

**Notice of public meeting of  
Cabinet**

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

**Date:** Tuesday, 6 November 2012

**Time:** 5.30 pm

**Venue:** Students' Union, York St John University, Lord Mayor's Walk, York YO31 7EX

**AGENDA**

**Notice to Members - Calling In:**

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

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

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

**1. Declarations of Interest**

At this point, Members are asked to declare:

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

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

**2. Exclusion of Press and Public**

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

The report and annex to agenda item 12 (Future Credit Union Arrangements in York - Supporting the North Yorkshire & York Credit Union) and Annexes 2 and 3 to agenda item 18 (Community Stadium Update) on the grounds that they contain information relating to the financial or business affairs of particular persons. This information is classed as exempt under paragraph 3 of Schedule 12A to Section 100A of the Local Government Act 1972 (as revised by The Local Government (Access to Information) (Variation) Order 2006).

- 3. Minutes** (Pages 3 - 14)

To approve and sign the minutes of the Cabinet meeting held on 9 October 2012.
- 4. Public Participation/Other Speakers**

At this point in the meeting, members of the public who have registered their wish to speak regarding an item on the agenda or a matter within the Cabinet's remit can do so. The deadline for registering is **5:00 pm on Monday 5 November 2012**.
- 5. Forward Plan** (Pages 15 - 22)

To receive details of those items that are listed on the Forward Plan for the next two Cabinet meetings.
- 6. 2012/13 Performance and Finance Monitor 2** (Pages 23 - 46)

This report sets out the performance of the Council in delivering its Council Plan priorities and reports progress on delivering the revenue budget, covering the period 1 April 2012 to 30 September 2012. The report also sets out headline performance in the delivery of the Council Plan and projected performance against budget.
- 7. 2012/13 Capital Programme Monitor 2** (Pages 47 - 70)

The purpose of this report is inform Members of the likely outturn position of the 2012/13 Capital Programme based on the spend profile and information to October 2012. The report also informs Cabinet of any under or overspends, seeks approval for changes to the programme and reports any slippage and seeks approval for the associated funding to be slipped to or from the relevant financial years to reflect this.

**8. Treasury Management Monitor 2 Mid Year Review and Prudential Indicators 2012/13** (Pages 71 - 90)

This Council is required through regulations to provide members with an update on treasury management activities at least twice a year. This report ensures this council is implementing best practice in accordance with the Code and updates on the Treasury Management activities for the period 1 April 2012 to 30 September 2012.

**9. Technical Reforms to Council Tax** (Pages 91 - 100)

The purpose of this paper is to provide Cabinet with details of the Governments Technical Reforms to Council Tax. The report also sets out the recommended changes to council tax exemptions for approval in the light of the new powers.

**10. Leeds City Region - Business Rates Pool** (Pages 101 - 108)

This report provides Members with initial information as to how a Leeds City Region Business Rates pool would work and seeks approval for the Chief Executive and Director of Customer & Business Support Services (as Section 151 officer) to add their signatures to the final pool proposal submission to the Department of Communities and Local Government.

**11. City of York Council Annual Audit Letter 2011/12 - Audit Commission** (Pages 109 - 116)

The purpose of this report is to provide members with the Audit Commission's Annual Audit Letter which summarises the 2011/12 audit of City of York Council.

- 12. Future Credit Union Arrangements in York - Supporting the North Yorkshire & York Credit Union** (Pages 117 - 124)

See Agenda item 2 – Exclusion of the Press and Public

***[Please note that following the announcement from the Financial Services Authority that North Yorkshire Credit Union has been placed into liquidation, this report can be now made public]***

- 13. Asset Management Strategy Update** (Pages 125 - 130)

This report sets out a refined set of drivers to update the existing Asset Management Strategy, identifies mechanisms for delivering the strategy and sets out a proposed delivery plan for 2012-13.

- 14. The Big York Survey** (Pages 131 - 148)

This report provides Cabinet with an initial view of the findings from the Big York Survey and understand the next steps for the survey data and provides an opportunity to discuss any specific items of interest that may arise from the survey.

- 15. Responding to the final report of York Fairness Commission: A better York for everyone** (Pages 149 - 164)

This report contains the proposed Council's response to the Fairness Commission's final report published in September 2012: *A better York for everyone*. The report proposes 10 Fairness Principles and makes 7 headline recommendations and commends more than 100 *Ideas for Action* to be assessed and actioned.



**16. City of York Council Financial Inclusion Policy and Action Plan** (Pages 165 - 200)

This report asks Cabinet to approve the City of York Council Financial Inclusion Policy and associated Action Plan and the draw-down of Economic Infrastructure Funding of £300k over 3 financial years to deliver against the outcomes in the Financial Inclusion Action Plan.

**17. Single Equality Scheme 2012-2016: Realising the Vision for a Fair and Inclusive Council** (Pages 201 - 250)

This report summarises the Council's equality journey so far and requests Cabinet to approve a new equality vision for the Council, the new Single Equality Scheme (2012 – 2016) and Governance arrangements for the scheme.

**18. Community Stadium Update** (Pages 251 - 276)

This report provides an update on the Community Stadium project, including the procurement timetable and risk register, the Business Plan, new Project Management/Governance arrangements together with new interim arrangements for the current Waterworld contract.

**19. Refurbishing Newgate Market** (Pages 277 - 298)

This report requests approval for £1.5m capital investment into Newgate Market from the Economic Infrastructure Fund (a total bid value of £1.614m).

**20. Urgent Business**

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

**a) Urgent Item - Statutory Report of the Monitoring Officer** (Pages 299 - 312)

The Local Government Ombudsman has made a finding of maladministration in respect of the way the Council managed the housing allocation process for a resident. The Monitoring Officer is obliged under section 5 of the Local Government and Housing Act 1989 to report this finding to Cabinet.

Democracy Officer:

Name: Jill Pickering

Contact details:

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

Contact details are set out above.

## About City of York Council Meetings

### Would you like to speak at this meeting?

If you would, you will need to:

- register by contacting the Democracy Officer (whose name and contact details can be found on the agenda for the meeting) **no later than 5.00 pm** on the last working day before the meeting;
- ensure that what you want to say speak relates to an item of business on the agenda or an issue which the committee has power to consider (speak to the Democracy Officer for advice on this);
- find out about the rules for public speaking from the Democracy Officer.

**A leaflet on public participation is available on the Council's website or from Democratic Services by telephoning York (01904) 551088**

### Further information about what's being discussed at this meeting

All the reports which Members will be considering are available for viewing online on the Council's website. Alternatively, copies of individual reports or the full agenda are available from Democratic Services. Contact the Democracy Officer whose name and contact details are given on the agenda for the meeting. **Please note a small charge may be made for full copies of the agenda requested to cover administration costs.**

### Access Arrangements

We will make every effort to make the meeting accessible to you. The meeting will usually be held in a wheelchair accessible venue with an induction hearing loop. We can provide the agenda or reports in large print, electronically (computer disk or by email), in Braille or on audio tape. Some formats will take longer than others so please give as much notice as possible (at least 48 hours for Braille or audio tape).

If you have any further access requirements such as parking close-by or a sign language interpreter then please let us know. Contact the Democracy Officer whose name and contact details are given on the order of business for the meeting.

Every effort will also be made to make information available in another language, either by providing translated information or an

interpreter providing sufficient advance notice is given. Telephone York (01904) 551550 for this service.

যদি যথেষ্ট আগে থেকে জানানো হয় তাহলে অন্য কোন ভাষাতে তথ্য জানানোর জন্য সব ধরনের চেষ্টা করা হবে, এর জন্য দরকার হলে তথ্য অনুবাদ করে দেয়া হবে অথবা একজন দোভাষী সরবরাহ করা হবে। টেলিফোন নম্বর (01904) 551 550।

*Yeteri kadar önceden haber verilmesi koşuluyla, bilgilerin terümesini hazırlatmak ya da bir tercüman bulmak için mümkün olan herşey yapılacaktır. Tel: (01904) 551 550*

我們竭力使提供的資訊備有不同語言版本，在有充足時間提前通知的情況下會安排筆譯或口譯服務。電話 (01904) 551 550。

اگر مناسب وقت سے اطلاع دی جاتی ہے تو ہم معلومات کا ترجمہ میا کرنے کی پوری کوشش کریں گے۔ ٹیلی فون (01904) 551 550

*Informacja może być dostępna w tłumaczeniu, jeśli dostaniemy zapotrzebowanie z wystarczającym wyprzedzeniem. Tel: (01904) 551 550*

### **Holding the Cabinet to Account**

The majority of councillors are not appointed to the Cabinet (39 out of 47). Any 3 non-Cabinet councillors can 'call-in' an item of business following a Cabinet meeting or publication of a Cabinet Member decision. A specially convened Corporate and Scrutiny Management Committee (CSMC) will then make its recommendations to the next scheduled Cabinet meeting, where a final decision on the 'called-in' business will be made.

### **Scrutiny Committees**

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

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

### **Who Gets Agenda and Reports for our Meetings?**

- Councillors get copies of all agenda and reports for the committees to which they are appointed by the Council;
- Relevant Council Officers get copies of relevant agenda and reports for the committees which they report to;
- York Explore Library and the Press receive copies of **all** public agenda/reports;
- All public agenda/reports can also be accessed online at other public libraries using this link

<http://democracy.york.gov.uk/ieDocHome.aspx?bcr=1>

City of York Council

Committee Minutes

---

MEETING	CABINET
DATE	9 OCTOBER 2012
PRESENT	COUNCILLORS ALEXANDER (CHAIR), CRISP, GUNNELL, LEVENE, MERRETT, SIMPSON-LAING (VICE-CHAIR) AND WILLIAMS
IN ATTENDANCE	COUNCILLORS HEALEY, STEWARD AND WARTERS
APOLOGIES	COUNCILLOR LOOKER

---

## **PART A - MATTERS DEALT WITH UNDER DELEGATED POWERS**

### **24. CHAIRS COMMENTS**

Councillor Alexander expressed his thanks to the University of York Student's Union for use of their excellent facilities for the meeting.

He also put on record his thanks to all residents and Council employees for their exceptional efforts during the recent clean up operation, following flooding in the city.

### **25. DECLARATIONS OF INTEREST**

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

Cllr Levene declared a prejudicial interest in respect of agenda item 8 (Delivery and Innovation Fund – Funding Decisions) in respect of Science City York as this body had a contract with his employer and he left the room and took no part in the discussion or voting thereon.

Cllr Merrett declared a personal non prejudicial interest in respect of transport items on the agenda as he was employed in the rail industry but had no involvement with Network Rail.

**26. EXCLUSION OF PRESS AND PUBLIC**

- RESOLVED: i) That the press and public be excluded from the meeting during consideration of Annexes 2 and 3 to Agenda Item 6 (Sale of the Hungate Site) and Agenda Item 7 (Admin Accommodation Portfolio) on the grounds that they contain information relating to the financial or business affairs of particular persons, which is classed as exempt under paragraph 3 of Schedule 12A to Section 100A of the Local Government Act 1972 (as revised by The Local Government (Access to Information) (Variation) Order 2006.
- ii) That the press and public also be excluded from the meeting during consideration of Annex 4 to Agenda Item 6 (Sale of Hungate Site), on the grounds that it contains information in respect of which a claim to legal professional privilege could be maintained in legal proceedings, which is classed as exempt under paragraph 5 of Schedule 12A to Section 100A of the Local Government Act 1972 (as revised by The Local Government (Access to Information) (Variation) Order 2006.

**27. MINUTES**

RESOLVED: That the minutes of the last Cabinet meeting held on 4 September 2012 be approved and signed by the Chair as a correct record.

**28. PUBLIC PARTICIPATION/OTHER SPEAKERS**

It was reported that there had been one registration to speak at the meeting under Council's Public Participation Scheme, and that two Members of Council had requested to speak on various agenda items.

Representations were received from Gwen Swinburn in relation to Agenda item 8 (Delivery and Innovation Fund – Funding Decisions). In particular to the Science City York (SCY) proposal to develop the capability and capacity for city-wide innovation activities which she agreed was required in the city.

Concerns were however raised that no specific outputs had been provided or Service Level Agreements put in place for third party funding. A common framework for SLA's was required to show how proposed measures would contribute to goals.

Councillor Healey also spoke on the Delivery and Innovation Fund. He echoed the earlier speaker's comments, reiterating that the SCY report did not include details of specific goals, number of jobs created or benefits to the city of the proposal.

Councillor Healey also made representations in respect of Agenda item 6 (Sale of Hungate Site) in particular, as the authority had owned the site for a number of years and he questioned the lack of marketing and whether best value was being obtained for a unique site in the city centre. He questioned the possibility of selling only part of the site to Bidder 2, with the remaining land being offered to attract greater employment use for the site. An asset review of unused Council properties was also suggested.

Councillor Warters spoke in respect of the experimental road surfacing used on Tranby Avenue, under a matter within the remit of the Cabinet. He pointed out that he had raised this issue on a number of occasions, particularly in relation to finance received from the Derwenthorpe scheme some of which he felt should be used to improve the road surfacing. He also asked that, in any future cases of 'experimental' works, Cabinet should receive full details of any scheme, prior to final agreement. Concerns were raised in respect of Freedom of Information requests which had confirmed that no information existed in relation to the experimental scheme as staff involved had now left the authority.

Councillor Warters also made representations in respect of Agenda item 6 (Sale of Hungate Site), particularly the costs incurred by the authority in relation to the abortive proposals for the site as an HQ, the resiting and demolition of the old Peasholme Centre, together with the reduced capital receipt anticipated for the Hungate site.

