledged in the Capital programme monitor 2 report 2017/18 that there would be a short term delay in obtaining the receipts from the sale of the land and this pressure was to be funded from the Council's expected general receipts and any surplus receipts generated by the Older Peoples Accommodation Project (OPAP).
47. £4m of capital receipts from the sale our homes was approved at the outset by members to be set aside to support the programme. Capital monitor 2 in 2017/18 detailed that £1.6m would be used for future developments and £2.4m would be used for project management and other associated costs. It is proposed to use £1.071m of the £2.4m to support this development of the Burnholme campus: the table below shows how the £4m is likely to be spent.

£000	Spend to date	Remainder of programme	Total
Project Management and associated costs	342	317	659
Burnholme Campus		1,071	1,071
Revenue cost of transforming services	582	70	652
Extra Care and future OPH developments		1,618	1,618
Total	924	3,072	4,000

48. A further £624k of receipts (in addition to the 4m set out above) are therefore needed to fund the proposal within this report and Members are being asked to agree the use of future receipts from the sale of the remaining Older People's Homes (OPH) for this purpose.
49. The Capital monitor 2 1718 described how that the estimated receipts for the sale of our OPHs was likely to be £8.008m and Council (14 December 2017) agreed that this extra £4.008m over and above the initial estimate would be used to fund the development at Burnholme until sufficient income from the sale of land at Burnholme was received to reimburse the OPAP capital receipts budget.
50. This request is asking that £624k of that additional funding is used for the enhanced development of the Burnholme campus, and that any future use of the £3,382k additional receipts is subject to further approval.
51. The value of the likely receipt from the sale of the housing land, care home and health centre at Burnholme is broadly in line with the initial estimate. This is based on current negotiations with prospective buyers of the care home and health sites and an external valuation of the housing land which gives assurance they are realistic projections.

Legal

52. The existing GLL Contract to run our sports facilities were procured in 2017 in accordance with the Council's Standing Orders and EU procurement regulations. This has many years yet to run and has clauses written into the contract allowing for changes, although these

may not be sufficient to cover the inclusion of an entirely new site. However, legal opinion believes it permissible to include the operation of the new facilities at Burnholme without contravening the legislation or having to re-tender. The public procurement regulations allow this if the change does not render the contract materially different in character, does not change the economic balance in favour of the contractor, would not have attracted more bidders to participate originally or led to a different selection outcome. The market interest at the time of the tender was low and the selection choice would have been the same; the type of work is exactly the same and the terms of the inclusion of the site will be no more advantageous to GLL over the balance of the term of the contract. There is also a process within the contract to be followed to mutually agree the terms of the change with GLL, which has begun.

53. If the Council appoints an external entity (whether GLL or someone else) to operate/manage redeveloped leisure facilities at the Burnholme site on the Council's behalf, it is considered that there should be a lease of the relevant part of the site by the Council to the operator for a term equal to the period of the service contract. The lease would specify liability for various matters, such as undertaking any necessary repair and maintenance works. In the event that the relevant part of the site is considered to be accessed by the general public for recreation purposes, it may be 'open space' for the purposes of S.336 of the Town and Country Planning Act 1990. In this event, before any lease could be granted notification of this would need to be published in two consecutive editions of a local newspaper and consideration given to any comments/objections received.
54. If external consultants and contractors are appointed in connection with the design and construction of the proposed works, collateral warranties should be obtained from those parties in favour of any operator/tenant.

Human Resources

55. There is one part-time employee who is contracted to work at Burnholme leisure facilities and consultation with this employee is ongoing.
56. The relevant staffing and any TUPE transfer issues associated with the transfer of operations to GLL will be handled in accordance with Council policy.

Property Services

57. The Burnholme school site has been the subject of the relevant Department of Education consents to release parts from school use. It

has always been the intention that the 3g and grass sports pitches are retained and continue to be used for sports use. Any changes from this use would require Sports England consent.

58. The 11 acres of land associated with the sports facilities and pitches are in the ownership of the Council and can be made available to GLL under the terms of their Contract.

Equal Opportunities

59. We are guided by the July 2014 Equalities Impact Assessment which guides the work of the Programme in relation to Burnholme.

Better Decision Making Tool

60. Better Decision Making Toolkit form has been prepared and is attached as **Annex 2**. It shows that the project will have significant positive impacts on the health and wellbeing of the local community and will contribute to tackling health inequalities in the area. On going contract monitoring will be required to ensure that the vision for the site is fulfilled. Work will be required throughout the project to ensure opportunities are taken to improve the environmental impact of the scheme.

Risks

61. Key risks are kept under review and mitigations are pro-actively managed. The risks associated with this proposal relate to the obtaining of planning consent for the works, the securing of a construction contract within the agreed budget and agreement of the terms of operation with GLL. We have faced and addressed similar risks on similar projects and, therefore, believe that these risks are manageable.
62. Key risks and mitigations are as follows:

ref	Risk	Mitigating Action
a)	Inability to secure planning approval for proposals for new sports facilities.	Consultation with stakeholders and planning consultees has already begun and their views are being incorporated into the scheme.
b)	Construction costs exceed capital funds secured	Support, if necessary, to value engineering process. Further exploration of fund raising opportunities.

ref	Risk	Mitigating Action
		Opportunities to support further fundraising for the club will continue to be pursued.
c)	The provider of the service does not deliver as intended.	The provision of services will be guided by contract which includes performance management and other opportunities to influence and control outcomes.

Contact Details

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<p>Report Approved</p>	<p>✓</p>	<p>Date</p>	<p>2 July 2018</p>
<p>Specialist Implications Officer(s) Legal – Walter Burns (Ext 4402) and Gerard Allen (Ext 2004) Finance – Debbie Mitchell (Ext 4161) and Steve Tait (Ext 4065) Property – Philip Callow (Ext 3360) and Alan Thomas (Ext 3329) HR – Janice Lee (Ext 3664)</p>			
<p>Wards Affected: Heworth, Heworth Without, Osbaldwick and Hull Road</p>			
<p>For further information please contact the authors of the report</p>			

Annexes

- Annex 1 – Proposed design of new Sport Facilities
- Annex 2 – Better Decision Making Tool
- Annex 3 - Plan of the Burnholme Sports site
- Annex 4 – Example timetable of use of Burnholme sports facilities

Abbreviations:

- GP – General Practitioner
- GLL – Greenwich Leisure Ltd
- IMD - Indices of Multiple Deprivation
- NHS – National Health Service
- s106 – Section 106 of The 1990 Town and Country Planning Act
- OPAP – Older Peoples Accommodation Project
- OPH – Older Peoples Homes

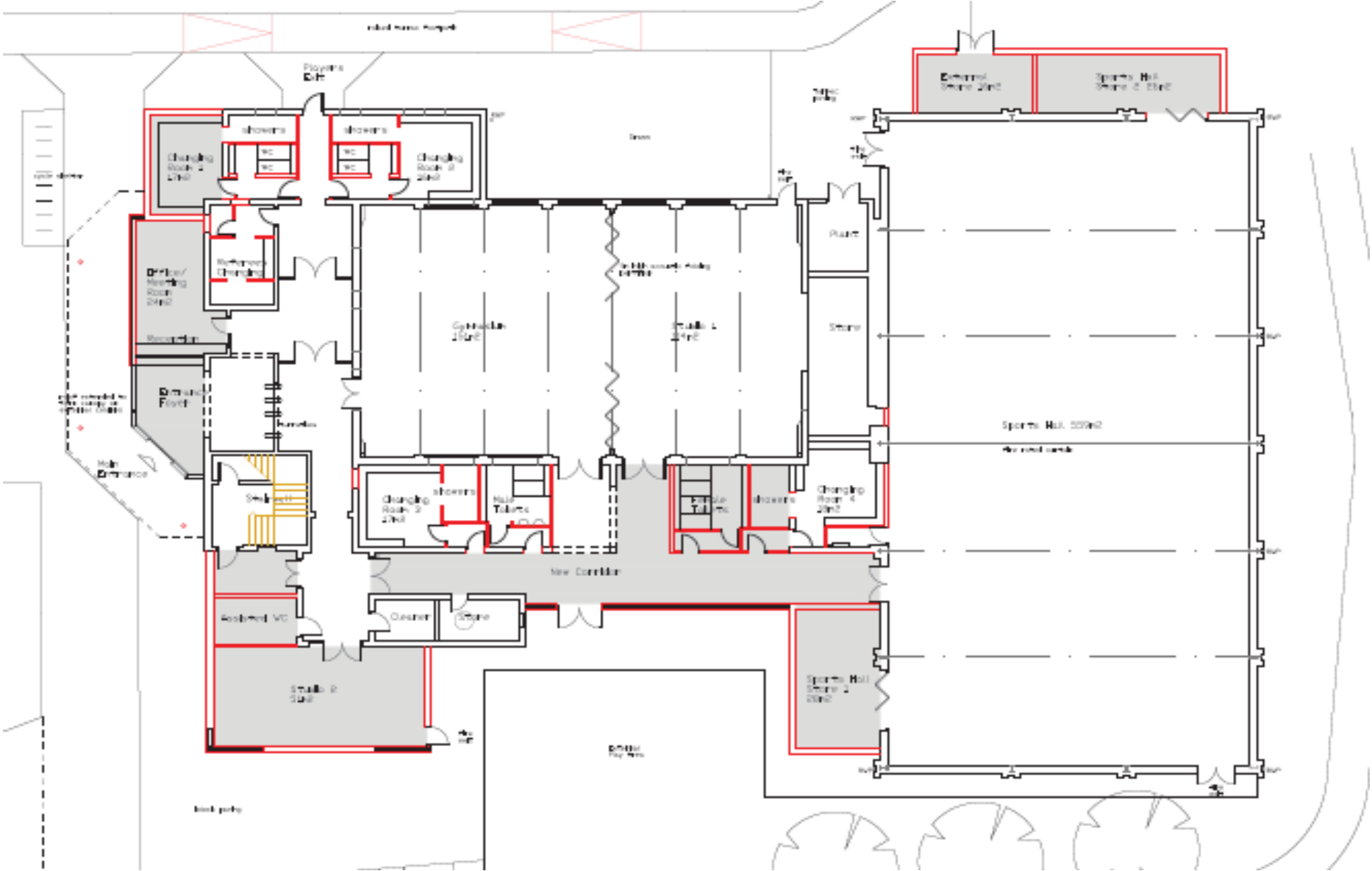
Background Papers:

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

	<p>information that demonstrated the progress of the Older Person's Accommodation Programme towards delivering over 900 new units of accommodation with care for older people. The Executive gave consent to undertake consultation on the option to close two further Council run older persons' homes.</p>
<p>7 December 2017</p>	<p>Report to Executive by the Corporate Director of Health, Housing and Adult Social Care. The report dealt with two matters, both intended to deliver improved health and wellbeing facilities for York:</p> <ul style="list-style-type: none"> a) The provision of sports pitches and related facilities on land at Askham (Ashfield Estate) and the granting of consent to lease the pitches to Bishopthorpe White Rose Football Club, delivering the commitments already made by Executive to deliver new football pitches in the West of the city and enable the development of the Lowfield Green site. b) The dispose (by way of a long lease) of land at Burnholme to facilitate the provision of a health hub and the provision of an update on the provision of sports facilities at Burnholme.

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Annex 1 – Proposed design of new Sport Facilities



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Annex 2 - Better Decision Making Tool for Burnholme Sports and Active Leisure improvement



Informing our approach to sustainability, resilience and fairness

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

Introduction

Service submitting the proposal:

Sports and Active Leisure

Name of person completing the assessment:

Vicky Japes

Job title:

Older People's Accommodation Programme Manager

Directorate:

Health, Housing & Adult Social Care

Date Completed:

29th May 2018

Date Approved:

13th June 2018

Section 1: What is the proposal?

	Name of the service, project, programme, policy or strategy being assessed?
1.1	Improved sports facilities at the old Burnholme school site, helping to create a Health and Wellbeing campus on the site.
	What are the main aims of the proposal?
1.2	To provide fit for purpose sport and leisure facilities to meet the needs of existing and future users. To improve the outdoor pitch playing surfaces to enable more teams to play. To create new FA compliant changing facilities create gym and studio facilities for community fitness activities.

1.3	What are the key outcomes?
	<ol style="list-style-type: none"> 1) Refurbishment of existing sports hall and changing facilities to meet the needs of the existing users of the site. 2) Pitch drainage improvements, levelling and fencing to improve the playing surface of the grass pitches. 3) Provision of new outdoor sport changing and officials room, meeting FA design guidance. 4) Provision of an equipped fitness gym and studio space for community fitness activities. 5) The appointment of an appropriate operator for the site. 6) An increase in opening hours and range of activities available to attract new participants. 7) The cycle track/ walking route to Derwenthorpe opened to allow access through the site.

Section 2: Evidence

2.1	What data / evidence is available to support the proposal and understand its likely impact? (e.g. hate crime figures, obesity levels, recycling statistics)
	<p>The city's built sports facilities strategy identifies a shortage of sports hall space in the city, specifically commenting on the lack of pay and play facilities (as most of the city's sports halls are in schools, colleges and universities). The facilities which are currently available are all well used, but the Council Wellbeing team are only staffing the site for approximately 20 hours per week. There is demand for additional access to the site for casual use and block bookings. The Council's wellbeing team are aware that there is considerable demand for gymnastics coaching in the city, which requires a full height sports hall. One fifth of the City's 4-5 year olds are overweight or obese, this rises to 29% of 10-11 year olds. While 60% of the City's adults are overweight or obese. The city's playing pitch strategy and open spaces study set out the shortage of and poor quality of playing fields in the East of the city. The Local plan evidence base for Open Space Sport & Recreation specifically identifies Heworth as an area with high demand for increased pitch provision.</p>

2.2	What public / stakeholder consultation has been undertaken and what were the findings?
	<p>Public Engagement sessions have been held at Burnholme Prior to the school closure, prior to any plans being developed for the site and to share proposals for the development of the Centre at Burnholme and investment in the sports facilities. At all of these sessions continued provision of sports facilities was highlighted as a priority.</p> <p>Key points from this consultation included</p> <ul style="list-style-type: none"> • The request for the cycle/walking route linking Burnholme to Derwenthorpe to be opened up. • The request for existing groups to continue to be able to use the facilities throughout the works and on going.

	<ul style="list-style-type: none"> • The need for extended opening hours so that other users can access the sports facilities. • The request for casual pay and play access rather than people having to be members of clubs who have block bookings. • Informal access to the playing fields/ open space. <p>Other requests included the development of a swimming pool, a skate park and an ice rink.</p>
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	<p>Are there any other initiatives that may produce a combined impact with this proposal? (e.g. will the same individuals / communities of identity also be impacted by a different project or policy?)</p>
2.3	<p>This project is part of the Health and Wellbeing Campus at Burnholme. It will form an integral part of the community facilities on the site. The site will include a care home, the “centre” with cafe, library, nursery, music and learning facilities, health care services and sports and leisure facilities. The sports facilities will work with the Centre to ensure a wide variety of activities are on offer, and with the health center to make sure that activities support the needs of patients. The sports centre will be the city base for the “Healthwise” GP exercise referral programme.</p>

Section 3: Impact on One Planet principles

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

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

Equity and Local Economy

	Does your proposal?	Impact	What are the impacts and how do you know?
3.1	Impact positively on the business community in York?	neutral	There will be opportunities for local contractors to bid for the construction and pitch work. The management contract will be included in the GLL contract, staff will transfer by TUPE.
3.2	Provide additional employment or training opportunities in the city?	Positive	The site is currently only staffed and operated for approximately 20 hours per week. The proposal for operating the site includes opening hours of 8am until 10pm. These hours will require the recruitment of additional staff. There will also be opportunities

3.3	Help improve the lives of individuals from disadvantaged backgrounds or underrepresented groups?	Positive	<p>for additional coaching staff and instructors.</p> <p>The project will invest in sport and pitch provision which will benefit young people in the area, encouraging skill development, team skills and physical wellbeing. The facilities are located in Heworth ward and will directly target the local community, providing pay and play activities, meaning people do not have to become members. The facilities will also offer free access to the local schools, including Applefields which will attract young disabled people into sport. The changing rooms will be refurbished to attract people who have been less likely to participate in sport, including women who may have been put off sport as a result of school PE lessons and facilities.</p>

Health & Happiness

	Does your proposal?	Impact	What are the impacts and how do you know?
3.4	Improve the physical health or emotional wellbeing of residents or staff?	positive	<p>The project is designed to increase the opportunities for residents of the area to be active both indoors and outdoors. It will provide a range of casual, individual and group activities. 20% of the York population do less than 30 minutes of physical activity per week. This project will help to support residents who live in the East of the city to be more active. Evidence shows that physical activity can help with weight management, reducing the risk of many life limiting conditions and improving mental health.</p>
3.5	Help reduce health inequalities?	Positive	<p>This project is providing a new leisure facility in one of the most deprived wards in the city. We know that those in lower socio economic groups are least likely to be</p>

			physically active and more likely to be over weight and suffer from a number of medical conditions. This facility, linked to the health centre next door will address local need for weigh management activity, exercise by referral and social activities.
3.6	Encourage residents to be more responsible for their own health?	positive	This project will encourage residents to use the facilities to manage their own health, weight and wellbeing. The open playing fields will allow free access to recreational activity. The Health centre will work with patients to identify actions they could take to help with weight loss, mobility and falls prevention. The Sports Centre will provide the facilities for people to take action to address these health concerns.
3.7	Reduce crime or fear of crime?	Mixed	The project will bring more people onto the Burnholme site and will ensure that there is site supervision for a longer period of time every day. The site has had reduced use for the last 2 years. The Centre is due to open in June 18 and the sports facilities to open after refurbishment in Summer 2019. This will create a busy hub where facilities are supervised and where participants can feel safe. However there will continue to be house building work to the rear of the site for some time. There have also been some concerns about creating a through route between the site and Derwenthorpe in case this creates opportunities for anti social behaviour.
3.8	Help to give children and young people a good start in life?	Positive	The project will provide free school access for Heworth primary, St Aelred's and Applefields schools. GLL are also proposing to run a gymnastics academy, for which there is considerable demand. The facilities will also link to the library, nursery, after-school club and play

	area at the cafe. Working together these facilities will encourage young people to take part in physical activity as part of their routine.
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Culture & Community

Does your proposal?		Impact	What are the impacts and how do you know?
3.90	Help bring communities together?	Positive	The project will provide a place for people to meet and be active. It will encourage social support for people who are new to activities. It will provide both membership and non membership opportunities to allow people to use the facilities in ways which suit their needs and does not exclude anyone. The existing club users will continue to use the facilities and will be able to make the sports centre their base.
3.10	Improve access to services for residents, especially those most in need?	Positive	The project provides new services to residents, of Heworth, Heworth Without and Osbaldwick wards. Targeting those who would benefit from GP exercise referral and inclusive gym equipment.
3.11	Improve the cultural offerings of York?	Positive	Community sports clubs and sports facilities contribute to the cultural opportunities in an area. They allow people to meet and belong to their local area. The projects will provide these opportunities in the East of the city by providing new and enhancing existing recreational facilities.
3.12	Encourage residents to be more socially responsible?	Positive	The increased availability of facilities will increase the number of clubs and activities which can take place on the site. There will be opportunities for residents to volunteer with community clubs which use the facilities, supporting junior clubs through coaching and club administration. The project will also provide fencing around the sports pitches on the playing field encouraging dog walkers to use the exterior of the site to exercise their dogs rather than on the main playing pitches.

Zero Carbon and Sustainable Water

Does your proposal?		Impact	What are the impacts and how do you know?
3.13	Minimise the amount of energy we use and / or reduce the amount of energy we pay for? E.g. through the use of low or zero carbon sources of energy?	Neutral	Recent work has seen the installation of more energy efficient boilers and the project itself will replace windows etc to reduce the energy requirement of the building. Opportunities to install LED lighting throughout the building will be explored. The design will consider measures to reduce energy use and reduce the cost of energy and operating costs for the facility.
3.14	Minimise the amount of water we use and/or reduce the amount of water we pay for?	Neutral	The pitch element of the project is about open space and beyond the initial works will not require on-going water supply beyond rain water. The design brief will review options for capturing and reusing rain water, or reducing water consumption.