Councillor Warters finally made representations in respect of Agenda item 7 (Admin Accommodation Portfolio – further property rationalisation). Particularly to the cost of the proposed adaptations at Hazel Court and he questioned details of the

works and consultation undertaken with staff, Unions and residents. He pointed out that this money should be used to provide services for York residents following proposals to cut basic services.

**29. FORWARD PLAN**

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

**30. DELIVERY AND INNOVATION FUND - FUNDING DECISIONS**

Consideration was given to a report which set out proposals for the funding of two projects through the Delivery and Innovation Fund (DIF) for Cabinet approval which were requesting funding over £100k.

The first for funding to enable an initial business case to be prepared for Phase 2 of the Access York programme, a key element to deliver the Council's priority to Get York Moving. It was reported that this would form the basis for the scheme and unlock access to additional funding required to deliver the longer term programme.

The second project was for a programme of work, building on current partnership projects between the City of York Council and Science City York to develop a comprehensive package of development and support activities for innovation in the council and the city. Further information in respect of both these projects was set out at paragraphs 7 to 16 and at Annex A of the report.

The Leader referred to the funding requests received to date and expressed disappointment that only one application had been received from the voluntary sector with non from Parish Council's.

With regard to the earlier speakers comments he agreed that greater commonality was required on SLA's however, in the meantime, he did not wish to hold up any projects.

**RESOLVED:** That Cabinet approve the following Delivery and Innovation Fund bids that have a value over £100k:



- Access York Phase 2 preparations – Yr 1 £105k/Yr 2 £70k, totalling £175k;
- City of York Council-Science City York Innovation Catalyst Programme – Yr 1 £165k/Yr 2 £165k, totalling £330k. <sup>1</sup>.

REASON: In order to support delivery of the council priorities and to facilitate the development of new and innovative ways of working.

Action Required

1. Allocate funding and confirm details with bodies. IG

**31. CITY OF YORK LOCAL DEVELOPMENT FRAMEWORK**

Members considered a report which set out proposals for a way forward for the Council with regard to the City of York Local Development Plan. This followed the recent Council decision to withdraw the LDF Core Strategy from the examination process and approval of the community stadium and retails scheme at Monks Cross.

It was reported that this matter had been discussed at the last LDF Working Group meeting on 3 September; a copy of their draft minutes was attached to the report at Annex 1.

Changes arising from the National Planning Policy Framework and the Localism Act affecting the next steps in producing a plan were set out at paragraphs 6 to 19 of the report, with information on the key stages, timescales and project work at Figure 1 and Annex 3. Estimated costs in the production a revised plan and additional evidence base were also set out at Table 2.

The Cabinet Member expressed his support for the development of a new Local Plan in line with current guidance to ensure a stronger planning framework was in place as soon as possible. Following discussion it was

RESOLVED: That Cabinet agrees to:

- i) Instruct Officers to undertake the appropriate steps to produce a Local Plan for the City of York that is fully compliant

with the National Planning Policy Framework (NPPF) and other relevant statutes. <sup>1</sup>.

- ii) Note the costs identified within paragraphs 37 – 39 of the report, specifically the additional funding of £192k for years 2013/14 and £249k for 2014/15, the cost being considered as a part of the budget strategy report in February 2013.
- iii) The renaming of the working group as the Local Plan Working Group. <sup>2</sup>.

REASON: To produce a Local Plan for York that is fully compliant with the National Planning Policy Framework (NPPF) and other relevant statutes in the timescale identified in the report.

Action Required

- 1. Undertake work required to produce fully compliant Plan. MG
- 2. Amend title of Working Group. LB

**32. ADOPTION OF A LOW EMISSION STRATEGY FOR YORK**

Cabinet considered a report which presented the results of the recent Low Emission Strategy (LES) public consultation and requested formal adoption of the revised strategy set out at Annex 1 of the online agenda.

Consultation on the draft LES had taken place between 23 April and 25 May 2012 and the results of consultation and amendments proposed to the draft were set out at paragraphs 26 to 28 of the report and at Annexes 1 and 2 of the online agenda. Details of the current air quality situation and impacts on health in the city were also outlined.

The Cabinet Member confirmed that there had been a general endorsement of the strategy and referred to the summary of actions listed which would ensure low emission measures were delivered as soon as possible.

Following further discussion it was

RESOLVED: That Cabinet

- i) Approves option (a) and accepts the findings of the Low Emission Strategy (LES) consultation (detailed in paragraphs 19-25 of the report) and the resulting amendments to the consultation draft LES.
- ii) Formally adopts the amended LES circulated with the report as York's first Low Emission Strategy.<sup>1</sup>

REASON: This option will ensure York retains its reputation as a pioneer in the adoption of an overarching low emission strategy and stays in a good position to attract low emission vehicles, technologies and associated jobs ahead of other local authorities. It will allow work to commence on the development of a new low emission based Air Quality Action Plan (AQAP3) for the city and ensure low emission measures start to be delivered as soon as possible to improve air quality, protect public health and help meet CO<sub>2</sub> reduction targets.

Action Required

1. Implement measures set out in Strategy.

MS

**33. DEVOLUTION OF MAJOR TRANSPORT SCHEME FUNDING**

Consideration was given to a report which explained the Government's approach to the devolution of post 2014 funding for major transport schemes, including the creation of Local Transport Bodies (LTB's).

It was reported that for the next spending review period the Government wished to create a devolved funding system based on voluntary partnerships with decisions taken by local partners at a local level. As the City of York Council was a Local Transport Authority which sat in two overlapping Local

Enterprise Partnership boundaries the following different LTB options were considered:

Option 1: York LTB

Option 2: Leeds City Region LTB

Option 3: West Yorkshire and York LTB

Option 4: North Yorkshire and York LTB

An analysis of these options was set out at paragraphs 8 to 30 of the report with information on the preferred option at paragraphs 31 to 33.

The Cabinet Member referred to the reduced funding level for capital schemes and to the need to secure other funding for any major schemes. He confirmed that negotiations would be undertaken with the agreed partners to ensure that any terms and conditions provided minimum guarantees and benefits for the city.

**RESOLVED:** That Cabinet agree to the DfT being notified that York wishes to be included in the arrangements for a Local Transport Body for West Yorkshire and York, subject to agreement of the detailed Governance arrangements.<sup>1</sup>

**REASON:** This approach offers the greatest potential to maximise the level of transport funding for York, particularly by realising the benefits of the Leeds City Region City Deal, and to align with economic investment to support growth.

Action Required

1. Notify Department for Transport of decision.

RW

## **PART B - MATTERS REFERRED TO COUNCIL**

### **34. SALE OF THE HUNGATE SITE**

Consideration was given to a report which set out proposals to sell Council land on the Hungate site to bring new jobs into the city and generate a capital receipt.

The site which comprised the former Peasholme Hostel, the Haymarket Car Park and the former Dundas Street Ambulance Station was shown at Annex 1 of the report.

Interest in the site had been forthcoming from Hiscox Ltd and following detailed investigations and discussions a formal offer for the site received. Although the site had not been marketed other interested parties had also been asked to submit offers and a number for expressions of interest and subsequent offers had now been received.

Information on and an analysis of the three bids was set out at paragraphs 6 to 18 and at Confidential Annex 2. Additional options together with an evaluation of the individual bids and the report of the independent valuer were also provided at paragraphs 19 to 26 and Annex 3. It was also note that the Council had an obligation not to sell land for less than the best consideration reasonably obtainable, without the consent of the Secretary of State. The Council would need to be satisfied that these obligations were complied and this was further explained in Confidential Annex 4.

The Leader pointed out that whilst the offer by Bidder 2 was not the highest, that it provided the largest economic benefit to the city and higher business rates than would have resulted from a hotel development.

Following further lengthy discussion it was

- RECOMMENDED:
- i) That Council agree to commence negotiations for the sale of the Hungate site to the Hiscox development partner, Bidder 2.
  - ii) That Council delegate authority to the Director of Customer and Business Support Services the

power to finalise an agreement for the sale of the land to Bidder 2 at a commercial market value being not less than the figure set out in Annex 2 of the report.

- iii) Cabinet recommends to Council amendment of the capital programme financing, reducing capital receipts by £1.627m, with a corresponding increase in prudential borrowing.<sup>1</sup>

- REASON:
- i) To promote the economic well being of the City by ensuring the creation of between 400-600 new jobs and realising a capital receipt to fund the capital programme.
  - ii) & iii) To ensure the effective delivery of the capital programme.

Action Required

1. Refer recommendations to Council.

JP

**35. ADMIN ACCOMMODATION PORTFOLIO - FURTHER PROPERTY RATIONALISATION**

Members considered a progress update on the extension of the scope of the Administrative Accommodation rationalisation to further reduce the number of office buildings used by the Council and increase the accommodation provided to partners.

Following inclusion in the programme, in January 2012, the exiting of the Guildhall, St Anthony's House and 50 Acomb Road, accommodation had been required for an additional 200 staff and 47 members within the two remaining buildings.

In order to achieve further savings additional changes were required at West Offices and it was proposed that the Hazel Court site was used as the second Admin Accommodation site, as detailed in paragraphs 7 to 13 of the report. This would provide flexible workspace for all Council staff and partners. A

further break down of the cost of modifications required at Hazel Court were set out in the Confidential Annex2 to the report.

Members referred to repairs required to existing buildings and accessibility concerns and to the need for smarter working which the enhanced proposals would provide.

It was then

- RECOMMENDED:
- i) That Council agree the proposals for amending the design of Hazel Court to accommodate additional staff and an increased range of facilities.
  - ii) That Council be requested to create a capital budget of £618k to be funded from revenue savings achieved by exiting the 3 additional buildings.<sup>1</sup>

- REASON:
- i) To reduce the Council's Admin Accommodation portfolio and ensure the provision of suitable flexible workspaces for staff and partners in Hazel Court.
  - ii) To ensure the effective delivery of the capital programme.

Action Required

1. Refer recommendations to Council.

JP

Cllr J Alexander, Chair

[The meeting started at 5.30 pm and finished at 6.40 pm].

This page is intentionally left blank



**Cabinet Meeting: 6 November 2012**

**FORWARD PLAN (as at 12<sup>th</sup> October 2012)**

<b>Table 2: Items scheduled on the Forward Plan for the Cabinet Meeting on 4 December 2012</b>		
<b>Title &amp; Description</b>	<b>Author</b>	<b>Portfolio Holder</b>
<p><b>Alternative Delivery Models for Cultural Services</b>                      Purpose of report: This report asks the Cabinet for permission to further develop a proposal for an alternative delivery model for cultural services. The report will ask the Cabinet to note the initial feasibility work undertaken; Agree to the proposal being further developed; Agree a consultation plan on the proposal.</p> <p><i>This report was slipped to the April meeting to allow time for public consultation and then to the June meeting to allow time for public consultation. It was then slipped to the September meeting to allow more time to consider the implication of the review of learning skills strategy. The report has now been deferred to the December meeting to allow more time for consultation.</i></p>	Charlie Croft	Cabinet Member for Leisure, Culture and Tourism
<p><b>Use of Mosquito Devices to Tackle Anti-Social Behaviour</b>                      Purpose of the report: The report outlines options for the local authority to ban the use of mosquito devices as a mechanism to address anti-social behaviour involving young people in York.</p> <p>Members are asked to consider the options and take a decision on the banning of Mosquitos in York.</p>	Jane Mowat	Cabinet Member for Crime & Stronger Communities
<p><b>Garden Waste Collection</b>                      Purpose of the report is to set out options for the delivery of savings approved for green waste collection.</p>	Roger Ranson	Cabinet Member for Environmental Services

<p>Cabinet is asked to consider the options and recommendations contained within the report.</p> <p><i>This report has been slipped to the December meeting because further investigation is required into alternative options before the report can be presented to Cabinet.</i></p>		
<p><b>Accreditation Schemes – Recognising Good Landlords</b>  Purpose of Report: To advise Members of the different options to raise standards in the private rented sector.</p> <p>Members are asked to select and confirm a scheme.</p> <p><i>This report has been slipped to the Cabinet Meeting in December due to a delay in bringing forward the consultation</i></p>	Ruth Abbott	Cabinet Member for Health, Housing and Adult Social Services
<p><b>Council Tax Support Decision Paper</b>  Purpose of Report: To place in front of Full Council a Council Tax support scheme for 2013/14 for approval</p> <p>Members are asked to approve the scheme.</p>	David Walker	Cabinet Member for Corporate Services
<p><b>York800 and 2012: The Legacy</b>  Purpose of Report: To update Cabinet on events held during 2012 and to plan the legacy.</p> <p>Members are asked: To agree a legacy strategy for both participation in active leisure and for events in the city.</p>	Jo Gilliland	Cabinet Member for Leisure, Culture and Tourism

<p><b>Final Report of the E-Planning Facilities Review</b>  Purpose of Report: To present Cabinet with the final report arising from the E-Planning facilities review</p> <p>Members are asked to approve the recommendations arising from the review.</p>	<p>Tracy Wallis</p>	<p>Cabinet Member for Transport, Planning &amp; Sustainability</p>
<p><b>Neighbourhood Working Update</b>  Purpose of Report: To update Cabinet on progress with the new Neighbourhood Working model.</p> <p>Cabinet will be asked to note the progress to date</p>	<p>Charlie Croft</p>	<p>Cabinet Member for Leisure, Culture and Tourism</p>
<p><b>Smarter York</b>  Purpose of Report: To update Cabinet on progress with Smarter York.</p> <p>Members will be asked to agree a "Smarter Charter".</p> <p><i>This item has been deferred from November to December Cabinet in order to develop a 'Smarter Charter'.</i></p>	<p>Charlie Croft</p>	<p>Cabinet Member for Environmental Services</p>
<p><b>Developing a Thriving Voluntary Sector</b>  Purpose of report: To outline the City of York Council's proposed role/obligations as part of a Voluntary Sector Strategy for the City of York. Members are asked to approve the actions identified for CYC within the Citywide strategy.</p> <p><i>This item has been slipped from November to the December Cabinet meeting to allow more time for consultation.</i></p>	<p>Adam Gray</p>	<p>Cabinet Member for Leisure, Culture &amp; Tourism and Cabinet Member for Crime &amp; Stronger Communities</p>

<p><b>Tethered Horses Policy</b>  Purpose of the Report: To outline the proposed policy relating to the reduction and, where appropriate, enforcement to address problems with tethered horses. Members are asked to agree the policy.</p>	<p>Steve Waddington</p>	<p>Cabinet Member for Crime &amp; Stronger Communities</p>
<p><b>Approval of the City of York Council Surface Water Management Report</b>  Purpose of Report: Investigations have been carried out to determine the causes of surface water flooding at locations across the council's area. On the basis of this, the plan makes recommendations to manage flood risk from this source in the future.</p> <p>Cabinet is asked to approve the recommendations of the Surface Water Management Plan report.</p> <p><i>The reason this item has slipped from the November meeting to the December meeting is because there has been a delay in the preparation of the Surface Water Management Plan due to dealing with the recent flooding events and the need to undertake follow up investigations.</i></p>	<p>Mike Taverner</p>	<p>Cabinet Member for Transport, Planning &amp; Sustainability</p>
<p><b>Waste Services - Budget Savings Options for 2012/13 and 2013/14</b>  Purpose of Report. A number of waste services have been reviewed in order to bring forward proposals to achieve approved budget savings for 2012/13 and 2013/14. The review process has included household waste recycling centre, the provision of waste containers and the provision of the bulky and clinical waste collection services.</p> <p>Cabinet is asked to consider and approve options as set out in the report.</p>	<p>Geoff Derham</p>	<p>Cabinet Member for Environmental Services</p>

<p><b>Public Conveniences: Service Provision and Procurement Options</b> Members are asked to consider the options for this service provision. Cabinet is asked to agree to a joint procurement with Bristol City Council and Bath.</p>	Russell Stone	Cabinet Member for Environmental Services
---	---------------	---

<b>Table 2: Items scheduled on the Forward Plan for the Cabinet Meeting on 8 January 2013</b>		
<b>Title &amp; Description</b>	<b>Author</b>	<b>Portfolio Holder</b>
There were no items listed on the Forward Plan		

<b>Table 3: Items slipped on the Forward Plan</b>					
<b>Title &amp; Description</b>	<b>Author</b>	<b>Portfolio Holder</b>	<b>Original Date</b>	<b>Revised Date</b>	<b>Reason for Slippage</b>
<p><b>Alternative Delivery Models for Cultural Services</b> Purpose of report: This report asks the Cabinet for permission to further develop a proposal for an alternative delivery model for cultural services. The report will ask the Cabinet to note the initial feasibility work undertaken; Agree to the proposal being further developed; Agree a consultation plan on the proposal.</p> <p><i>This report was slipped to the April meeting to allow time for public consultation and then to the June meeting to allow further time for public consultation. This report has been</i></p>	Charlie Croft	Cabinet Member for Leisure, Culture and Tourism	March 2012	Dec 2012	The report has now been deferred to the December meeting to allow more time for consultation.

**Table 3: Items slipped on the Forward Plan**

Title & Description	Author	Portfolio Holder	Original Date	Revised Date	Reason for Slippage
<i>slipped to the September meeting to allow more time to consider the implication of the review of learning skills strategy.</i>					
<p><b>Accreditation Schemes – Recognising Good Landlords</b>            Purpose of Report: To advise Members of the different options to raise standards in the private rented sector. Members are asked to select and confirm a scheme.</p>	Ruth Abbott	Cabinet Member for Health, Housing and Adult Social Services	October 2012	December 2012	Due to a delay in bringing forward the consultation
<p><b>Garden Waste Collection</b>            Purpose of the report is to set out options for the delivery of savings approved for green waste collection.             Cabinet is asked to consider the options and recommendations contained within the report.</p>	Roger Ranson	Cabinet Member for Environmental Services	Oct 2012	December 2012	Because further investigation is required into alternative options before the report can be presented to Cabinet.
<p><b>Approval of the City of York Council Surface Water Management Report</b>            Purpose of Report: Investigations have been carried out to determine the causes of surface water flooding at locations across the council's area. On the basis of this, the plan makes recommendations to manage flood risk from this source in the future.</p>	Mike Taverner	Cabinet Member for Transport, Planning & Sustainability	Nov 2012	Dec 2012	The reason this item has slipped from the November meeting to the December meeting is because there has been a delay in the preparation of the Surface Water Management Plan

**Table 3: Items slipped on the Forward Plan**

Title & Description	Author	Portfolio Holder	Original Date	Revised Date	Reason for Slippage
Cabinet is asked to approve the recommendations of the Surface Water Management Plan report.					due to dealing with the recent flooding events and the need to undertake follow up investigations.
<p><b>Developing a Thriving Voluntary Sector</b></p> <p>Purpose of report: To outline the City of York Council's proposed role/obligations as part of a Voluntary Sector Strategy for the City of York. Members are asked to approve the actions identified for CYC within the Citywide strategy.</p>	Adam Gray	Cabinet Member for Leisure, Culture & Tourism and Cabinet Member for Crime & Stronger Communities	Nov 2012	Dec 2012	This item has been slipped from November to the December Cabinet meeting to allow more time for consultation.
<p><b>Smarter York</b></p> <p>Purpose of Report: To update Cabinet on progress with Smarter York.</p> <p>Members will be asked to agree a "Smarter Charter".</p>	Charlie Croft	Cabinet Member for Environmental Services	Nov 2012	Dec 2012	This item has been deferred from November to December Cabinet in order to develop a 'Smarter Charter'.

This page is intentionally left blank





---

**Cabinet****6 November 2012****Report of the Cabinet Member for Corporate Services****2012-13 Performance and Finance Monitor 2****Purpose**

1. The purpose of this report is to set out the performance of the Council in delivering its Council Plan priorities and report progress on delivering the revenue budget, covering the period 1 April 2012 to 30 September 2012. The report sets out headline performance in the delivery of the Council Plan and projected performance against budget.

**Summary**

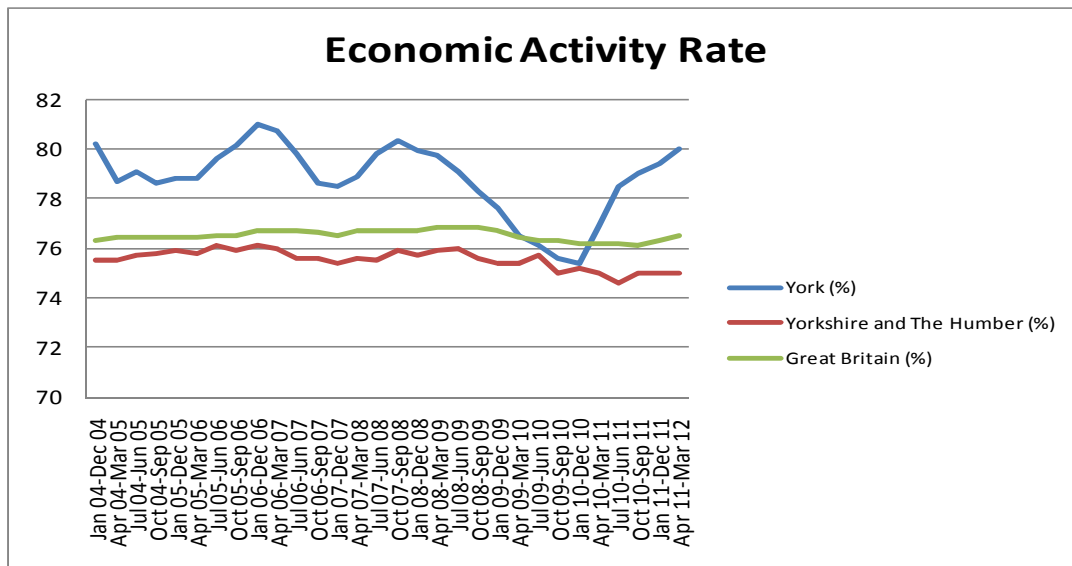
2. As outlined in the Monitor 1 report, the first half of the year is challenging for councils in terms of performance and finance, as it's the point in the annual cycle where the previous year's budget savings have been taken and the organisation is gearing up to achieve revised objectives. What makes 2012/13 different is the cumulative effect of what has gone before.
3. City of York Council has taken in excess of £40m from its budgets as its share of savings to the Government over the last three years. This is challenging for York as it has the 8<sup>th</sup> lowest level of Council tax and the twelfth lowest government grant per head in the country. Because the council's funding base is low it has to be rigorously efficient and spend per head of population is the third lowest of any unitary council in England.
4. National price inflation continues to be an issue for the Council with the costs of energy rising by around 6% in the near future. Although council tax in York was increased by 2.9% for 2012/13, average prices have risen by 3.74% since April 2010.
5. The Government also recently announced that the level of council tax increase permissible without triggering a local referendum will be reduced to 2% (down from 3.5% last year). This effectively places a cap of 2% on council tax rises and further restricts the available options when making tough decisions about maintaining services.

6. There is also the growing possibility that the government will reopen the settlement and review the headline spending review totals for the next two years, potentially adding further savings to local government targets for next year over and above what was agreed as part of the 2010 settlement.
7. The effects of the Welfare Reforms will also have a notable impact on the city, with around £2.5m per year being lost from the local economy as a result of the changes. This is in addition to the predicted indirect costs of supporting those adversely affected by the changes, which will fall on the council.
8. Against this backdrop, tough decisions continue to be made. Councils across the country have shed 200,000 jobs in the last decade. Over the last 3 years, City of York Council has cut 305 posts (many of these individuals were redeployed or took voluntary redundancy). Cabinet is resetting its priorities and in some cases there has to be a reduction in service provision.
9. Despite a challenging context, as this report demonstrates, there are strong areas of performance, for example:
  - York has attracted around 800 new jobs to the city this year
  - Workforce skills are ranked 3rd best out of 64 cities.
  - Jobseeker numbers are still well below regional and national averages
  - The 'attainment gap' at Key Stage 4 is falling
  - Reduction in crime predicted to be a further 9.5% this year
10. The recent 'Big York Survey' has also given the council excellent insight into the concerns and priorities of residents and will support the aim of being a listening council which understands the city which it serves. This understanding will also help to inform tough decisions on where funding is allocated in the future.
11. Although the council would usually see a high level of financial pressures at this time in the year, significant progress has been made since Monitor 1 to identify mitigation strategies that have reduced the forecast pressures to £2.5m. Continued action and monitoring will be needed to ensure these mitigation strategies deliver the anticipated savings and extensive work will continue to ensure that the remaining pressures are mitigated by the end of the financial year and that the revenue budget of the council is balanced.