Zero Waste

Does your proposal?		Impact	What are the impacts and how do you know?
3.15	Reduce waste and the amount of money we pay to dispose of waste by maximising reuse and/or recycling of materials?	Neutral	Grass cuttings will remain on site and any waste from additional gardening and ground works will be composted. Plastic and glass recycling will be encouraged by the site management and opportunities to do shared projects with the Centre and other on site partners to reduce waste and increase recycling will be explored.

Sustainable Transport

Does your proposal?		Impact	What are the impacts and how do you know?
3.16	Encourage the use of sustainable transport, such as walking, cycling, ultra low emission vehicles and public transport?	Positive	The scheme will include the reconnection of the facilities to the Sustrans cycle track from Osbaldwick to the city centre and Clifton. This will allow cycling and walking to become a genuine option

			for many residents. The centre is also located in Heworth and will be actively targeting the local resident and those in neighbouring wards, these people will be able to walk and cycle to the site. The Facilities are on the route of the number 11 bus.
3.17	Help improve the quality of the air we breathe?	Neutral	The project is unlikely to have a significant impact on air quality in the city.

Sustainable Materials

	Does your proposal?	Impact	What are the impacts and how do you know?
3.18	Minimise the environmental impact of the goods and services used?	Neutral	The sports facilities will not be a significant purchaser of goods and services. The largest expenditure will be on staff, who will be encouraged to cycle. GLL will be encourage to explore opportunities to purchase cleaning and vending machine supplies jointly with the Centre to reduce transport journeys to the site. The open spaces will be managed to include formal playing fields but also natural and semi natural open space to encourage wildlife.

Local and Sustainable Food

	Does your proposal?	Impact	What are the impacts and how do you know?
3.19	Maximise opportunities to support local and sustainable food initiatives?	Neutral	There is some opportunity to provide raised planting beds around the site to encourage community planting. Opportunities to encourage procurement of local food supplies will be explored

Land Use and Wildlife

	Does your proposal?	Impact	What are the impacts and how do you know?
3.20	Maximise opportunities to conserve or enhance the natural environment?	Neutral	The project will involve some pitch work to improve levelling and drainage, which may have a negative impact on the landscape during the works. However the area is now all managed as playing

			pitches. Following the work there will be a pond area created which will attract insects and birds, the exterior of the field will also be managed as semi natural open space with longer grass and shrubs which will enhance the area for wildlife.
3.21	Improve the quality of the built environment?	Positive	The outside areas will be enhanced, making a more attractive space to visit. The design of the building has been specified to break up the municipal view of the sports hall, putting in lower level studios on the approach from Bad Bargain Lane. Consideration has been given to the location of the front entrance to ensure the best approach to the sports centre.
3.22	Preserve the character and setting of the historic city of York?	Neutral	The project is focussed on developing and enhancing sports facilities and areas of recreational open space. It is in a residential area of the city, but with strong community support to retain the playing fields and the view across the site.
3.33	Enable residents to enjoy public spaces?	Positive	The open spaces elements of this project will provide new and enhanced places for people to enjoy out door activities which will have a positive impact on their mental and physical wellbeing. The facilities will offer places to meet, play, do sport and grow food, and relax.

Section 4: Impact on Equalities and Human Rights

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

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

Equalities

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

		Impact	What are the impacts and how do you know?
4.1	Age	Positive	The sports facilities will be designed to attract young people to clubs and activities, such as gymnastics, and older people with GP exercise referral programmes, inclusive fitness equipment, day time gentle exercise etc.
4.2	Disability	Positive	The gym will be equipped with inclusive, accessible fitness equipment. Sessions will be designed to support those with a range of medical conditions including Cancer rehab, COPD, mobility impairments, neurological conditions and to support falls prevention. Applefields school will also have free access to the facilities at designated times.
4.3	Gender	Positive	The sports facilities, changing rooms and ancillary facilities will be designed to meet the needs of all. The changing rooms will be refurbished to attract people who traditionally participate the least, often women. Unappealing changing rooms are often cited as a reason for women not participating. The gym equipment will be accessible to all. The gym will be open access, designed for fitness rather than for muscle development, which can deter some users.
4.4	Gender Reassignment	Positive	The leisure management contract with GLL ensures the need to provide facilities and activities for all. Encouraging those from marginalised groups to be physically active. This will be monitored through the Leisure Management contract reporting procedure. Concessionary pricing is available for those on low incomes. Pay and play pricing is available for those who do not want to commit to membership contracts. These also a 1 month notice period (some other gyms require clients to sign up for a full year) which may suit the needs of pregnant women, carers etc who may want a break in their
4.5	Marriage and civil partnership	Positive	
4.6	Pregnancy and maternity	Positive	
4.7	Race	Positive	
4.8	Religion or belief	Positive	
4.9	Sexual orientation	Positive	
4.10	Carer	Positive	
4.11	Lowest income groups	Positive	
4.12	Veterans, Armed forces community	Positive	

		membership.
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Human Rights
 Consider how a human rights approach is evident in the proposal

		Impact	What are the impacts and how do you know?
4.13	Right to education	Neutral	The project is unlikely to have a significant impact on these rights. The sports centre will be managed in the same way as the council's other leisure centres, the procurement of which went through a full European procurement process. The open spaces will be available to the community in the same way as all other Council public open space.
4.14	Right not to be subjected to torture, degrading treatment or punishment	Neutral	
4.15	Right to a fair and public hearing	Neutral	
4.16	Right to respect for private and family life, home and correspondence	Neutral	
4.17	Freedom of expression	Neutral	
4.18	Right not to be subject to discrimination	Neutral	
4.19	Other Rights	Neutral	

Section 5: Planning for Improvement

	<p>What have you changed in order to improve the impact of the proposal on the One Planet principles? (please consider the questions you marked either mixed or negative, as well as any additional positive impacts that may be achievable)</p>
5.1	<p>We have listened to the residents at the consultation who wanted increased access to the sports facilities. We will be providing free open access to the open space and encouraging use of the site for recreation. We are protecting the use by current users by writing these sessions into the agreement with the leisure management contractor. We are providing Gym and studio facilities in response to residents' requests for affordable gym space.</p> <p>We will be ensuring that the footpath/ cycleway between the Burnholme site and the Sustrans cycle track/ Derwenthorpe is lit, to reduce the risk and fear of crime.</p>

5.2	<p>What have you changed in order to improve the impact of the proposal on equalities and human rights? (please consider the questions you marked either mixed or negative, as well as any additional positive impacts that may be achievable)</p>
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We have given free access to near by schools to encourage sports participation by young people. This includes Applefields school to encourage participation in sport by disabled young people. We have designed the changing rooms to FA design guidance to ensure they meet best practice for inclusion of women and girls in football and meet the needs of disabled players. We have confirmed that the gym equipment will be inclusive equipment so that people of all ages and abilities can use the same equipment.

Going forward, what further evidence or consultation is needed to ensure the proposal delivers its intended benefits? e.g. consultation with specific vulnerable groups, additional data)

5.3 In line with the existing Leisure Management contract. GLL will be required to report on user numbers and demographics of those users. Contract management will be required to review these and to ensure that the facilities and programmes are designed to attract traditionally low participation groups and protect existing users.

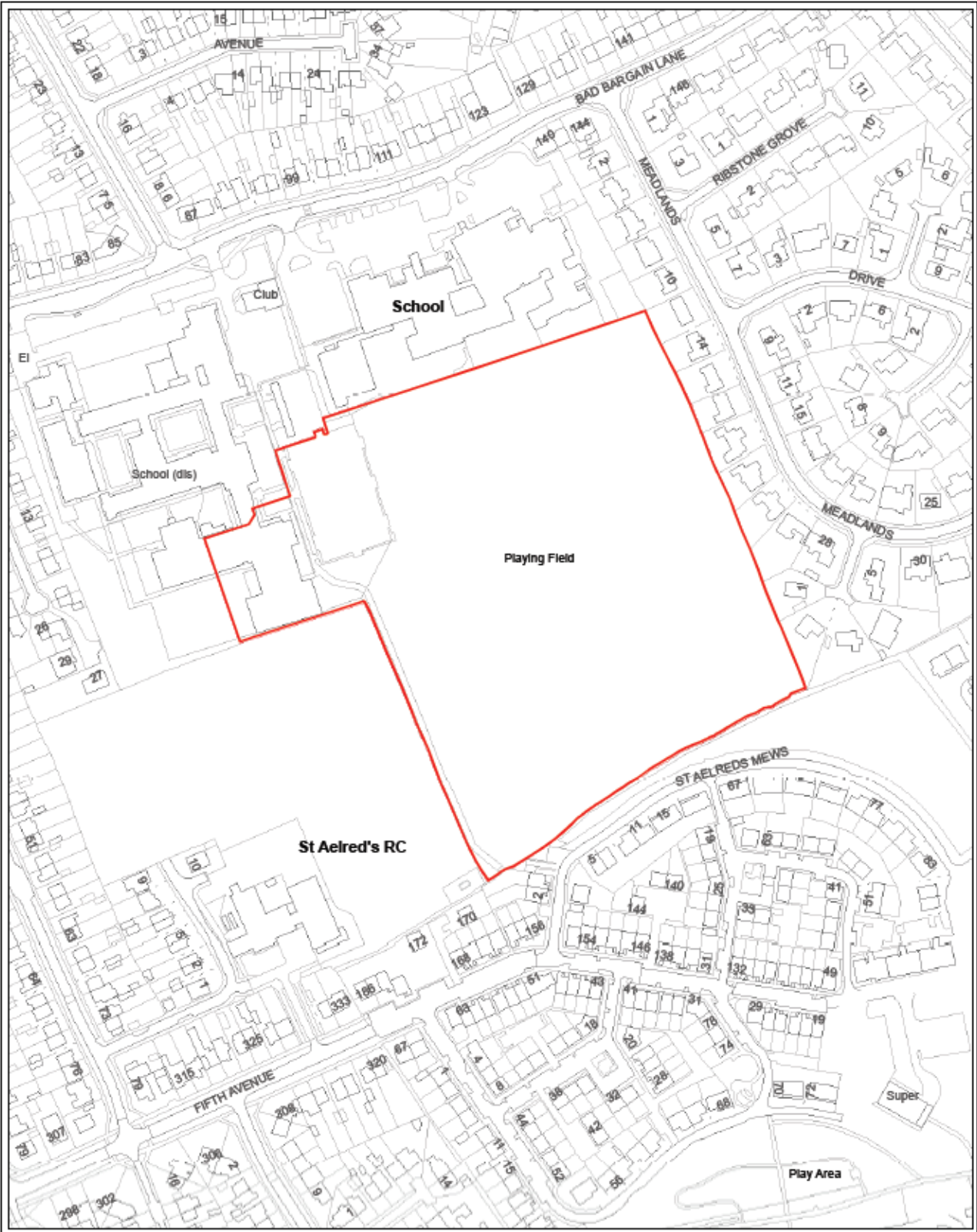
Please record any outstanding actions needed to maximise benefits or minimise negative impacts in relation to this proposal? (Expand / insert more rows if needed)