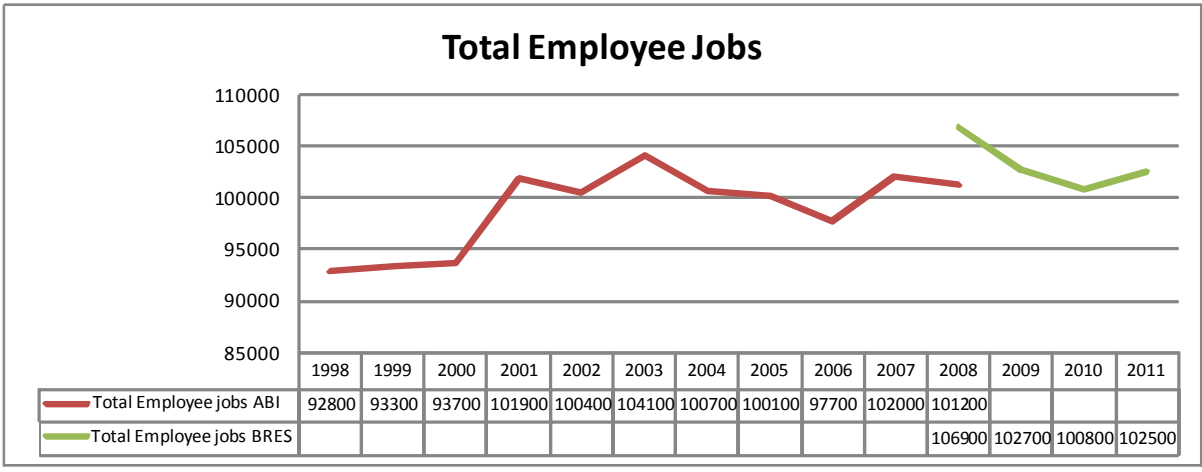
## Council Plan Performance & Delivery

### Create Jobs & Grow the Economy

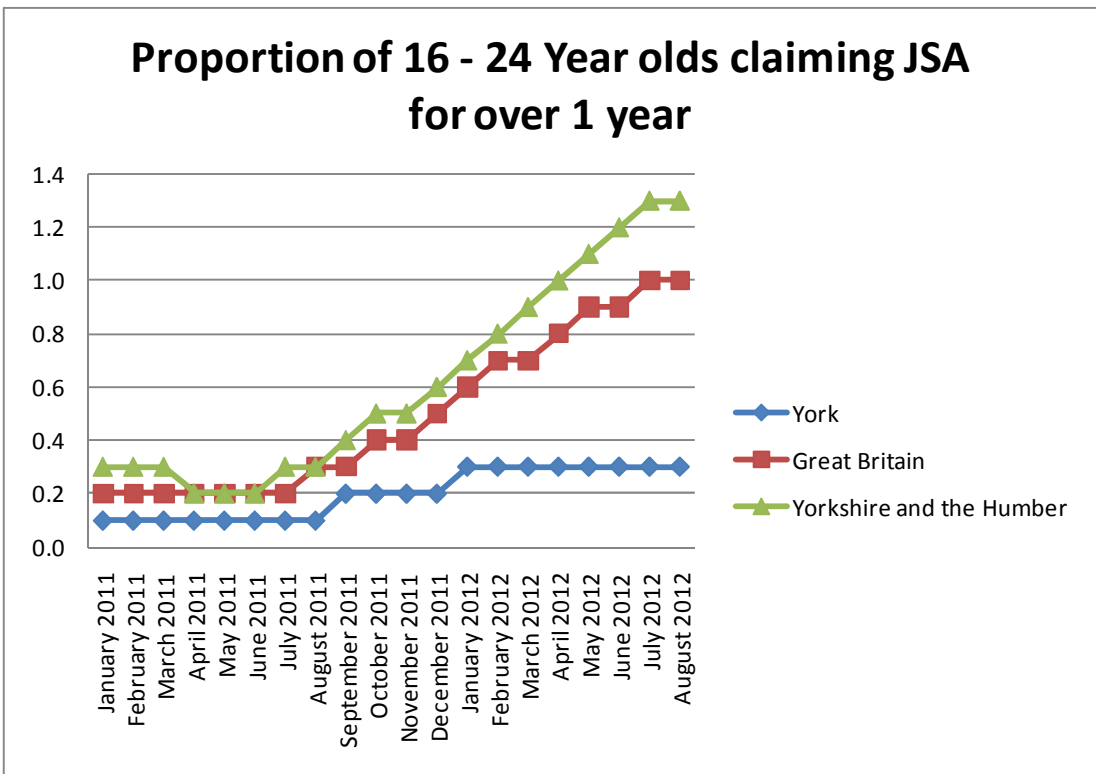
12. This is a priority for the council and is core to ensuring the sustained prosperity of the city and the financial security of the authority. The National economic picture is still a fragile one, with the International Monetary Fund cutting the UK growth forecasts for the near future. However, even with a relatively bleak national backdrop, York's economy continues to perform extremely well against the regional and national picture, showing further signs of stabilisation. The city's economic activity rate illustrates the overall economic picture for the city, performing well in comparison to the regional and national picture.



13. The recent release of the 2011 Business Register and Employment Survey (BRES) is also showing positive signs for York. The city has seen an increase in employee jobs since 2010, an improvement on the ratio between public and private sector employment.
14. The BRES data is also indicating an improved picture in the city centre with an increase in total city centre employee jobs and an 8% increase in retail jobs since 2010.



15. The 2011 and 2012 increase in long term youth unemployment (16-24 year-olds) has also now levelled off locally and has remained stable for the last eight months at 0.3% – a level well below the national & regional figures (currently 1.0% and 1.3%) both of which are still currently displaying an upward trend (the regional figure has almost doubled and the national figure has increased by two thirds in the same eight-month period).



16. The York Economic Strategy is finalised and a delivery plan is now being taken forward to achieve its objectives. These include the creation of City Team York, an enhanced business support offer, including the launch of the York Means Business web portal, Growth Accelerator (a high growth business support programme) through Science City and access to high-speed broadband.

17. Through its Economic Strategy, the council has developed its Inward Invest approach further in the last quarter, with enhancements to York's offer as a business location. The council and wider partners have played a strategic role in attracting a high value Insurance company (HISCOX) to York, on a city centre development site, bringing at least 300 jobs. This will add at least £25 million GVA per annum to York's economy to 2026.
18. The additional investment by Access Intelligence in its creation of a technical centre of excellence in York demonstrates investor confidence in the city as a business destination.
19. York continues to be an active partner in the Leeds City Region and the Association of West Yorkshire Authorities (AWYA), ensuring the city has influence in the economic future of the region.
20. Nineteen new affordable homes have been built and let at Archers Close but the target of 126 affordable homes by the end of the financial year looks unlikely to be delivered with 102 expected at present. This is due to delays to the delivery of the Hungate Development.
21. However, to increase house building the Get York Building programme has been initiated and a working group established. 'Housing Week' will run in w/c 5th of November during which the Strategic Housing Forum will be launched to provide increased focus on this area.
22. York continues to be a national leader in education provision with recent figures showing positive news that the 'attainment gap' at both Key Stage 2 and Key Stage 4 is narrowing, meaning that children who are potentially more vulnerable to low achievement are attaining results closer to the average for the city.
23. However, the city still needs to continue to drive the creation of higher skilled, higher value jobs. Qualification data has shown a further improvement in the proportion of York's population qualified to level 4 and above and a reduction in those with no qualifications. With economic projections showing challenging conditions for the future, enhanced inward investment of higher value jobs and businesses and delivery of transformational planning projects will help to rebalance those projections.
24. In employment terms, the York economy continues to perform well. We are currently ranked 3rd (out of 64 cities) for change in unemployment since 2008 and latest figures show that York's unemployment rate is 2.4% in August (JSA claimants) whilst national & regional rates are at much higher levels (3.8% and 4.7% respectively). This represents a continuation of the trend over the last two years of York positively increasing the gap between

our local unemployment rate and the regional/national rate. York's percentage of its population on Job Seekers Allowance is now stabilising, much like the national picture.

25. The city centre economy, whilst showing some signs of the recession, is performing well in comparison with the national picture. The percentage of vacant shops in the city centre is decreasing. The shift seen over Q2 is small, but it is a month-on-month reduction over the four months to October and is indicating the start of a gradual reduction in empty shops. The percentage of vacant city centre shops now stands at 6.53%, a figure not seen since April 2008. The percentage of vacant shops at the top of the economic cycle in the city centre sat between 5-6%.
26. The newly created City Team will be working with the Council in shaping the spend of £3.3 million from the Economic Infrastructure Fund to deliver Re-Invigorate York, a project aimed at enhancing the public realm and improving the business and leisure environment in the city centre, thus strengthening York's offer as a business, tourism and leisure location. This illustrates York's drive for excellence as the city was recently voted the 3<sup>rd</sup> best UK City by the Guardian Travel Awards 2012.

### **Get York Moving**

27. The council has made the strategic decision to join the West Yorkshire Transport Fund with a view to developing a local transport body with West Yorkshire to ensure strategic connectivity for the city. A positive meeting of authorities on the East Coast Mainline has also been held to look at options for the future of this rail link and discuss collaboration.
28. As part of the bid to bring the Tour de France to Yorkshire, the city is also leading on work to enable access to bikes and bike rental options across the region
29. Positive progress is being made on the Access York programme with contractor procurement having begun and a tender issue expected in early September 2012. This follows the agreement of the highway layouts in April and means the project is on target to commence construction in February 2013.
30. The implementation of 20 mph speed limits in the South Bank area have been completed. Two major roads in the area are also piloting the 20mph limit and this will be regularly monitored.
31. The council's i-Travel York programme was launched in mid September. £4.65m of funding from the Department for Transport is being used to

fund the scheme which will enable infrastructure enhancements, improvements to existing transport services and information in the city.

32. Consultation is also underway with businesses on the potential development of a Freight transshipment consolidation centre that would reduce the number of large delivery vehicles in the city centre and footstreets area, as a means of reducing congestion and improving air quality and the retail environment. So far, over 130 businesses in the city centre have been surveyed in addition to workshops with both universities and the hospital into their delivery situations. Full analysis of the results is expected in November.

### **Build Strong Communities**

33. Overall Building Strong Communities is making good progress with many of the performance indicators achieving targets and plans progressing well.
34. In terms of community engagement, results from the Big York Survey show that 3 in 4 people believe it is important to influence decisions in their local area. However only 29% believe they can. New methods of communication including Facebook, Your Ward Online and twitter are being trialled. In addition, growing community involvement in ward action planning and service monitoring, the development of community contracts, and Community of Identity Plans is expected to increase the number of residents who feel they can influence decisions. Draft community contracts for 8 wards are out to consultation, a Community Engagement Strategy is in development and a community engagement toolkit supporting the strategy will be presented to Cabinet in December 2012.
35. Welfare reforms will have an impact on performance measures within Communities and Neighbourhoods, for example the housing waiting lists, debt and homelessness. The waiting list for social housing is increasing in line with national trends, as is the number of people presenting themselves as homeless, both of which are putting pressure on these services. Nationally there has been a significant increase in homelessness and numbers in temporary accommodation. This increase has been mirrored in York but has been less significant. The number of households in temporary accommodation at 30 June was 99, a slight increase over the figure for March 2012. However the number of these households with dependent children has decreased in the same period, although the small numbers involved introduce inherent variability. To further improve how we address homelessness in the city a refresh of the Homeless Strategy is underway and will be presented to Cabinet in March 2013.

36. Housing and Housing Benefit Staff have been shortlisted for the Guardian Public Services Award 2012 for their work on the impacts of Welfare Reform changes to CYC residents.
37. Rent Arrears: Current tenant rent arrears as a % of annual rent due is not achieving its target of 1.28% - performance is 2.12% (to Aug 12) but has improved from the position last year, which is a significant achievement in the current economic climate. Housing are working with partners and providing outreach sessions to tackle arrears and improve debt advice.
38. The CAB have secured three year funding to run the “Family Fortunes – working to make Child Poverty History” project. The funding is targeting families in poverty to get them out of debt and into employment. Westfield is one area targeted for support and outreach sessions have taken place from Primary Schools to support families in rent arrears. The Tang Hall Advice Hub has also been launched between CYC, CAB, Future Prospects, Credit Union, and Housing Associations.
39. Crime: Performance across most areas of community safety in York shows very good improvement, with the total recorded crime incidents forecast to decrease by around 9.8% on last year. This represents a 58.3% decrease in crime in the city since 2003/04. Based on information available for Q2, all indicators within the serious acquisitive crime group are predicted to be lower in 2012/13 than in last year.
40. Libraries and Museums: The council is progressing well with plans to build a community-based mutual to run the libraries and archives service and options for the service to be run by a social enterprise are being developed for consideration. The number of visitors to libraries has decreased by 3% on the same period in 11/12. Lower numbers in July and August are thought to be due to the Olympics and September numbers are up again.
41. Visitor numbers for York Museums Trust are 12% down overall on the same period last year. However, last year’s numbers were higher than normal due to increased attendance levels during the very popular Hockney exhibition. All sites other than York Art Gallery show an increase in visitor numbers.

### **Protect the Environment**

42. There is a £10m total pot available to the authorities named for early Green Deal deployment pilots. Funding allocation is likely to be around £125K although yet to be confirmed - under the Leeds City Region Low Carbon Pioneer Programme, the council and the Yorkshire Energy Partnership (YEP), have been successful in a bid for money to pilot the installation of



interest free loans to pay for solid wall insulation in hard to treat areas of the city

43. An overarching low emission strategy has been developed and agreed, which will drive further reductions in emissions of local and global air pollutants, mainly by promoting and incentivising the use of low emission and alternatively-fuelled vehicles. This is essential to meet legal obligations in relation to health based national air quality objectives and delivery of carbon reduction targets.
44. The Yorkshire Energy Partnership continue to deliver energy efficiency and renewable energy advice to homeowners and landlords in the City including the area based scheme (373 loft and 195 cavity wall insulations) and the Wrapping up York scheme (707 loft and 403 cavity wall insulations). Advice has also been given to 4031 households.
45. A 'Low Carbon Investment Pipeline' has been created for York that will help set out York's potential for projects that now need further feasibility studies and to attract investment and / or funding to accelerate. This will also form part of a Leeds City Region (LCR) Low Carbon Investment Pipeline and link to the new LCR Investment Plan.
46. New figures for CO<sub>2</sub> show the impact of the bad winter in 2010 across York with a similar impact across the rest of the country. Domestic, Industry and Commercial CO<sub>2</sub> all went up in 2010 increasing overall CO<sub>2</sub> by 6% with Industry going up 9.1% and domestic up 8.5%. Estimates (based on DECC estimate of 8% reduction in energy consumption between 2010 and 2011) show a more positive picture for 2011, with emissions falling again.
47. Phase 2 of the Green Audits is ongoing, identifying suitable carbon management improvement projects. Recent audits have been undertaken in 10 schools. A full report and results with improvement projects will be available in November.
48. The implementation of the Public Realm Strategy is moving forward with Stakeholder consultation and workshop in October and public consultation due in November. The finalisation of Heritage Strategy to drive implementation for conservation and heritage education has slipped to March 2013 after initial planning stages being held in September with an agreed consultation strategy due the end of October. The results from the Big York Survey showed 81% of respondents thinking York is doing well with conserving York's heritage.
49. Waste services has seen significant improvements since 09/10 in terms of percentage of waste recycled (7.8% increase), residual household waste (8.8% reduction) and proportion of waste being landfilled (7.2%)

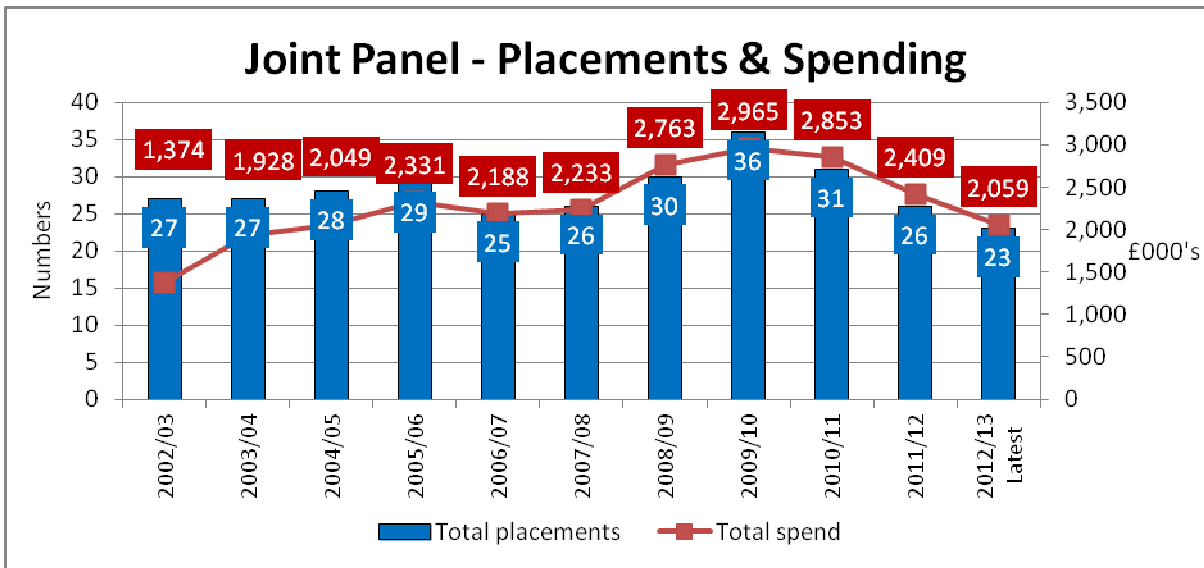
improvement), in line with national trends, and it becomes progressively harder to continue this rate of improvement - the latest forecast is for both of these to fall short of our ambitious targets for improvement. However, in national benchmarking for 10/11 (APSE) the service was in the top quartile for percentage of waste recycled, and second quartile for percentage of waste landfilled.