5.4

Action
Contract Management of the GLL leisure management contract to ensure that programmes meet the needs of target groups.
Explore options for the contractor to source locally produced food and to consider opportunities for food production on site
Establish whether the facilities can be designed to include energy and water efficiency measures.

Person(s)	Due date
CYC Operations Manager	On going throughout the contract period.
GLL	2108-2019 during construction and mobilisation.
Designer	Q3 2018

Annex 3 - Plan of the Burnholme Sports facilities



Asset & Property Management

Sports Facilities



SCALE 1:2,500 DRAWN BY: CC DATE: 29/05/2018

Originating Group: **Asset & Property Management**

Drawing No. _____

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Annex 4:

Burnholme Sports Facilities - Example of regular bookings (June 2018)																												
Gym																												
	08:00	08:20	09:00	09:20	10:00	10:30	11:00	11:30	12:00	12:30	13:00	13:30	14:00	14:30	15:00	15:30	16:00	16:30	17:00	17:30	18:00	18:30	19:00	19:30	20:00	20:30	21:00	21:30
Monday					Choose2youth																							
Tuesday																							Zumba	York Fencing				
Wednesday																						York Hotshots			York Roller Derby			
Thursday																									Men's Fitness			
Friday					Choose2youth																							
Saturday																												
Sunday					Once a mth - Bocceis																							
Sports hall																												
	08:00	08:20	09:00	09:20	10:00	10:30	11:00	11:30	12:00	12:30	13:00	13:30	14:00	14:30	15:00	15:30	16:00	16:30	17:00	17:30	18:00	18:20	19:00	19:30	20:00	20:30	21:00	21:30
Monday																							DSA footy		Netball Knights			
Tuesday																								Power play Netball (Exam time only)				
Wednesday																								Netball-Raggy Dolls	Adminton - B-bar			
Thursday																												
Friday																												
Saturday																												
Sunday					Once a mth - NAS Trampoline																							
3G - pitch 1																												
	08:00	08:20	09:00	09:20	10:00	10:30	11:00	11:30	12:00	12:30	13:00	13:30	14:00	14:30	15:00	15:30	16:00	16:30	17:00	17:30	18:00	18:20	19:00	19:30	20:00	20:30	21:00	21:30
Monday					YCFC-W-football																			Leisure leagues				
Tuesday																								Heworth Rugby				
Wednesday																								baldwick F-				
Thursday																									Wheldrake FC			
Friday																YCFC												
Saturday																												
Sunday																												
3G - pitch 2																												
	08:00	08:20	09:00	09:20	10:00	10:30	11:00	11:30	12:00	12:30	13:00	13:30	14:00	14:30	15:00	15:30	16:00	16:30	17:00	17:30	18:00	18:20	19:00	19:30	20:00	20:30	21:00	21:30
Monday					YCFC-W-football																							
Tuesday																									Heworth Rugby			
Wednesday																									baldwick F-			
Thursday																									Wheldrake FC			
Friday																YCFC												
Saturday																												
Sunday																												
3G - pitch 3																												
	08:00	08:20	09:00	09:20	10:00	10:30	11:00	11:30	12:00	12:30	13:00	13:30	14:00	14:30	15:00	15:30	16:00	16:30	17:00	17:30	18:00	18:20	19:00	19:30	20:00	20:30	21:00	21:30
Monday					YCFC-W-football																							
Tuesday																												
Wednesday																									baldwick F-			
Thursday																									Wheldrake FC			
Friday																												
Saturday																												
Sunday																												
Grass Pitches (1 Ruby & 2 Football)																												
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Monday																												
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Note: Other clubs use the grass pitches and 3G seasonally (e.g. Elm Park FC, Heworth RL, Burnholme FC)

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Executive**12 July 2018**

Report of the Director of Public Health

Portfolio of the Executive Member for Adult Social Care and Health

Re-procurement of Sexual Health and Contraception Services**Summary**

1. The purpose of this report is to seek authorisation to approach the market for the tendering of sexual health and contraception services, and to receive approval that the decision to award the contract be delegated to the Director of Public Health. In line with City of York Council own Contract Procedure Rules and EU procurement legislation, the Council is required to procure these services through a competitive process.
2. Local authorities have a statutory responsibility to commission specialist sexual health services for their population. This includes HIV prevention, sexual health promotion, open access genitourinary medicine and contraception services.
3. The proposal is to award a new contract for three years with an option to extend by two years plus consideration of a further two years, subject to performance, up to a maximum of seven years. Extensions will be based on performance related quality measures and delivery of key health outcomes. This is considered to be the option which will lead to the Council obtaining best value for money whilst meeting its statutory obligations and provide a clinically safe and effective service for its residents.

Recommendations

4. Executive Members are asked to:
 - a) Authorise officers within City of York Council to approach the market to inform the commissioning and procurement of a sexual health service to start from 01 July 2019.

- b) Authorise the Director of Public Health, in consultation with the Executive Member for Adult Social Care and Health, to accept the highest scoring tender, in accordance with evaluation criteria and award a contract.
- c) Delegate authority to the Director of Public Health to manage this contract including any variations and planned extensions as per City of York Council policy and procedures.
- d) Authorise the Director of Public Health to open initial discussions with North Yorkshire County Council on the potential for joint commissioning sexual health services on a North Yorkshire and York footprint as part of an approach to risk management in the event of a failed tender procedure.

Reason: To meet the council's statutory responsibilities under the Health and Social Care Act 2012 and enable sexual health services to be available to York residents that are clinically safe, value for money and responsive to local need.

Background

- 5. City of York Council became responsible for commissioning sexual health and contraception services when responsibilities for public health functions were transferred to the Council in April 2013.
- 6. Sexual health and contraception services are funded by the local authority ring-fenced Public Health Grant Allocation. The Department of Health sets out a number of conditions for use of the public health grant. Local authorities are required to submit performance monitoring reports on sexual health outcomes as part of the Public Health Outcomes Framework.
- 7. Sexually transmitted infections (STI's) are a recognised issue for any city and York is no exception, all cities need to maintain services to protect the health of residents and prevent disease outbreaks.
- 8. Providing open access, all age services across the city reduces sexual health inequalities and risks to the population. Table 1 below shows the age and gender of residents accessing the sexual health service during 2017/18.

Number of customers age up to 18 years (female)	1514
Number of customers age up to 18 years (male)	224
Number of customers age 16 to 18 (female)	1261
Number of customers age 16 to 18 (male)	208
Number of customers age 19-24 (female)	5490
Number of customers age 19-24 (male)	1798
Number of customers age 25-34 (female)	2229
Number of customers age 25-34 (male)	1394
Number of customers age 35-44 (female)	677
Number of customers age 35-44 (male)	524
Number of customers age over 45 years (female)	422
Number of customers age over 45 years (male)	515
Total number of customers	14,787

9. A sexual health needs assessment has been completed following customer and stakeholder consultation. The indicators listed below require improvement so that sexual health inequalities across the city are reduced.
- Late diagnosis of HIV
 - Sexually transmitted infection testing and diagnosis rates
 - Under 18s conception rates
 - Chlamydia screening
10. The impacts of poor sexual health are felt across the population and the evidence base shows that investment in sexual health services results in a strong and substantial return on investment.

11. This proposal falls within Key Decisions due to the annual value of the contracts and as such will be presented to Executive for decision.

Proposed Procurement Strategy

12. The proposal is to go to the open marketplace with a fixed budget and defined specification based on the local need.
13. The tender evaluation will follow an 80% quality and 20% financial assessment model. This is to reflect the complex nature of the submission which cannot be dealt with on a lowest price submission weighting. A waiver has been approved for this methodology.
14. Tender documentation will be published in October 2018 following a pre determined procurement timetable to meet the required legal benchmarks.
15. We currently have joint commissioning arrangements with the Vale of York Clinical Commissioning Group (CCG) for the provision of long acting reversible contraception in GP Practices. Discussions are ongoing with the CCG about the future of these joint commissioning arrangements and the outcome of these discussions will inform the final service specification and tender documentation.
16. There are risks associated with securing a safe and effective sexual health service for the City of York population and being able to successfully award a contract within the budget identified. These risks are being mitigated through market appraisal and soft market testing but if, despite these mitigations, we are unable to award a contract the intention will be to submit a further report to Executive for a decision to jointly commission a sexual health service on a North Yorkshire and York geographical footprint. The larger population size and subsequent increase in budget will potentially attract a wider range of potential bidders. The Executive is therefore asked to support a recommendation that the Director of Public Health open exploratory discussions with officers in North Yorkshire County Council on this option.

Service detail

17. The service specification will be developed as a result of several influencing factors: National statutory obligations, clinical safety, best practice guidelines, local needs analysis, stakeholder and

customer consultation as well as benchmarking against other models in similar local authorities.

18. The service specification has not been included as part of this report, this will form part of a public facing competitive tender and as such has not been made available to potential bidders yet.
19. The specification will set out City of York Councils ambition for the transformation of sexual health services in York and will explain the detailed requirements the Council have to provide the specialist expertise that will be vital in leading and achieving the desired outcomes for its residents.
20. Any service specification for this type of service must follow a recognised clinically safe framework which is set out at national level.

Consultation

21. Work has been undertaken with a range of partners and clinical experts to inform the service delivery model and vision for the service:
 - a. A time limited sexual health commissioning steering group has been established. This includes key partners and provides a forum for ongoing discussion.
 - b. Clinical practitioners have been engaged through the Vale of York Clinical Commissioning Group and Public Health England.
 - c. Consultation with service recipients and professionals, including schools, through surveys, workshops and face to face meetings.
 - d. Key academic research and national best practice was searched and analysed to inform thinking.
22. Further consultation is planned as part of the market place engagement and soft market testing event.
23. Engagement with Vale of York Clinical Commissioning Group and primary care partners is ongoing through the development of a clinically safe service specification.

Options

24. There are two options for Members to consider:

Option 1: Do not approve the re-procurement

Option 2: Approach the market to re-procure sexual health services for York through competitive tender.

Analysis

25. **Option 1:** Do not approve the re-procurement

This option would mean that City of York Council will not fulfil its statutory duty as set out in the Health and Social Care Act (2012)

Failure to ensure that the City has safe and effective sexual health services would have negative consequences for the health of residents. Some of the consequences include increasing levels of sexually transmitted infections, increasing numbers of unplanned pregnancies including teenage pregnancies, increase in long-term preventable health conditions and preventable deaths.

Therefore this option is not recommended.

26. **Option 2:** Approach the market to re-procure sexual health services through competitive tender

This is the recommended option.

Reason: To meet the council's statutory responsibilities under the Health and Social Care Act 2012 and enable sexual health services to be available to York residents that are clinically safe, value for money and responsive to local need.

Council Plan

27. The proposal directly relates to the Council Plan 2015-19 priorities:

- **'A focus on frontline services'** - to ensure all residents, particularly the least advantaged, can access reliable services and community facilities.

Specialist Implications

Financial

28. York is one of the lowest funded local authorities in the Country (£37 per head compared to £55 per head average) and, like other authorities, the Public Health Grant received from the Government is reducing by approximately 2.6% each year from 2016/17 through to 2019/20. In these circumstances, the Council is facing difficult decisions when service contracts are renewed.

29. A benchmarking exercise has shown that York has spend of £9.23 per head of population on sexual health which is lower than the England average of £10.51. This is primarily due to the low level of Grant the authority receives. It should be recognised, however, that York has one of the largest proportions of 15 to 24 year olds in its population who are the highest users of sexual health services, and this number is expected to grow with the anticipated increase in university student numbers therefore creating some pressure on this budget.
30. The total budget for Sexual Health totals £1.74m in 2018/19. This funds the commissioned service as well as long acting reversible contraception provision in GP Practices and out of area cross-charging for STI testing and treatment. Soft market testing will determine the final services to be included in the Commission and the final budget to go out to tender.

Human Resources (HR)

31. The implications for employers will be determined by the results of the re-tendering exercise and could involve significant TUPE impact for those providers delivering services. The impact of this is for the winning bidder to manage and there are no Human Resources implications for the Council.

Equalities

32. The Council must, in the exercise of its functions have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it. The Council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons disabilities, and encourage people to participate in public life. The Council must have due regard to the need to tackle prejudice and promote understanding.
33. It is crucial that the differing needs of men and women and of different groups in society are considered when planning services and interventions. Nationally females are statistically more likely to access specialist sexual health services and the provision of

sexual health services has a positive affect on the general and sexual health and wellbeing of women.

34. Locally MSM (men who have sex with men) populations are statistically more likely to be diagnosed with Syphilis infection which is rising. MSM communities are also more likely to have higher instances of HIV. Providing services for this customer group enables individuals to live healthy lifestyles and avoid early mortality.
35. Although it is difficult to estimate the numbers of residents affected in York, sexualised recreational drug use or chemsex is associated with an increase in sexual risk-taking behaviours in men who have sex with men (MSM). Chemsex is associated with group sex and multiple sexual partners, serodiscordant condomless sex and STI transmission. Chemsex is, therefore, an important public health issue among MSM.
36. In York, like any city in the UK, we have both licensed sexual establishments and informal sex worker (SWs). SW's are assumed to be at increased risk of sexually transmitted infections (STIs), there are limited comparative data studies with other population group's available and there is very little data available about York specifically. This is recognised as a vulnerable population and statistically is likely to include a higher than average representation of women, MSM and transgender residents.
37. The Community Impact Assessment shows that there is a potential negative impact of the reduction in the budget available for sexual health services related to particular vulnerable groups.

Legal

38. Section 12 of the Health and Social Care Act 2012 imposes a statutory duty on local authorities to take such steps as it considers appropriate for improving the health of the people in its area and addressing behaviour that is detrimental to health. This section provides that local authorities may provide services or facilities that meet criteria under section 12 (3). The provision of the services discussed within this report should fall within steps allowed under section 12.

39. The procurement of these services will be undertaken in accordance with the Public Contracts Regulations 2015 and any other related EU and UK law. Compliance with the Contract Procedure Rules of the Council will also be required.

Crime and Disorder

40. There are some shared links to crime and disorder, the service offer will include occasional contact with victims of sex crime, domestic violence as well as illegal sex working, modern slavery and child sexual exploitation cases.

Information Technology (IT)

41. There are no IT implications.

Property

42. There are no property implications.

Risk Management

43. There are risks associated with securing a safe and effective service with a reduced budget, particularly as the population of York is predicted to expand in the key 15-25 age group inevitably leading to increased demand for services. These key risks and mitigations are set out below:
- Failed tender procedure
 - Inability to provide mandated sexual health service
 - Poor sexual health outcomes for the population of York including -
 - Reduced clinical safety leading to an increased risk of uncontrolled sexually transmitted infection outbreaks including a rise in HIV and late diagnosis of HIV
 - Increased risk of drug resistant gonorrhoea
 - Future negative financial impact on CYC through increase demand on social care
 - Negative social impact on the population of York e.g. a rise in under 18 conception rates leading to an increased demand on children's services
 - Increase in morbidity and premature mortality rates

- Reputational damage to the Council for not meeting its statutory duty to ensure free and open access to sexual health services for its residents
44. These risks are being mitigated through partnership working and system wide public health leadership through the newly established York Sexual Health Expert Partnership, and ongoing clinical engagement with the Vale of York Clinical Commissioning Group and Primary Care. Identifying areas of joint working and seeking to establish shared care pathways.
45. The risk of a failed tender procedure is being mitigated through market appraisal and soft market testing. The sexual health services provider market has expanded over the last five years, since the Council last re-procured its sexual health service, and so it is anticipated that there will be sufficient interest from suitably experienced bidders for the contract. North Yorkshire County Council has announced its intention to re-procure their sexual health services provision in 2019. If, despite the above mitigations, we are unable to award a contract for the provision of sexual health services on a City of York footprint, the intention will be to submit a further report to Executive for a decision to approach NYCC to jointly commission a sexual health service on a North Yorkshire and York geographical footprint.

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**Report
Approved**

Date 27/06/18

Specialist Implications Officer(s)

Finance – Patrick Looker, Finance Manager

Legal – Ryan Bell

Equalities – Will Boardman, Head of Policy and City Partnerships

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

All

For further information please contact the authors of the report

Glossary of Terms

CYC – City of York Council

CCG – Clinical Commissioning Group

EU – European Union

HIV – Human Immunodeficiency Virus

MSM – Men who have sex with Men

NYCC – North Yorkshire County Council

STI – Sexually transmitted infection

SW – Sex worker

TUPE – Transfer of Undertakings (Protection of Employment)

Annexes

None

Background Papers

Sexual Health Needs Assessment (see link below)

<http://www.healthYork.org/media/62046/2018-york-sexual-health-needs-assessment-final.pdf>

Community Impact Assessment (refer to report authors)



Executive**12 July 2018**

Report of the Deputy Chief Executive & Director of Customer and Corporate Services
Portfolio of the Leader of the Council

Treasury Management Annual Report and Review of Prudential Indicators 2017/18**Summary**

1. The Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2017/18. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management, (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities, (the Prudential Code).
2. The regulatory environment places responsibility on members for the review and scrutiny of treasury management policy and activities. This report provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by members.
3. This report also confirms that the Council has complied with the requirement under the Code to give prior scrutiny to treasury management reports by Audit & Governance Committee.

Recommendations

4. The Executive is asked to:
 - 1) Note the 2017/18 performance of treasury management activity and prudential indicators outlined in annex A and
 - 2) Recommend to full council the increase in borrowing limit set out in paragraph 13 to 15

Reason: to ensure the continued performance of the treasury management function can be monitored and to comply with statutory

requirements.

Background and analysis

The Economy and Interest Rates

5. During the calendar year of 2017, there was a major shift in expectations in financial markets in terms of how soon Bank Rate would start on a rising trend. After the UK economy surprised on the upside with strong growth in the second half of 2016, growth in 2017 was disappointingly weak in the first half of the year which meant growth was the slowest for the first half of any year since 2012. The main reason for this was the sharp increase in inflation caused by the devaluation of sterling after the EU referendum, feeding increases into the cost of imports into the economy. This caused a reduction in consumer disposable income and spending power as inflation exceeded average wage increases. The services sector of the economy, accounting for around 75% of GDP, saw weak growth as consumers responded by cutting back on their expenditure. However, growth did pick up modestly in the second half of 2017 and market expectations rose significantly that the Monetary Policy Committee (MPC) would be heading in the direction of imminently raising Bank Rate. The minutes of the MPC meeting of 14th September indicated that the MPC was likely to raise Bank Rate very soon. The 2nd November MPC quarterly Inflation Report meeting duly delivered by raising Bank Rate from 0.25% to 0.5%.
6. The 8th February MPC meeting minutes then revealed another sharp hardening in MPC, warning on a more imminent and faster pace of increases in Bank Rate than had previously been expected. Market expectations for increases in Bank Rate, therefore, shifted considerably during the second half of 2017/18 and resulted in investment rates from 3 to 12 months increasing sharply during the spring quarter.
7. Public Works Loans Board (PWLB) borrowing rates increased correspondingly to the above developments with the shorted term rates increasing more sharply than longer term rates. In addition, UK gilts have moved in a relatively narrow band this year (within 25 bps for much of the year) compared to US treasuries. During the second half of the year, there was a noticeable trend in treasury yields being on a rising trend with the Fed raising rates by 0.25% in June, December and March, making six increases in all from the floor. The effect of these three increases was greater in shorter terms around 5 years rather than longer term yields.
8. The major UK landmark event of the year was the inconclusive result of the general election on 8th June. However this had relatively little impact on financial markets.