50. The latest forecast suggests that our targets for improvement in both areas continue to be challenging and, as at Monitor 1, the data from waste collections indicates that waste recycled, reused or composted will fall slightly below our target of 47.61% and the percentage of waste landfilled is forecast to be higher than its target of 51.56%.
51. In the last year the focus has been on rolling out recycling collections to a larger proportion of residents and this has had a positive effect on the recycling rate, but that focus has limited the possibilities for improving the service to those who already had recycling collections. York is currently trying to increase recycling via various different approaches such as a zero waste campaign, sustained levels of communication, specific advertising campaigns around the Christmas period for electrical goods, work to educate students about recycling, inclusion of the remaining properties without recycling collections and the trial of mixed plastic collection with Yorwaste in communal properties.
52. However, in the short term, the greater than expected levels of landfill also result in an increased financial pressure arising from the additional landfill tax incurred. There are also some service budget savings pressures in this area, which are covered from paragraph 98.

### **Protect Vulnerable People**

53. Services for vulnerable children in York continue to be strong as noted in the annual assessment for children's services and the review of Children's Safeguarding by OFSTED. York has the lowest level of children in workless households in the region - an illustration of our comparatively strong economy creating good conditions and prospects for young people.
54. Work has ensured that the number of approved fostering households has increased to its highest level and we continue to ensure that all children placed for adoption are being adopted. The numbers of looked after children has also reduced by 17 since Monitor 1, a positive achievement. As a result of focussed work in this area, there has also been an improvement in the stability of short terms placements, meaning children are moved less between placements.

55. There has also been strong strategic oversight by the multi-agency Joint Panel, to identify pressure driving out-of-city placements in individual cases and across types of need, and to find or create local alternatives, redirecting resources as appropriate. This has been very successful and we have our lowest ever numbers of children placed outside the local authority, currently at 23, having reduced steadily from a high of 36 in 2009/10. Ofsted commended the local agencies (Health, Education, Social Care and Youth Offending Services) on the managing and monitoring of the SEN out of authority placements.



56. Identification of families in need of support continues through a combination of our case tracking system and well established effective partnership working. Though early days, we are already seeing improvements in family functioning, particularly in relation to education attendance and engagement. The project is now working with 40 identified Troubled Families, of which 37 in total are eligible for Payment by Results.
57. Despite this good progress, there are still some financial pressures on children's services and these are covered in more detail from paragraph **Error! Reference source not found.82** onwards.
58. We are seeing improvements in our care services for adults as part of an ongoing transformation programme however this is set against a challenging picture in respect of increases in demand for services.
59. The pace and volume of hospital discharges continues to increase which puts a significant pressure on services. The September referral rate exceeded that of August, and for the year to date referrals are up over 8%. The measures taken to mitigate this trend have included increasing the capacity of the contracted out re-ablement service and work with health

colleagues for earlier notification to allow anticipatory planning to take place to ensure prompt discharge. However, the speed of discharge is improving – looking at all the discharges we supported following a formal Section 5 notification, we have achieved an average reduction in delay of 4.7 days.

60. Analysis of the allocation of Council budgets to Adult Social Care in 2012-13 shows that, in relation to our Comparator Authorities, York is one of the three authorities who spend 17% of the total budget. The range is between 17% and 24%. Of all 15 comparator authorities we have the lowest per head of population spend on adult social care at £206 per year.
61. We spend around 12% of our budget on care management and professional support. This is 2% higher than the Audit Commission's recent reports advised optimum level of 10% for care assessment and review processes, but it includes our mental health services, where much of the support is in the form of professional social work. We already employ unqualified staff to undertake elements of the care management function as recommended by the Audit Commission.
62. Improvement work on a number of areas continues to increase the timeliness of adult care packages and a growing number of people taking control of their own care through Self-Directed Support, plus waiting lists for assessments have been largely cleared. However there are also significant financial pressures on our adult social care budgets and these are covered in detail in paragraph 66 onwards.

### **Finance Monitor**

63. There is strong evidence that York is performing well in delivering its priorities but financial performance is challenging. Following the extensive £21m savings programme in the 2011-12 budget, the 2012-13 budget requires a further £10.75m of savings in order to reach a balanced position. The forecasts outlined in this report reflect a prudent view of how that challenge is currently being met.
64. During the period of the governments deficit reduction programme in particular, when large savings programmes are being implemented, Monitor 2 has always predicted a continued significant level of financial pressures which have been successfully addressed during the year resulting in a balanced end of year position.
65. The council's net General Fund budget for 2012-13 is just over £122m. An overview of the finance forecast, on a directorate by directorate basis, is outlined in Table 1 below.

Directorate	2012/13 Net Budget	Reworked 2011/12 Outturn	Monitor 1 position	Latest forecast	Movement
	£'000	£'000	£'000	£'000	£'000
Adults, Children & Education	70,335	+1,523	+3,671	+2,948	-723
City & Environmental Services	20,129	+140	+1,303	+673	-630
Communities & Neighbourhoods	15,243	+212	+963	+525	-438
Customer & Business Support Services	18,144	-367	-	-	-
Office of the Chief Executive	2,864	-90	-	-	-
<b>DIRECTORATE BUDGETS</b>	<b>126,716</b>	<b>+1,418</b>	<b>+5,937</b>	<b>+4,146</b>	<b>-1,791</b>
Central Budgets (including the	-4,481	-1,767	-	-1,633	-1,633
<b>GROSS BUDGET</b>	<b>122,235</b>	<b>-349</b>	<b>+5,937</b>	<b>+2,513</b>	<b>-3,424</b>

Note: Central Budgets includes the use of £599k contingency

Table 1: Finance Overview

66. The mid year forecasts indicate that the council faces financial pressures of £2,513k, a significant improvement of £3,424k compared to the £5,937k reported at Monitor 1.
67. This improvement is as a result of the mitigation strategies identified, and outlined under each Directorate heading, in the following sections. These proposals are not without risk as, clearly, the financial position of the health sector or severe weather over the winter months could increase pressure on a number of budgets. However, Council Management Team will continue to monitor the financial position alongside the delivery of mitigating savings with a view to containing the pressures within the overall approved budget for the council.
68. Evidence from other authorities shows that many councils are experiencing either the same or greater level of financial pressures at this point.

### **Directorate Financial Performance**

69. The following sections provide further information on the financial outturn of each directorate as outlined in Table 1 above.

#### **Adults, Children & Education**

70. The Adults, Children and Education directorate is reporting mid-year financial pressures of £2,948k, an improvement of £723k since Monitor 1. The pressures are split between Adult Social Services (£2,603k) and

Children's Services (£345k). There was growth of £2,000k included in the Adult and Children's Social Care budgets for 2012/13 but despite this it remains challenging to address the increase in demand for services.

### **Adult Social Care**

71. Pressure on Adult Social Care budgets is, of course, very much a national and a topical issue. In the last couple of months, one Council (Barnet) has attracted national publicity for publishing a graph that shows that within 20 years, its entire budget will be swallowed up by social care costs. The LGA has also conducted a more recent modelling exercise that predicts a 29% shortfall between revenue and spending pressures by the end of the decade.
72. A further piece of work by the LGA indicated that Adult Care costs for York could increase 33% by 2020 and that being the case, even with a 2% increase in council tax each year, Adult Care would still account for half the council's expenditure in the 2019/20 financial year.
73. The latest figures for demographic trends indicate that there has been an increase of over 30% in the number of over 85's between the 2001 and 2011 census data. Further projections indicate a further 9% increase in over 85's by 2015 and 21% by 2020 with a 35% increase in over 90's by 2020. This means not just an increase in the numbers of older people requiring care, but also more people having complex and more costly care needs for longer periods of time.
74. The strategy to address these trends and their incumbent pressures has been to develop early interventions that address needs early and prevent the escalation into more complex care needs and more expensive care packages. This means that whilst the numbers of people supported by social care packages are not increasing, they have more complex needs so the costs of those packages are increasing. Local health provision is under strain and increasingly social care is being asked to support people who would previously have received health care support. With developments in medical science young people with complex needs are living for longer and moving from children's services to adult services, where they can need intensive support to keep them safe and able to live a full life. 35 young people have moved from children's to adult services in the last 2 years, which is a trend we would not have seen even 5 years ago.
75. There is also a shared ambition across local government and health agencies to see health care delivered closer to home. This is underlined in York by the need to work as a community to address the budget deficit within the local health care system. The North Yorkshire and York Review

highlighted the need for more joined up working and the need to reduce hospital admissions and lengths of stay. This approach does mean that more people will require social care support and this is currently an area of major concern as early discharge from hospital leads to people with complex care needs requiring very expensive care within their community.

76. The council has seen increasing numbers referred from the hospital for discharge support over the last two years:
  - Average of 125 a month in 2010-11
  - Average of 135 a month 2011-12 and this trend is continuing
77. People are leaving hospital on average 7 days earlier this year. This means that they require more social care for longer. This is a positive indicator for delivery of the care closer to home strategy, but progress in one part of the system brings pressures in other parts. Top level discussions are taking place with the GP commissioners and the Hospital Trust to consider this problem and seek mitigations.
78. Homecare – The Homecare service has been substantially redesigned and has been successful in signposting customers with low level needs to other forms of provision. This has meant that the number of customers has remained stable despite the growth in the number of potential customers, but it does also mean that the customers receiving the service have more complex needs. This is one reason why, despite unit costs going down following the outsourcing of the service weekly, spend on our home care contracts has increased from £54k a week in July 2011 to £80k a week in July 2012. This results in a forecast financial pressure of some £2,531k.
79. Residential and Nursing Care - The number of admissions to care homes has remained fairly stable, but as predicted the demographic pressures and the increasing ability to support people at home for longer means people are needing more intensive support as they enter care homes. This is leading to higher costs in nursing homes and, for some residents, additional 1:1 support to keep them safe. In addition, unbudgeted fee increases of 1% have been approved in April and October. All these factors have resulted in a forecast financial pressure of £492k.
80. Demographic pressures are also evident in Adult Transport with a forecast overspend of £298k,
81. Vacancies in small day services (£220k) help offset the overall forecast Adult Services overspend.

## Children Services

82. The strategy in York has been to invest in preventative services and to support greater early intervention in the belief that this will lead to a reduction in the overall population of young people in care over time. There are some encouraging signs that that this approach is succeeding, with the intake having reduced since it's 2007-9 peak with approximately 20% fewer over 2009-11 than over 2007-9 and some 25% fewer admissions in April-July 2012 than in same four months of 2011.
83. New services have been introduced which are impacting upon the increased number of cases being seen associated with drug and alcohol misuse and domestic violence and our greater targeting of support and the expansion of services such as intensive family support teams specifically aimed at those on the edge of care, give ground for further optimism. We also know that the new front door arrangements are supporting early interventions, coordinated across multiple agencies.
84. However, the financial pressure on the budget for children's services has continued into 2012/13, despite the additional resources of £500k provided in this year's budget. The current pressure reflects various costs associated with the increase in the total number of looked after children which had risen to 261 by the end of the first quarter.
85. Most notably, local foster placements have increased from 174 to 180 (£195k) and Independent Fostering Agency placements have increased from 13 to 16 (£162k). This has had a corresponding impact on support budgets, including staffing (£385k), leaving care costs (£72k), legal fees (£50k) and adoption agency fees (£85k).
86. The Council does continue to benefit from our ability to retain the significant majority of placements in local high quality family settings – compared to authorities with 30% of placements with (more expensive) Independent Fostering Agencies, York continues to have less than 10% in such placements.
87. Overall, our target of safely reducing the care population by the end of 2013/14 is ambitious but appears to be deliverable given the performance in relation to early intervention and managing those on the edge of care.
88. A higher than expected LACSEG Academy refund (£397k) helps offset the forecast overspend.