Overall treasury position as at 31 March 2018

9. The Council's year end treasury debt and investment position for 2017/18 compared to 2016/17 is summarised in the table below:

Debt	31/03/2018 £m	Rate %	31/03/2017 £m	Rate %
General Fund debt	118.0	4.24	122.3	4.23
Housing Revenue Account (HRA) debt	139.0	3.34	139.0	3.34
PFI	61.2	n/a	4.56	n/a
Total debt	318.2	3.75	265.9	3.76
Investments				
Councils investment balance	75.7	0.41	91.6	0.49

Table 1 summary of year end treasury position as at 31 March 2018

The Strategy for 2017/18

10. The expectation for interest rates within the treasury management strategy for 2017/18 anticipated that Bank Rate would not start rising from 0.25% until quarter 2 2019 and then only increase once more before 31st March 2020. There would also be gradual rises in medium and longer term fixed borrowing rates during 2017/18 and the two subsequent financial years. Variable, or short terms rates, were expected to be the cheaper form of borrowing over the period. Continued uncertainty in the aftermath of the 2008 financial crisis promoted a cautious approach, whereby investments would continue to be dominated by low counterparty risk considerations, resulting in relatively low returns compared to borrowing rates.
11. In this scenario, the treasury strategy was to postpone borrowing to avoid the cost of holding higher levels of investments and to reduce counterparty risk.
12. During 2017/18 longer term PWLB rates were volatile but with little overall direction whereas shorter term PWLB rates were on a rising trend during the second half of the year.
13. When approving the Treasury Management Strategy in February 2017, the Council approved an authorised borrowing limit of £393.5mm for 2017/18, which included £30m for other long-term liabilities, including PFI/PPP projects. Under Section 3 (1) of the Local Government Act 2003, the authorised borrowing limit is a statutory borrowing limit for the Council and any changes/increases need to be approved by Full Council.

14. During 2017/18, the Council has taken on the debt liability for the Allerton Waste PPP project and this has seen an increase in the other long-term liabilities element of the Council's borrowing requirement of £56.6m. Although the Council has not physically borrowed to cover the project, the liability of the Council has increased to reflect future contractual repayments and the Authorised Borrowing Limit for 2017/18 (and subsequent years) will need to be amended to take into account the additional liability.
15. Members are therefore requested to approve a retrospective increase in the Authorised Borrowing Limit for 2017/18 of £441.4m, with the limit for 2018/19 and future years also being increased to £480.3m. The previously approved limit for 2018/19 was £423.0m

Borrowing requirement and debt

16. The Council's underlying need to borrow to finance capital expenditure is termed the Capital Financing Requirement (CFR).

	31 March 2018 Actual £m	31 March 2018 Budget £m	31 March 2017 Actual £m
CFR General Fund	201.1	208.6	179.3
CFR HRA	139.0	140.3	139.0
PFI	61.2	4.56	4.56
Total CFR	401.3	353.5	322.9

Table 2 capital financing requirement

Borrowing outturn for 2017/18

17. The Council continues to make efficient use of its strong cash balance position to support its current capital expenditure requirements. Two new loans were taken during the year. Both are ten year fixed rate loans from West Yorkshire Combined Authority at 0% interest and both are repayable on the 28th February 2027. £618,598 was taken on 1st September 2017 and £104,141 was taken on 2nd February 2018. No repayments are due during the term of the loan. The purpose of the loans is to help to fund York Central infrastructure projects. Members are reminded that these are instalments of a total £2.55m loan agreed by Executive on the 14th July 2016.
18. Two PWLB loans totalling £5m were repaid during the year. On 10th September 2017 a £3m PWLB loan was repaid which had an interest rate of 2.95% and on 5th November 2017 a £2m PWLB loan was repaid which

had an interest rate of 3.87%, taking the Councils long-term borrowing figure to £257m. The weighted average interest rate for the repaid loans was 3.4%.

19. No rescheduling was done during the year as the average 1% differential between PWLB new borrowing rates and premature repayment rates made rescheduling unviable.

Investment rates in 2017/18

20. Investment rates for 3 months and longer have been on a rising trend during the second half of the year in the expectation of Bank Rate increasing from its floor of 0.25% and reached a peak at the end of March. Bank Rate was duly raised from 0.25% to 0.5% on 2nd November 2017 and remained at that level for the rest of the year. However, further increases are expected over the next few years. Deposit rates continued into the start of 2017/18 at previous depressed levels due, in part, to a large tranche of cheap financing being made available under the Term Funding Scheme to the banking sector by the Bank of England. This facility ended on 28th February 2018.

Investment outturn for 2017/18

21. The Council's investment policy is governed by MHCLG guidance, which has been implemented in the annual investment strategy approved by the Council on 25th February 2017. This policy sets out the approach for choosing investment counterparties, and is based on credit ratings provided by the three main credit rating agencies, supplemented by additional market data, (such as rating outlooks, credit default swaps, bank share prices etc.). The investment activity during the year conformed to the approved strategy, and the Council had no liquidity difficulties.
22. The Council maintained an average investment balance of £111.11m compared to £108.55m in 2016/17. The surplus funds earned an average rate of return of 0.41% in 2017/18 compared to 0.49% in 2016/17. There has been a gradual increase in cash balances over recent years due to the level of developer's contributions held pending investment through the capital programme, along with the continued early receipt of grant funding from Government in advance of spending. These balances are therefore not available in the longer term and will start to decrease as capital investment is made in a range of projects, as outlined in the Capital Strategy approved by Council in February 2018.
23. The comparable performance indicator for the Councils investment performance is the average London Inter Bank Bid Rate (LIBID) which represents the average interest rate at which major London banks borrow

from other banks. Table 3 shows the rates for financial year 2017/18 and shows that for all cash holdings the rate of return exceeds the levels of the usual 7 day and 3 month benchmarks.

Benchmark	Benchmark Return	Council Performance
7 day	0.21	0.41
3 month	0.28	0.41

Table 3 – LIBID vs. CYC comparison

24. This compares with a budget assumption of average investment balances between a low point of £35m and high point of £96m at an average 0.25% investment return

Other issues

25. In December 2017, the Chartered Institute of Public Finance and Accountancy (CIPFA) issued a revised Treasury Management Code and Cross Sectoral Guidance Notes, and a revised Prudential Code.
26. A particular focus of these revised codes was how to deal with investments which are not treasury type investments eg by investing in purchasing property in order to generate income for the council at a much higher level than can be achieved by treasury investments. One recommendation was that councils should produce a new report to members to give a high level summary of the overall capital strategy and to enable members to see how the cash resources of the council have been apportioned between treasury and non treasury investments. Officers will report to members when the implications of these new codes have been assessed as to the likely impact.
27. The EU set the date of 3rd January 2018 for the introduction of regulation under Markets in Financial Instruments Directive II (MiFID II). These regulations govern the relationship that financial institutions conducting lending and borrowing transactions will have with councils from that date. This has had little effect on the council, apart from having to fill in forms sent by each institution we deal with and for each type of investment instrument we use, apart from for cash deposits with banks and building societies.

Consultation

28. The report has been reviewed and scrutinised by Audit and Governance Committee on 27th June 2018.

Options

29. Not applicable.

Council Plan

30. Effective treasury management ensures the Council has sufficient liquidity to operate, safeguards investments, maximises return on those investments and minimises the cost of debt. This allows more resources to be allocated for delivering the Council's priorities as set out in the Council Plan.

Implications

31. This report has the following implications:

- **Financial** are contained throughout the main body of the report.
- **Human Resources (HR)** There are no HR implications.
- **One Planet Council / Equalities** There are no One Planet Council or equalities implications.
- **Legal** Treasury management activities have to conform to the Local Government Act 2003, which specifies that the Council is required to adopt the CIPFA Prudential Code and the CIPFA Treasury Management Code of Practice.
- **Crime and Disorder** There are no crime and disorder implications.
- **Information Technology (IT)** There are no IT implications.
- **Property** There are no property implications.
- **Other** There are no other implications.

Risk Management

32. The treasury function is a high-risk area due to the large value transactions that take place. As a result, there are strict procedures set out as part of the treasury management practices statement. The scrutiny of this and other monitoring reports is carried out by Audit and Governance Committee as part of the Council's system of internal control.

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Report **Date** 28/6/18
Approved

Wards Affected: List wards or tick box to indicate all

All

For further information please contact the author of the report

Background Papers:

None

Annexes:

Annex A: Prudential Indicators 2017/18

List of Abbreviations Used in this Report

CIPFA - Chartered Institute of Public Finance & Accountancy

MRP - Minimum Revenue Provision

CFR - Capital Financing Requirement

MPC - Monetary Policy Committee

PWLB - Public Works Loan Board

CLG – (Department for) Communities and Local Government

LIBID – The London Interbank Bid Rate

Prudential Indicators 2017/18 Outturn

	Prudential Indicator		2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
1	Capital expenditure To allow the authority to plan for capital financing as a result of the capital programme and enable the monitoring of capital budgets.	GF	£51.0m	£119.9m	£48.2m	£36.0m	£30.1m	£10.9m
		HRA	£19.8m	£36.1m	£16.3m	£14.2m	£14.0m	£9.1m
		PFI	£54.9m	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m
		<u>Total</u>	<u>£125.7m</u>	<u>£155.9m</u>	<u>£64.5m</u>	<u>£50.2m</u>	<u>£44.1m</u>	<u>£20.0m</u>
2	CFR as at 2017/18 outturn Indicates the Council's underlying need to borrow money for capital purposes. The majority of the capital programme is funded through government support, government grant or the use of capital receipts. The use of borrowing increases the CFR.	GF	£201.1m	£241.6m	£236.5m	£229.2m	£221.4m	£213.5m
		HRA	£139.0m	£139.0m	£139.0m	£139.0m	£139.0m	£139.0m
		PFI	£61.2m	£59.7m	£58.0m	£56.3m	£54.4m	£52.6m
		<u>Total</u>	<u>£401.4m</u>	<u>£440.3m</u>	<u>£433.6m</u>	<u>£424.5m</u>	<u>£414.8m</u>	<u>£405.1m</u>
3	Ratio of financing costs to net revenue stream An estimate of the cost of borrowing in relation to the net cost of Council services to be met from government grant and council taxpayers. In the case of the HRA the net revenue stream is the income from rents.	GF	12.56%	13.73%	16.93%	17.81%	18.40%	18.43%
		HRA	13.01%	13.25%	13.25%	13.25%	13.25%	13.25%
		<u>Total</u>	<u>12.66%</u>	<u>13.63%</u>	<u>16.15%</u>	<u>16.85%</u>	<u>17.31%</u>	<u>17.34%</u>
4	External debt To ensure that borrowing levels are prudent over the medium term the Council's external borrowing, net of investments, must only be for a capital purpose and so not exceed the CFR.	Gross Debt	£318.2m	£306.7m	£324.1m	£337.3m	£338.5m	£341.9m
		Invest	£75.7m	£46.1m	£20.0m	£20.0m	£20.0m	£20.0m
		<u>Net Debt</u>	<u>£242.5m</u>	<u>£260.7m</u>	<u>£304.1m</u>	<u>£317.3m</u>	<u>£318.5m</u>	<u>£321.9m</u>

	Prudential Indicator		2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
5 a	<p>Authorised limit for external debt</p> <p>The authorised limit is a level set above the operational boundary in acceptance that the operational boundary may well be breached because of cash flows. It represents an absolute maximum level of debt that could be sustained for only a short period of time. The council sets an operational boundary for its total external debt, gross of investments, separately identifying borrowing from other long-term liabilities.</p>	Borrowing / Other long term liabilities Total	£411.4m £30.0m <u>£441.4m</u>	£450.3m £30.0m <u>£480.3m</u>	£443.6m £30.0m <u>£473.6m</u>	£434.5m £30.0m <u>£464.5m</u>	£424.8m £30.0m <u>£454.8m</u>	£415.1m £30.0m <u>£445.1m</u>
5 b	<p>Operational boundary for external debt</p> <p>The operational boundary is a measure of the most likely, prudent, level of debt. It takes account of risk management and analysis to arrive at the maximum level of debt projected as part of this prudent assessment. It is a means by which the authority manages its external debt to ensure that it remains within the self-imposed authority limit. It is a direct link between the Council's plans for capital expenditure; our estimates of the capital financing requirement; and estimated operational cash flow for the year.</p>	Borrowing Other long term liabilities Total	£401.4m £10.0m <u>£411.4m</u>	£440.3m £10.0m <u>£450.3m</u>	£433.6m £10.0m <u>£443.6m</u>	£424.5m £10.0m <u>£434.5m</u>	£414.8m £10.0m <u>£424.8m</u>	£405.1m £10.0m <u>£415.1m</u>

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Executive**12 July 2018**

Report of Corporate Director of Economy and Place

Portfolio of the Executive Member for Economic Development and Community Engagement

YNY Ltd**Summary**

1. This report proposes that the Executive withdraw from its membership of YNY Ltd in order that the Company can be dissolved.

Recommendations

2. This report is seeking consent in principle, as a member of the Company to approve the following:-
 - a) Replace the current articles of association with un-amended model articles of association for private companies limited by guarantee to allow for sole directors, members of less than 2 and distribution of the residue in the bank account to be used towards the administrative costs of dissolving the Company;
 - b) Following the amendment of the articles, a formal letter from City of York Council and York & North Yorkshire Chamber of Commerce give 7 clear days' notice of their respective cessation of membership.
 - c) Delegate to the Corporate Director of Economy and Place any additional necessary actions to bring the above recommendations into effect.

Reason: To allow the orderly dissolution of YNY Ltd, a Company which is no longer required by the Partners.

Background

3. The Company was original incorporated in 1994 under the name Savonmill Limited. Over the years, it has undergone various name changes; Business Link North Yorkshire Limited (1996-2001), Business Link York and North Yorkshire Limited (2001-2008), before being re-named YNY Ltd in 2008.
4. YNY Ltd is a private company limited by guarantee with no share capital and has 3 guarantors (members); North Yorkshire County Council, City of York Council and York & North Yorkshire Chamber of Commerce. The main objective of the Company is to support economic growth in York and North Yorkshire and to distribute the reserves of the Company in the form of grants to organisations in York and North Yorkshire to encourage business support and the development of businesses.

The Company's Present Position

5. At a board meeting which took place on 12 February 2014, the following resolutions were agreed by the board;
 - YNY Ltd shall revert to the control of North Yorkshire County Council with effect from 1 July 2014.
 - All directors shall resign their positions, with the exception of North Yorkshire County Council Director.
6. However, prior to the transfer to North Yorkshire County Council, no formal letter was received by City of York Council or York & North Yorkshire Chamber of Commerce, giving the 7 days clear notice of their cessation of membership as required by the Company's articles of association. Furthermore, the current articles do not allow there to be less than 2 members of the Company, nor allow for sole directors.
7. At present, the Company has £2,833.59 remaining in its bank account. Currently, the articles do not allow for any leftover money on the winding up or dissolution of the Company to be distributed amongst the members; it must be used as grant money. The Company has remained dormant since 2014. It has no employees, it has no agreements with any creditors, it does not own any assets and has no outstanding debts or charges.

Future of the Company

8. The Company (which is a not-for-profit company) has not actively traded for over 3 years and has a nominal residue left in its bank account. However, there are on-going costs for the Company to file dormant accounts and confirmation statements each year to HMRC and Companies House.
9. For these reasons, the NYCC Director has advised that the most sensible option, both financially and commercially, is to begin the process of dissolving the Company and, with CYC agreement, to use the remainder of the money in the Company's bank account towards the final set of accounts to be prepared by the Company's accountants (BHP Chartered Accountants) and the application to Companies House to strike the Company off the register.
10. As the Company is limited by guarantee and has no share capital, every member is liable to contribute a sum not exceeding £1 in event of the Company being wound-up whilst still a member or within 1 year thereafter.
11. Legally, the Company will need to put in place the actions that were agreed at the aforementioned board meeting before it can be dissolved.

Options for Consideration

12. The Company's present position as understood by CYC Council Officers up until last month is reflected in paragraph 5 above. This understanding was reflected in the report to Executive on 30th June 2016 and reported what was believed to be all the companies in which CYC had an interest at that time.
13. The communications from NYCC has now confirmed this latest CYC interest in YNY Ltd and the necessary administrative measures necessary to bring effect to a position that was agreed in 2014.
14. As there is no ongoing rationale for the company to exist from the guarantors and CYC perspective and NYCC are prepared to dissolve the company using the Company's limited resources as a contribution to this process. Officers recommend CYC agree to

the necessary measures to proceed with the dissolution of the company.

Council Plan

15. The above proposal contributes to the Council Plan of:
- A prosperous city for all

Implications

16. This report has the following implications:

Financial – it is anticipated that all of the the remaining funds of £2,833.59 in the Company's bank account would be used towards the final set of accounts to be prepared by the Company's accountants (BHP Chartered Accountants) and the application to Companies House to strike the Company off the register

Human Resources – None

Equalities – None.

Legal – the Company will need to put in place the actions in this report in order to give effect to the course of action that agreed at the aforementioned board meeting before it can be dissolved. In respect of the issue of officer awareness of the existence of the company and the possibility that other companies exist that CYC or it's predecessor entities had involvement in officers are unaware of any other companies that CYC are involved in other than those detailed in the 2016 report. This however is not a definitive statement as officers can only confirm their state of knowledge at this time.

Crime and Disorder – None

Information Technology - None

Land – None

Other – None

Risk Management

17. In compliance with the Council's risk management strategy the main risks that have been identified associated with the proposals contained in this report are those which could lead to the inability to meet business objectives and to deliver services, leading to damage to the Council's reputation. The level of risk is assessed as "Low" and therefore acceptable.

Contact Details

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Neil Ferris
Corporate Director of Economy and Place

Date: 20th June 2018

Specialist Implications Officer(s)

Andy Docherty, Assistant Director Legal & Governance

Wards Affected: All

For further information please contact the author of the report.

Background Papers: None

List of Abbreviations used in this report:

CYC – City of York Council
NYCC – North Yorkshire County Council

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Executive**12 July 2018**

Report of the Director of Economy and Place

Portfolio of the Executive Member for Finance and Performance

Clifford's Tower Visitor Centre Update**Summary**

1. Following the decision of English Heritage not to proceed with their plans to build a Visitor Centre for Clifford's Tower, this report asks the Executive to reconsider the decision made in January 2017 to offer a long leasehold for the land required to build the Visitor Centre and the associated short term lease to create an adjacent public plaza.