## **Adults, Children and Education Mitigation Options**

89. All areas of the directorate have been reviewed and work is ongoing within the Directorate Management Team to progress on a range of mitigation proposals, although this is not without some potential impact on customers and services.
90. Vacancy freeze measures are being strictly enforced across the directorate, including relief staff and short term cover. Other expenditure will only be incurred to meet statutory obligations, or where the well being of a vulnerable adult or child could be compromised.
91. Contracts for care provision are being reviewed and opportunities taken to reduce the level of contracted spend where possible, and demand allows.
92. Options for utilising reserves and grants will be taken where a consequent general fund revenue saving can be generated.
93. Charges for services are being reviewed to consider the options for increased income generation.
94. Vacant beds within our Elderly Persons Homes will be used whenever possible for planned respite care.
95. All options to delay the start of planned investment in new or revised services will be considered.
96. Decision making processes for care packages and support are being reviewed to ensure high cost arrangements are thoroughly scrutinised. All high cost packages have to be authorised by a Spend Panel, including The Assistant Director, Group Managers and Commissioning & Contracts Manager to ensure the needs are evidenced and eligible and that the costs are in line with market rates.
97. Discussions with partner agencies, including health, will continue to ensure that costs are effectively managed and controlled across whole systems.

## **City & Environmental Services**

98. The City & Environmental Services directorate is reporting financial pressures of £673k, an improvement of £630k since Monitor 1.
99. A number of pressures exist across the Highways, Waste & Fleet service. Savings proposals are being developed to deliver these but in the meantime there is a shortfall in Commercial Waste income (£454k). Savings identified for 2012/13 around changes to terms and conditions, increases in

productivity, waste round rationalisation, Household Waste Recycling Centre policy and garden waste collections are yet to be delivered (£380k), as well as unachieved savings from previous years related to Agency Staff, Area Based Working, Internal Trading and Procurement (£220k).

100. Work is ongoing to deliver these savings within Highways, Waste and Fleet as the service is modernised however it is acknowledged that they will not be fully delivered until later financial years and in the meantime compensatory savings will need to be identified across the directorate.
101. Elsewhere in the Directorate there is a shortfall in Building Control and Land Charges income (£290k), however this is being offset by holding vacancies in the service area (£147k). There is also a £167k shortfall in parking income which has been impacted by recent bad weather, the continued effects of the economic downturn and the temporary closure of the Haymarket car park whilst archaeological works were undertaken. This has been offset by savings on the cost of Concessionary Fares passes and Taxicard usage (£145k).
102. Since the first budget monitor there has been a review of all budgets which has resulted in a reduction in the overspend totalling £380k since Monitor 1. The savings actioned include a hold on the purchase of any further replacement household wheeled bins and containers (£90k) (running down current stock levels), a further reduction in Highways budgets (£50k), a review of work that can be progressed on the Quality Bus Contract £100k, further holding of vacant posts (£50k) and a hold on training and supplies and services expenditure (£50k).
103. The Council is supporting the ongoing Minster Piazza project with funding of £500k. This is funded by a capital budget agreed at 2012/13 budget council (£250k) and an earmarked revenue reserve £250k agreed by Members in September 2007. The work on the project is capital and it is proposed that the council makes a £250k contribution to the project from the Local Transport Plan in 2012/13 rather than the revenue reserve. This will lead to a reduction in funding available for Local Transport Schemes however will provide mitigation towards the Directorate overspend.

### **Communities & Neighbourhoods**

104. The Communities & Neighbourhoods directorate is forecasting financial pressures of £525k, an improvement of £438k from the Monitor 1 report. The majority of the pressures are attributable to unachieved savings from 2011-12. A number of these savings whilst undelivered in 2011/12 will be delivered during 2012/13 as a result of ongoing work.

105. Since the first budget monitor there has been a review of all budgets across the Directorate. Savings have arisen from a combination of strict vacancy controls, cutting back on expenditure on training courses, repairs and maintenance, equipment and transport expenditure. It has also been necessary to cease the use of relief staff at Libraries. It is also proposed that the February version of Shine is only available electronically. Further work is still being undertaken with the aim of bringing the outturn into line with budget and these will be reported to Members at later monitoring reports.

106. Elsewhere in the directorate, no further significant pressures are being anticipated at this time.

### **Customer & Business Support Services**

107. The Customer & Business Support Services directorate is currently projecting that it will outturn on budget. The directorate will continue to try and identify other underspends which could assist in mitigating the council wide position.

### **Office of the Chief Executive**

108. The Office of the Chief Executive directorate is currently forecasting that it will contain expenditure within budget. As with CBSS, the directorate will continue to try and identify other under spends which could assist in mitigating the council wide position.

### **Corporate Budgets**

109. These budgets include Treasury Management activity and other corporately held funds and an underspend of £1.6m is forecast.

110. At present, it is anticipated that there will be a £250k underspend due to reduced interest paid on borrowing and increased interest earned due to higher than anticipated cash balances and the volatility in financial markets which has allowed for the Council to take advantage of favourable interest rates. Pension strain costs to date have been lower than anticipated in the financial year resulting in an in year underspend of £100k. There is a saving of £84k on organisation review due to the reduction of 2 Assistant Director posts being achieved earlier than budgeted. Yorwaste have been successful in receiving a refund of some Landfill Tax paid over a number of years, and the council's share of this is £600k.

111. The forecast underspend also assumes that the current contingency of £599k will be fully set aside to meet in year expenditure pressures. This

will not be allocated to a particular service at present, but will continue to be held centrally to offset the overall council position.

### **Dedicated Schools Grant**

112. In the DSG area there is a projected underspend of £151k against a budget of £107,405k, primarily due to lower than expected costs related to SEN Out of City Placements. Due to the nature of the DSG, any underspend must be carried forward and added to the following year's funding with overspends either being funded from the general fund or reducing the following year's funding allocation.

### **Housing Revenue Account (HRA)**

113. The current working balance on the HRA is £9,885k and the estimated variance against this is an underspend of £195k, which is due to number of variations across the service, including a number of staff vacancies and increased income from Registered Social Landlords.

114. Following the HRA Self Financing Review, in March 2012 Cabinet agreed a 5 year financial plan. Work is ongoing to develop the full HRA Business Plan which will set out details of priorities for the future, including opportunities for using a HRA development fund to support delivery of new council housing.

115. Options that are being considered as part of the Get York Building programme range from commissioning and building new council homes, to utilisation of the HRA to establish joint ventures / Special Purpose Vehicles to work in partnership with private developers to bring forward development of new affordable homes.

### **Financial Controls**

116. The Audit Commission reviews the council's arrangements for securing economy, efficiency and effectiveness on an annual basis. The most recent states that "The Council has generally low service costs per head of population, low management and back office costs and low Council Tax levels, when compared to others. Performance reports, scrutiny reviews and other reports to members contain comparative information so there is generally a sound awareness of how costs and quality of service compare with others".

117. Whilst continued determination to control costs from teams across the council should see an improved position as the financial year progresses, further mitigation will need to be identified to contain the expenditure within

the approved budget by the end of the financial year. As strategies are identified the reported forecast will be amended in line with the council's stringent financial monitoring, a course of action that has been successful in previous years.

118. Strict expenditure controls are now being put in place across the council, with only very exceptional expenditure being allowed. This includes any spend on filling vacant posts, use of relief staff, training, travel, repairs and maintenance or general supplies and services, unless required for health and safety reasons or to protect vulnerable adults and children. Expenditure will be monitored closely to ensure compliance across all departments.
119. The council's management team will continue to monitor the financial position of the council on a monthly basis and will bring back a final in year detailed report at Monitor 3 on 12 February 2013.
120. Should the financial pressures not reduce sufficiently, or proposed mitigation strategies not deliver the improvement required, escalation of the issues will be raised by Director of Customer & Business Support Services to Members outside of the standard reporting schedule.

### **Reserves**

121. The February 2012 Budget Report to Council stated that the minimum level for the General Fund reserve should be £6.1m (or 5% of the net budget). As part of that report, it was also agreed that £250k was added to the reserve to provide an appropriate and prudent level of headroom.
122. Members have to be mindful that any overspend would have to be funded from this reserve reinforcing the need to contain expenditure within budget. Should this happen the Director of Customer & Business Support Services would have no option but to recommend to Council that the reserve is reinstated to at least its minimum required level which would have implications on future budget setting cycles.

### **Analysis**

123. The analysis of the financial position of the council is included in the body of the report.

### **Consultation**

124. There has been extensive consultation with Trade Union groups on the ongoing implications of the council's financial situation.

## **Council Plan**

125. The information and issues included in this report demonstrate progress on achieving the priorities set out in the Council Plan.

## **Implications**

126. The implications are:

- Financial - dealt with in the body of the report.
- Human Resources - there are no specific human resource implications to this report.
- Equalities – equalities impact assessments have been undertaken for all savings proposals and are accounted for at all stages of the financial planning and reporting process.
- Legal - there are no legal implications to this report.
- Crime and Disorder - there are no specific crime and disorder implications to this report.
- Information Technology - there are no information technology implications to this report.
- Property - there are no property implications to this report.

## **Risk Management**

127. The risk management processes embedded across the council continue to contribute to managing the risk issues associated with major projects and key areas of service delivery.

## **Recommendations**

128. Members are asked to:

- a. Note the current projected pressures of £2,513k
- b. Approve the strategies in place to mitigate the forecast as outlined in the body of the report
- c. Approve the earmarking of the total contingency balance of £599k against the spending pressures, subject to further review at final outturn

Reason: In order to ensure expenditure is kept within budget.

<b>Authors:</b>	<b>Cabinet Member &amp; Chief Officer Responsible for the report:</b>		
Debbie Mitchell Corporate Finance Manager Ext 4161	Councillor Julie Gunnell Cabinet Member for Corporate Services		
Andrew Crookham Principal Accountant Ext 2912	Ian Floyd Director for Customer & Business Support Services		
Ian Graham Head of Performance and Innovation Ext 3406	<b>Report Approved</b>	√	<b>Date</b> 24 October 2012
Tracey Carter Assistant Director – Finance Asset Management and Procurement			
<b>Wards Affected: All</b>			
<b><i>For further information please contact the authors of the report</i></b>			

Annexes - None

This page is intentionally left blank





---

**Cabinet**

**6 November 2012**

**Report of the Cabinet Member for Corporate Services**

**CAPITAL PROGRAMME – MONITOR TWO 2012/13**

**Report Summary**

1. The purpose of this report is to:

- Inform Members of the likely outturn position of 2012/13 Capital Programme based on the spend profile and information to October 2012;
- Inform the Cabinet of any under or overspends
- Seek approval for changes to the programme
- Inform the Cabinet of any slippage and seek approval for the associated funding to be slipped to or from the relevant financial years to reflect this.

2. The 2012/13 – 2016/17 capital programme was approved by Council on 14th February 2012. Since then amendments have taken place as reported to Cabinet in the 2011/12 Capital Programme Outturn report on 17 July 2012 and the Capital Programme Monitor 1 report on 4 September 2012. The changes made as result of the above papers have resulted in a current approved capital programme for 2012/13 of £65.103m, financed by £28.987m of external funding, and internal funding of £36.116m. Table 1 illustrates the movements from the start budget to the current approved position at Monitor 2.

	<b>Gross Budget £m</b>	<b>External Funding £m</b>	<b>Internal Funding £m</b>
Original Budget Approved by Council at 14 Feb 2012	<b>76.112</b>	<b>36.572</b>	<b>39.540</b>
Amendments from 2011/12 Outturn report	(9.045)	(8.291)	(0.754)
Amendments from 2012/13 Monitor 1 report	(1.964)	0.706	(2.670)
<b>Current Approved Capital Programme</b>	<b>65.103</b>	<b>28.987</b>	<b>36.116</b>

**Table 1 Current Approved Capital Programme**

### **Consultation**

3. The capital programme was developed under the Capital Resource Allocation Model (CRAM) framework and agreed by Council on 14 February 2012. Whilst the capital programme as a whole is not consulted on, the individual scheme proposals and associated capital receipt sales do follow a consultation process with local Councillors and residents in the locality of the individual schemes.

### **Summary of Key Issues**

4. An increase of £3.930m is detailed in this monitor that results in a revised capital programme budget from £65.103m to £69.033m.
5. The increase of £3.930m is made up of:
- New schemes increasing budgeted expenditure by £3.377m. This is comprised in the main of new prudential borrowing schemes of £4.085m all funded from within existing revenue budgets and the removal of the funding in relation to two partner led schemes totalling £810k that CYC are not the lead delivery body for (the details of all amendments are contained in the paragraphs and recommendations below).
  - Net re-profiling of £0.553m of schemes from the current year to future years.
6. Table 2 outlines the variances reported against each portfolio area. It should be noted that the portfolios have been aligned with the new Council Structure from 1<sup>st</sup> April 2012.

Directorate	Department	Current Approved Budget £m	Revised Capital Budget £m	Variance £m
ACE	Children's, Education and Skills	10.014	10.262	0.248
ACE	Adult Social Services	1.307	1.307	0.000
CES	Strategic Planning & Transport	9.012	9.107	0.095
CES	Community Stadium	2.864	2.864	0.000
CES	Economic Development	0.058	0.058	0.000
CANS	Housing & Comm Safety	11.814	11.814	0.000
CANS	Culture, Leisure & Public Realm	4.238	2.148	(2.090)
CES	Highways, Fleet & Waste	4.342	7.476	3.134
CBSS	Asset Management	4.223	4.841	0.618
CBSS	Admin Accom	14.030	14.030	0.000
CBSS	IT Development Plan	1.438	1.612	0.174
CBSS	Contingency	0.330	0.214	(0.116)
CBSS	Economic Infrastructure Fund	1.433	3.300	1.867
	<b>Total</b>	<b>65.103</b>	<b>69.033</b>	<b>3.930</b>

**Table 2 Capital Programme Forecast Outturn 2012/13**

7. To the mid point in October there was £21.052m of capital spend representing 31% of the revised Monitor 2 budget.

### **Analysis**

8. A summary of the key exceptions and implications on the capital programme are highlighted below.

## **ACE - Children's, Education and Skills Services**

### **Adjustments**

9. A new scheme totalling £248k for the provision of a dedicated Looked after Children Contact Centre at 6 Nursery Drive is proposed for the ACE capital programme. The refurbishment will allow looked after children a dedicated space to have contact with their parents in one purpose-built location rather than at ten different locations across York. The centre also serves the purpose of consolidating meeting space. The new contact team will be up and running during September/October 2012 and this investment will enable a revenue budget saving to be delivered. It is projected that the move to Nursery Drive would be completed by April 2013. This scheme will be funded by £58k of DfE Children's Social Care Grant and £190k departmental prudential borrowing with the associated revenue costs being covered by the service area.
10. There are no other expected variances to report from budget. Current forecasts show that schemes will continue to incur expenditure as previously profiled.