Recommendations

2. Executive are asked to agree:
 - i) To retract the offer of a long lease for the land requested by English Heritage for the construction of a Clifford's Tower visitor centre following their decision not to proceed with the proposed visitor centre (shaded light blue in Annex 1)

Reason: To reflect the decision of English Heritage not to proceed with the visitor centre

- ii) To retract the offer of a two year lease for the adjacent land for the associated public plaza that was proposed as part of the visitor centre project (shaded orange in Annex 1)

Reason: To reflect the decision of English Heritage not to proceed with the visitor centre

Background

3. English Heritage (EH) is the trading name for English Heritage Trust (EHT). They operate heritage assets under a licence from the Historic Buildings and Monuments Commission for England (HBMCE), whose trading name is Historic England. The ownership of Clifford's Tower, therefore rests with HBMCE but it is managed and operated by EH.
4. In October 2016, EH (as the operational arm of HBMCE) received planning permission to build a new visitor centre as part of works to improve and restore Clifford's Tower. The site of the proposed visitor centre was partly on council land and partly on HBMCE's land, and EH consequently made a formal request to acquire the required land.
5. In response, in January 2017, Executive agreed to a package of land deals to both formalise the complicated ownership agreements relating to Clifford's Tower and to allow the implementation of EH's planning permission for the proposed restoration and development of a visitor centre. It was agreed to:
 - offer a temporary licence to allow the site compound for the remedial works to the tower and construction of a new visitor centre at the base of the motte (land edged blue in annex 1)
 - offer a long lease on the section of council land required for the new visitor centre to be built (land shaded light blue in annex 1)
 - offer a short term lease for an adjacent piece of council land for use as a public plaza as part of the new visitor centre development (land shaded orange in annex 1)
 - to transfer freehold ownership of the section of the motte that is currently under council ownership but the guardianship of EH (land shaded pink in annex 1)
6. Since EH received planning permission for their proposals in October 2016 the planning decision has been subject to a period of Judicial Review (JR), and although the High Court dismissed the initial challenge a further appeal is now listed before the Court of Appeal on 23rd July 2018. During that judicial review period, EH have been positively engaged in the development of the Castle Gateway masterplan which includes the land surrounding Clifford's Tower. In June 2018 EH notified the Council that following a strategic review of their proposals, and due to the exciting alternative opportunities offered by the masterplan (which was approved by the Executive in April 2018) they did not intend to take forward their existing plans for a visitor centre. Instead they are keen to undertake the

conservation and restoration works to the tower and motte, and to work with the council as part of the Castle Gateway project to consider other options to improve the Clifford's Tower visitor experience.

7. It is therefore recommended that the Executive decisions to offer a long leasehold for the land required to build a visitor centre, and the short term lease for the associated public plaza, are withdrawn. However, the Executive approvals to formalise the land ownership agreements relating to the motte and the offer of a temporary licence for a site compound for works relating to the restoration would remain in place for the reasons set out in the remainder of this report.

Land ownership of the motte

8. The EH planning permission for the visitor centre includes significant works to conserve and safeguard both the tower itself and the motte on which Clifford's Tower sits. It is EH's intention to proceed with those important works despite the decision not to proceed with the visitor centre. As illustrated in Annex 1 a large proportion of the motte is already in HBMCE's ownership and maintained by EH. However, one section (shaded pink in Annex 1) remains within the council's ownership but under the guardianship of HBMCE. This is a result of the historic arrangements relating to the motte and the surrounding land uses of Clifford's Tower. Embedded within the current motte structure is a significant retaining wall which until the 1930s was exposed and formed part of the outer walls of the Victorian women's prison. It was on demolition of the prison in 1935 that the motte was reformed and the spiral access path to the tower replaced with a straight staircase. The area of the newly reinstated motte that extends out from the now buried retaining wall in to Castle car park remained in the council's ownership but under the guardianship of HBMCE.
9. As part of the January 2017 report the Executive agreed to transfer the freehold of this section of the motte to HBMCE for nil payment given that the upkeep and repair is already their responsibility. In addition to simplifying the ownership arrangements it will remove any potential future council liability for the stability of the motte or the tower and enable EH to undertake essential maintenance and structural repairs. This land is not judged to have any commercial value. For the avoidance of doubt this would not allow EH to proceed with the previously proposed visitor centre. The visitor centre building footprint would have extended beyond the motte, and withdrawing the offer of the long leasehold for that additional council owned land would not allow the visitor centre to proceed.

Temporary licence for a construction compound

10. To allow the conservation works to take place it is also proposed to proceed with the original offer of the temporary license for EH to create a construction compound. This is required for the planned remedial and restoration works to the tower and motte, which EH intended to undertake regardless of the decision not to pursue the visitor centre. The existing Executive approval is to allow EH to occupy the area of land edged with the blue line in Annex 1 on a temporary licence at a rate of £1k plus VAT per month for the duration of the restoration works to Clifford's Tower (subject to a maximum period of 15 months). The council will continue to work with EH to enable those repairs and maintenance works to be carried out, and to integrate their ambitions for improving the Clifford's Tower experience into the Castle Gateway project.

Implications

11. The following implications have been identified:
- (a) **Financial** – The decision not to proceed with disposal will mean the council will not receive the previously agreed £25k capital receipt for the land in question.
 - (b) **Human Resources** – There are no human resource implications.
 - (c) **Equalities** – none
 - (d) **Legal** – The council has not entered into any formal/legally binding agreements for completion of the proposed land transactions referred to above and so is entitled to decide not to proceed with such proposals.
 - (e) **Crime and Disorder** – none
 - (f) **Information Technology** – none
 - (g) **Property** – Covered in the report.
 - (h) **Other** – There are no other implications.

Risk Management

12. English Heritage has made a recent public commitment that it does not intend to proceed with the visitor centre element of the project. It follows that the land transfer required for that visitor centre is no longer necessary. A formal decision of the council that it will not proceed with that land transfer also provides further certainty to the public that the visitor centre element of the planning permission could not be built.

Contact Details

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Report

Approved

✓

Date 28/6/18

Specialist Implications Officer(s) List information for all

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Wards Affected: Guildhall

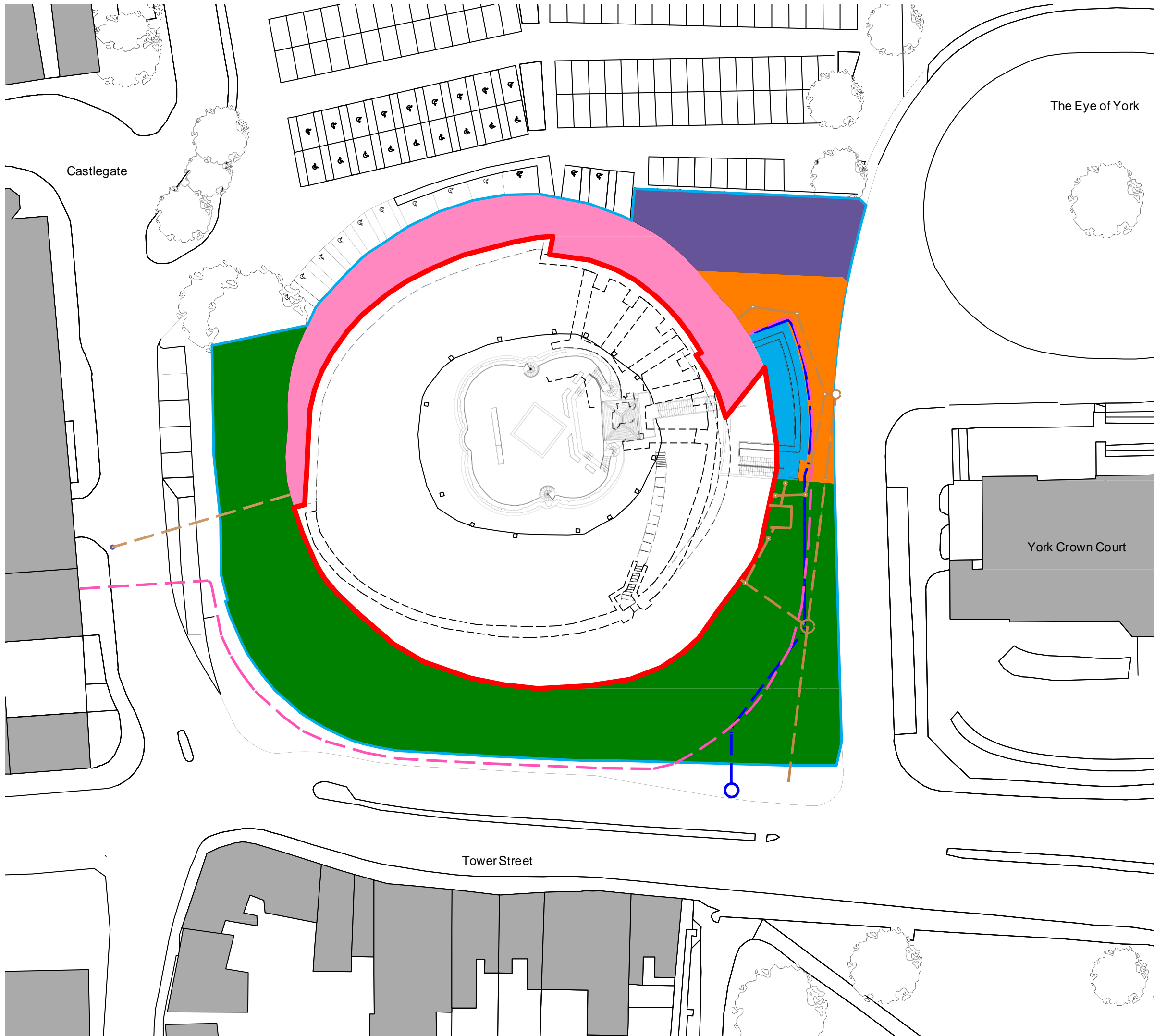
For further information please contact the author of the report.

Background Papers: Executive report January 2017 - Disposal of land for the proposed Clifford's Tower visitor centre

Annexes

Annex 1 – Map highlighting the different land ownership of Clifford's Tower

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- Land owned by CYC held in guardianship - Proposed temporary licence for a construction area followed by land transfer to HBMCE
- Land owned by CYC - Proposed temporary licence for a construction area followed by a 2 year lease to English Heritage
- Land owned by CYC - Proposed temporary licence for construction area
- Land owned by CYC - Proposed temporary licence for a construction area followed by land transfer to HBMCE
- Land owned by CYC - Proposed temporary licence for a construction area
- Land owned by HBMCE
- Proposed construction area
- Proposed easement for electricity supply
- Proposed easement for water supply
- Proposed easement for drainage
- Proposed easement for telecommunications (TBC)

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