## **ACE – Adult Social Services**

11. At monitor 2 there are no adjustments or re-profiling to the budget originally set in adult social services for 2012/13. All projects remain on projection to spend in year as profiled in Annex A

## **CES – Strategic Planning and Transport & Economic Development**

### **Adjustments**

12. A new scheme line is proposed to be added to the Planning and Transport capital programme for £95k in relation to the migration of the existing CCTV cameras from analogue to the Dark Fibre digital network as part of the move to West Offices. As part of moving the CCTV control room from St Leonard's Place to West Offices, there is an opportunity to link all the 70 CCTV cameras onto the digital fibre network in order to have a fully digital system. If the Council chose not to pursue this opportunity at this stage then it will have to meet this investment in the near future as BT continue to reduce support

for analogue systems. In addition, there are benefits of increased functionality, opportunities for buying cheaper cameras, viewing CCTV images in multiple locations, and it will open up the future integration of the traffic signal. It is recommended that £85k of capital contingency be used to fund this scheme and that £10k of S106 funding be used. The £95k investment set out as part of this report is an enhancement over and above the current provision contained within the Administrative Accommodation project that contains £130k for provision of the CCTV system being networked via analogue. This additional funding allows the CCTV network to be provided from a digital network.

13. There are no other expected variances to report from budget. Current forecasts show that schemes will continue to incur expenditure as previously profiled.

### **CES – Community Stadium**

14. The Community Stadium projects remain on projection to spend in year as profiled in Annex A. A separate report on this Cabinet Agenda will provide an update on the overall scheme progression.

### **CES – Highways, Fleet & Waste**

#### **Adjustments**

15. A new scheme line is proposed to be added to the Highways Waste and Fleet capital programme for £31k in relation to the City's flood pump resilience. The purchase of new pumping equipment will enhance pumping resilience at times of flood. During the recent floods hire pumps had to be used which were not always entirely suitable for the demands placed upon them. The four new pumps will ensure there is sufficient resilience to cope with the majority of river floods, and some back up and confidence to allow for pump failures and maintenance. It is recommended that £31k of capital contingency be made available to fund this scheme.
16. As part of the continuous review of asset financing for the Councils fleet, work has been undertaken to assess alternative means of financing. The Council has in the main always financed its vehicles using operating leases (a charge on revenue and not capital) and for certain assets this option is still the most financially advantageous. For assets such as refuse collection vehicles and kerbside recyclers it

is proposed that the Council shift from leasing to prudential borrowing with the associated finance costs funded by existing revenue budgets. The shift to prudential borrowing will allow the Councils Fleet services more flexibility in asset use when compared to the leasing terms on which vehicles have been previously financed. Owning the vehicles outright and utilising the asset over a life of 7 years as opposed to years 4 (under current leases) through a combination of more proactive maintenance and route planning will allow the costs of funding the vehicles to be spread over a longer period of time thus reducing the in year revenue payments on servicing the finance. An asset life of 7 years is reasonable given the quality of the vehicles being purchased and the workshop facilities and services the Council possess. The spreading of costs will help to alleviate revenue budget pressures in this service area and over the medium term. In addition it is proposed that the existing Waste Infrastructure Capital Grant (WICG) funding shown in the capital programme at a value of £110k be used to purchase new vehicles outright in 12/13. The new capital programme scheme would add £3.103m to the Capital Programme that when taken with the WICG of £110k will result in a new scheme of £3.213m in 12/13. All the associated costs of borrowing under this proposal will be met from existing departmental revenue budgets.

17. The Highway Resurfacing & Reconstruction (Structural Maintenance element) scheme will increase by £200k by bringing forward budget from 13/14 to 12/13 to maximise the productivity of the highway gangs within Civil Engineering. A number of the capital schemes which were initially programmed for the second half of the year relating to Better Bus Fund and Access York have slipped into 2013/14 resulting in a shortfall of productive work for the gangs. This will be offset in 2013/14 when the transport schemes are ready for construction

### **CANS – Housing & Community Safety**

18. There are no variations to report and the Housing and Community Safety schemes are currently forecast to outturn at £11.814m.

## **CANS – Culture, Leisure and Public Realm**

### **Re-profiling / Adjustments**

19. The York Explore Phase 2 (Gateway to History) scheme is requesting £1.314m of funding be re-profiled into 13/14 from 12/13 as the outcome of the second phase of the project will not be known in this financial year. The decision as to if external funding is received will determine if the project proceeds, and therefore no further spend will occur in this financial year.
20. The Parks and Open Spaces Development scheme is set to increase to £34k funded entirely by S106. The investment will deliver the development and maintenance of existing green open spaces at locations throughout the city.
21. A number of schemes funded in part by CYC and in part by external funding/partners were added through the 12/13 budget process. As part of the budget process the gross cost of the schemes were shown in the Councils capital programme as follows:
- York Sports Village – Closed Cycle Circuit Provision. Total scheme cost £810k. CYC funding £200k, York University funding £610k. Lead body for delivering the project – YSV.
  - City Art Gallery Refurbishment and Extension. Total scheme cost £6.0m. CYC funding £500k, York Museums Trust (Arts Council Funding) £5.5m. Lead body for delivering the project – YMT.
  - York Theatre Royal Refurbishment. Total scheme cost £1.95m. CYC funding £250k, £1.7m York Theatre Royal (Arts Council England + Other Contributions). Lead body for delivering the project YTR.
22. In all the instances above it is proposed that the external capital funding be removed from the Councils capital programme in line with the lead body for the delivery of each project being established and accounting for the projects through their own finance system, the CYC contribution to the scheme will remain and continue to be shown in the Councils capital programme. The schemes overall investment remains at the same level and it is not proposed the Councils contribution change from those levels currently approved.

## **CBSS - Administrative Accommodation**

### **Adjustments / Re-profiling**

23. The projected expenditure for the administrative accommodation project has not changed at Monitor 2. The overall project budget remains at £43.8m approved at Executive June 2008. Work continues to progress on West Offices and employees across the Council are expected to transfer to the new building by the end of March 2013.

## **CBSS – Asset management**

### **Adjustments**

24. A number of minor adjustments are made as part of this report allocating funding from Property Compliance scheme (£80k) to Fire Safety Regulations - Adaptations (£40k) and Removal of Asbestos (£40k). All of the amendments under the asset management area are made within the existing approved capital budget provision.

25. A new scheme is added reflecting the decision taken on the Administrative Accommodation / Hazel Court Cabinet report on 9 October 2012. Accordingly a new scheme for £618k is added under the header Hazel Court – Office of the Future Improvements. This scheme will be financed using departmental prudential borrowing with the associated revenue costs to be funded from the £235k saving from moving out of the Guildhall, St Anthony's and 50 York Road.

## **CBSS – IT Development Plan / Contingency / Economic Infrastructure Fund (EIF)**

### **IT Development Plan – Adjustments**

26. There is a request to increase the IT Development Plan capital budget by £100k relating to smarter working and by £74k for Print Unit photocopiers that will both be funded from savings and existing lease budget within ICT service. The Print Unit equipment has historically been leased and it is now proposed to finance these short term assets through use of prudential borrowing. The new equipment is replacing aged and inefficient devices which are required as part of preparations for developing the business capabilities of the unit to reduce print work being undertaken outside of the authority. It is anticipated that the equipment will enable an increase in the amount



of printing completed “in-house” therefore reducing external printing costs. In addition it will provide greater opportunities to provide services to partners in the new HQ and provide enhancements to exploit potential opportunities through the trading vehicle.

### **Contingency - Adjustments**

27. The Capital contingency exists to deal with in year unforeseen demands on the capital programme of £69m and to allow flexibility to respond to non major requests for new funding. Before consideration of the 2 schemes set out below the 12/13 capital contingency fund stood at £330k.

28. It is recommended that £31k of funding from the contingency be made available to C&ES to purchase new pumping equipment to enhance pumping resilience at times of flood as set out in paragraph 15. It should be noted that the Council expect to receive a rebate in relation to the Water End/Leeman Road scheme and any such funding will be used to top up the contingency fund up to the value of £31k.

29. It is recommended that £85k of funding from the contingency be made available to contribute towards the costs of migrating the existing CCTV cameras from analogue to the Dark Fibre digital network as part of the move to West Offices as set out in paragraph 12.

### **Economic Infrastructure Fund – Re-profiling**

30. The Economic Infrastructure Fund remains at the £28.5m as approved at Budget Council in February 2012. The changes shown on Annex A as part of this report are internal fund movements (between EIF sub schemes) to reflect the latest known spend profiles on the major schemes of Access York Phase 1, the Better Bus Fund and Reinvigorate York as approved through the EIF reports to Cabinet. Annex B shows the current position in relation to the EIF excluding the report in relation to Newgate Market on this Cabinet Agenda

## Summary

31. As a result of the changes highlighted above the revised 5 year capital programme is summarised in Table 3.

<b>Gross Capital Programme</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>Total</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Current Programme</b>	<b>65.103</b>	<b>51.212</b>	<b>34.725</b>	<b>19.792</b>	<b>19.461</b>	<b>190.293</b>
<b><u>Adjustments :</u></b>						
ACE - Children's Education & Skills	0.248					0.248
ACE – Adult Services						0.000
CANS –Culture, Leisure & Public Realm	(2.090)	(2.936)	(2.750)			(7.776)
CANS – Housing & Community Safety						0.000
CES – Highways, Fleet & Waste	3.134					3.134
CES – Strategic Planning & Transport	0.095					0.095
CES - Community Stadium						0.000
CES - (Economic Development)						0.000
CBSS – Asset Management	0.618					0.618
CBSS - IT Development Plan	0.174					0.174
CBSS – Administration Accommodation						0.000
Miscellaneous (Contingency)	(0.116)					(0.116)

Economic Infrastructure Fund	1.867	(1.520)	(0.347)			0.000
<b>Revised Programme</b>	<b>69.033</b>	<b>46.756</b>	<b>31.628</b>	<b>19.792</b>	<b>19.461</b>	<b>186.670</b>

**Table 3 Revised 5 Year Capital Programme**

### **Funding the 2012/13 – 2016/17 Capital Programme**

32. The revised 2012/13 capital programme of £69.033m is currently being funded from £27.438m external funding and £41.595m of internal funding. The internal controlled funding is comprised of revenue contributions, revenue reserves, prudential borrowing, right to buy housing capital receipts and general capital receipts.

33. Table 4 shows the projected call on Council resources going forward.

	2012/13	2013/14	2014/15	2015/16	2016/17	Total
	£m	£m	£m	£m	£m	£m
<b>Gross Capital Programme</b>	<b>69.033</b>	<b>46.756</b>	<b>31.628</b>	<b>19.792</b>	<b>19.461</b>	<b>186.670</b>
Funded by:						
External Funding	27.438	30.021	20.019	10.140	11.719	<b>99.337</b>
Council Controlled Resources	41.595	16.735	11.609	9.652	7.742	<b>87.333</b>
<b>Total Funding</b>	<b>69.033</b>	<b>46.756</b>	<b>31.628</b>	<b>19.792</b>	<b>19.461</b>	<b>186.670</b>

**Table 4 – 2012/13 –2016/17 Capital Programme Financing**

34. The Council controlled figure is comprised of a number of resources that the Council has ultimate control over how it chooses to apply them, these include Right to Buy receipts, Revenue Contributions, Supported (government awarded) Borrowing, Prudential (Council funded) Borrowing, Reserves (including Venture Fund) and Capital Receipts.

35. It should be recognised that capital receipts which form part of the Council Controlled Resources should be considered at risk of not being realised within set time frames and are estimated values until the receipt is received. The capital programme is predicated on a small number of large capital receipts, which if not achieved would cause significant funding pressures for the programme. The Director

of Customer and Business Support closely monitors the overall funding position to ensure that over the full duration of the capital programme it remains balanced, any issues with regard to financing will be reported as part of the standard reporting cycle to the Cabinet.

### **Corporate Priorities**

36. The capital programme is decided through a formal process, using a Capital Resource Allocation Model (CRAM). CRAM is a tool used for allocating the Council's scarce capital resources to schemes that contribute toward the achievement of the corporate strategy.

### **Implications**

#### **Financial Implications**

37. The financial implications are considered in the main body of the report.

#### **Human Resources Implications**

38. There are no HR implications as a result of this report

#### **Equalities Implications**

39. There are no equalities implications as a result of this report

#### **Legal Implications**

40. There are no legal implications as a result of this report

#### **Crime and Disorder**

41. There are no crime and disorder implications as a result of this report.

#### **Information Technology**

42. There information technology implications as a result of this report are contained in the main body of the report.

#### **Property**

43. The property implications of this paper are included in the main body of the report.

## Risk Management

44. The capital programme is regularly monitored as part of the corporate monitoring process. In addition the Capital Asset Board meets monthly to plan, monitor and review major capital schemes and considers all the associated impacts of the scheme.

## Recommendations

45. The Cabinet is requested to:

- Recommend to Full Council the adjustments in the Capital programme of an overall increase of £3.930m in 2012/13 and re-profiling from 2012/13 to 2013/14 and 2014/15 of £553k as detailed in the report and contained in Annex A including the following new schemes:
  - £248k for the provision of a Looked after Children's Contact Centre funded by £190k departmental borrowing with the associated costs being funded by the savings realised from this service area as a result of delivering this scheme and £58k funded from DfE Children's Social Care Capital Grant.
  - £2.213m for the outright purchase of Fleet Vehicles previously leased to be funded by prudential borrowing with the associated revenue costs being met from existing departmental revenue budgets.
  - £34k Parks and Open Spaces schemes all funded from S106.
  - £10k S106 CCTV Digital Infrastructure
- Note the 2012/13 revised budget of £69.033 as set out in paragraph 6 and Table 2.
- Note the restated capital programme for 2012/13 – 2016/17 as set out in paragraph 30, Table 3 and detailed in Annex A.
- Note the re-profiling and adjustments of the Economic Infrastructure fund to align to spend and approval as set out in the Economic Infrastructure reports to Cabinet noting the overall fund remaining at £28.5m.
- Note the inclusion of the £618k for works at Hazel Court for the Office of the Future funded by prudential borrowing with the associated costs being met from annual revenue savings of

£235k from moving out of the Guildhall, St Anthony's and 50 York Road as approved by Council on the 11 October 2012.

- Approve the use of capital contingency:
  - £31k for Flood Pump Resilience (paragraph 12)
  - £85k for CCTV Digital Infrastructure (paragraph 15)

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

#### Contact Details

<b>Authors:</b>	<b>Cabinet Member &amp; Chief Officer Responsible for the report:</b>		
Ross Brown Principal Accountant Ext 1207	Councillor Julie Gunnell Cabinet Member for Corporate Services		
Louise Branford-White Technical Finance Manager Ext 1187	Ian Floyd Director for Customer & Business Support Services		
	Tracey Carter Assistant Director for Customer & Business Support Services (Finance)		
	<b>Report Approved</b>	√	<b>Date</b> 17/10/12
<b>Wards Affected:</b> All			
<i>For further information please contact the authors of the report</i>			

#### Background Papers:

Budget Control 1213 Monitor 2  
Departmental Capital Pro-forma

#### Annexes

Annex A –Capital Programme 2012/13 to 2016/17  
Annex B – EIF Overall Programme

	2012/13	2012/13	2012/13	2012/13	2012/13	2013/14	2012/13	2012/13	2014/15	2012/13	2012/13
	Mon 2	Mon 2	Revised	Mon 2	Mon 2	Revised	Mon 2	Mon 2	Revised	Mon 2	Mon 2
	Adj	Reprofile	Budget	Adj	Reprofile	Budget	Adj	Reprofile	Budget	Adj	Reprofile
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>ACE - Children's, Education and Skills</b>											
<b>NDS Devolved Capital</b>			476			475			475		
- External Funding	0	0	476	0	0	475	0	0	475	0	0
- Internal Funding	0	0	0	0	0	0	0	0	0	0	0
<b>Targeted Capital Fund 14-19 Diploma</b>			949			0			0		
- External Funding	0	0	949	0	0	0	0	0	0	0	0
- Internal Funding	0	0	0	0	0	0	0	0	0	0	0
<b>DfE Maintenance</b>			3,508			2,333			2,553		
- External Funding	0	0	3,508	0	0	2,333	0	0	2,553	0	0
- Internal Funding	0	0	0	0	0	0	0	0	0	0	0
<b>Schools Access Initiative</b>			2			0			0		
- External Funding	0	0	0	0	0	0	0	0	0	0	0
- Internal Funding	0	0	2	0	0	0	0	0	0	0	0
<b>Primary School Strategic Programme</b>			185			0			0		
- External Funding	0	0	185	0	0	0	0	0	0	0	0
- Internal Funding	0	0	0	0	0	0	0	0	0	0	0
<b>Joseph Rowntree One School Pathfinder</b>			218			0			0		
- External Funding	0	0	218	0	0	0	0	0	0	0	0
- Internal Funding	0	0	0	0	0	0	0	0	0	0	0
<b>Applefields School - Co Location</b>			53			0			0		
- External Funding	0	0	53	0	0	0	0	0	0	0	0
- Internal Funding	0	0	0	0	0	0	0	0	0	0	0
<b>Basic Need</b>			2,410			2,334			2,334		
- External Funding	0	0	2,410	0	0	2,334	0	0	2,334	0	0
- Internal Funding	0	0	0	0	0	0	0	0	0	0	0
<b>MUGA at Burnholme School</b>			50			0			0		
- External Funding	0	0	50	0	0	0	0	0	0	0	0
- Internal Funding	0	0	0	0	0	0	0	0	0	0	0
<b>Looked After Childrens Contact Centre</b>	248		248			0			0		
- External Funding	58	0	58	0	0	0	0	0	0	0	0
- Internal Funding	190	0	190	0	0	0	0	0	0	0	0
<b>Kavemire Expansion</b>			2,163			0			0		
- External Funding	0	0	2,163	0	0	0	0	0	0	0	0
- Internal Funding	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL GROSS EXPENDITURE</b>	248	0	10,262	0	0	5,142	0	0	5,362	0	0
<b>TOTAL EXTERNAL FUNDING</b>	58	0	10,070	0	0	5,142	0	0	5,362	0	0
<b>TOTAL INTERNAL FUNDING</b>	190	0	192	0	0	0	0	0	0	0	0
<b>ACE - Adult Services</b>											
<b>Joint Equipment Store</b>			105			105			105		
- External Funding	0	0	0	0	0	0	0	0	0	0	0
- Internal Funding	0	0	105	0	0	105	0	0	105	0	0
<b>Disabled Support Grant</b>			140			150			160		
- External Funding	0	0	0	0	0	0	0	0	0	0	0
- Internal Funding	0	0	140	0	0	150	0	0	160	0	0
<b>Telecare Equipment</b>			250			250			250		
- External Funding	0	0	0	0	0	0	0	0	0	0	0
- Internal Funding	0	0	250	0	0	250	0	0	250	0	0
<b>Health and Safety Works at Social Services Establishments</b>			431			0			0		
- External Funding	0	0	431	0	0	0	0	0	0	0	0
- Internal Funding	0	0	0	0	0	0	0	0	0	0	0
<b>Adult Services Community Space</b>			100			0			0		
- External Funding	0	0	100	0	0	0	0	0	0	0	0
- Internal Funding	0	0	0	0	0	0	0	0	0	0	0
<b>EPH Infrastructure Works</b>			281			0			0		
- External Funding	0	0	281	0	0	0	0	0	0	0	0
- Internal Funding	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL GROSS EXPENDITURE</b>	0	0	1,307	0	0	505	0	0	515	0	0
<b>TOTAL EXTERNAL FUNDING</b>	0	0	812	0	0	0	0	0	0	0	0
<b>TOTAL INTERNAL FUNDING</b>	0	0	495	0	0	505	0	0	515	0	0
<b>TOTAL GROSS EXPENDITURE</b>	248	0	11,569	0	0	5,647	0	0	5,877	0	0
<b>TOTAL EXTERNAL FUNDING</b>	58	0	10,882	0	0	5,142	0	0	5,362	0	0

	2012/13	2012/13	2012/13	2012/13	2012/13	2013/14	2012/13	2012/13	2014/15	2012/13	2012/13
	Mon 2	Mon 2	Revised	Mon 2	Mon 2	Revised	Mon 2	Mon 2	Revised	Mon 2	Mon 2
	Adj	Reprofile	Budget	Adj	Reprofile	Budget	Adj	Reprofile	Budget	Adj	Reprofile
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>TOTAL INTERNAL FUNDING</b>	190	0	687	0	0	505	0	0	515	0	0
<b>CANS - Culture, Leisure and Public Realm</b>											
<b>York Pools Strategy -</b>			157			0			0		
- External Funding	0	0	0	0	0	0	0	0	0	0	0
-Internal Funding	0	0	157	0	0	0	0	0	0	0	0
<b>Milfield Lane Comm Sports Centre</b>			380			0			0		
- External Funding	0	0	10	0	0	0	0	0	0	0	0
-Internal Funding	0	0	370	0	0	0	0	0	0	0	0
<b>Children's Play Lottery Bid</b>			8			0			0		
- External Funding	0	0	8	0	0	0	0	0	0	0	0
-Internal Funding	0	0	0	0	0	0	0	0	0	0	0
<b>Library Self-Issue Equipment</b>			2			0			0		
- External Funding	0	0	0	0	0	0	0	0	0	0	0
-Internal Funding	0	0	2	0	0	0	0	0	0	0	0
<b>York Explore Phase 2</b>		-1,314	12		1,314	1,634			0		
- External Funding	0	-841	0	0	841	1,161	0	0	0	0	0
-Internal Funding	0	-473	12	0	473	473	0	0	0	0	0
<b>Oaklands Sports Hall Floor Replacement</b>			3			0			0		
- External Funding	0	0	0	0	0	0	0	0	0	0	0
-Internal Funding	0	0	3	0	0	0	0	0	0	0	0
<b>Barbican Auditorium</b>			86			0			0		
- External Funding	0	0	86	0	0	0	0	0	0	0	0
-Internal Funding	0	0	0	0	0	0	0	0	0	0	0
<b>Energise Gym Expansion</b>			680			0			0		
- External Funding	0	0	0	0	0	0	0	0	0	0	0
-Internal Funding	0	0	680	0	0	0	0	0	0	0	0
<b>Yearsley Pool Energy Improvements</b>			376			0			0		
- External Funding	0	0	0	0	0	0	0	0	0	0	0
-Internal Funding	0	0	376	0	0	0	0	0	0	0	0
<b>Closed Cycle Circuit - York Sports Village</b>	-610		200			0			0		
- External Funding	-610	0	0	0	0	0	0	0	0	0	0
-Internal Funding	0	0	200	0	0	0	0	0	0	0	0
<b>City Art Gallery Refurb and Extension</b>	-200		0	-2,300	-250	250	-3,000	250	250		
- External Funding	-200	0	0	-2,300	0	0	-3,000	0	0	0	0
-Internal Funding	0	0	0	0	-250	250	0	250	250	0	0
<b>Rowntree Park DDA</b>			60			0			0		
- External Funding	0	0	0	0	0	0	0	0	0	0	0
-Internal Funding	0	0	60	0	0	0	0	0	0	0	0
<b>Rowntree Park Café Project</b>			150			0			0		
- External Funding	0	0	0	0	0	0	0	0	0	0	0
-Internal Funding	0	0	150	0	0	0	0	0	0	0	0
<b>Parks and Open Spaces Development</b>	34		34			0			0		
- External Funding	34	0	34	0	0	0	0	0	0	0	0
-Internal Funding	0	0	0	0	0	0	0	0	0	0	0
<b>York Theatre Royal</b>			0	-1,700		250			0		
- External Funding	0	0	0	-1,700	0	0	0	0	0	0	0
-Internal Funding	0	0	0	0	0	250	0	0	0	0	0
<b>TOTAL GROSS EXPENDITURE</b>	-776	-1,314	2,148	-4,000	1,064	2,134	-3,000	250	250	0	0
<b>TOTAL EXTERNAL FUNDING</b>	-776	-841	138	-4,000	841	1,161	-3,000	0	0	0	0
<b>TOTAL INTERNAL FUNDING</b>	0	-473	2,010	0	223	973	0	250	250	0	0
<b>CANS - Highways, Fleet and Waste</b>											
<b>Waste Infrastructure Capital Grant (WICG)</b>	-110		0			0			0		
- External Funding	-110	0	0	0	0	0	0	0	0	0	0
-Internal Funding	0	0	0	0	0	0	0	0	0	0	0
<b>Highway Resurfacing &amp; Reconstruction (Struct Maint)</b>		200	2,740		-200	2,306			2,434		
- External Funding	0	0	1,790	0	0	1,756	0	0	1,684	0	0
-Internal Funding	0	200	950	0	-200	550	0	0	750	0	0
<b>Special Bridge Maintenance (Struct maint)</b>		-200	0		200	400			200		
- External Funding	0	0	0	0	0	0	0	0	0	0	0
-Internal Funding	0	-200	0	0	200	400	0	0	200	0	0
<b>Replacement of Unsound Lighting Columns</b>			1,000			0			0		



	2012/13	2012/13	2012/13	2012/13	2012/13	2013/14	2012/13	2012/13	2014/15	2012/13	2012/13
	Mon 2	Mon 2	Revised	Mon 2	Mon 2	Revised	Mon 2	Mon 2	Revised	Mon 2	Mon 2
	Adj	Reprofile	Budget	Adj	Reprofile	Budget	Adj	Reprofile	Budget	Adj	Reprofile
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
- External Funding	0	0	500	0	0	0	0	0	0	0	0
-Internal Funding	0	0	500	0	0	0	0	0	0	0	0
<b>Carbon Reduction in Street Lighting</b>			<b>200</b>			<b>200</b>			<b>200</b>		
- External Funding	0	0	0	0	0	0	0	0	0	0	0
-Internal Funding	0	0	200	0	0	200	0	0	200	0	0
<b>City Centre Damaged Bins Replacement</b>			<b>72</b>			<b>0</b>			<b>0</b>		
- External Funding	0	0	0	0	0	0	0	0	0	0	0
-Internal Funding	0	0	72	0	0	0	0	0	0	0	0
<b>Single Occupancy Recycling Containers</b>			<b>43</b>			<b>0</b>			<b>0</b>		
- External Funding	0	0	0	0	0	0	0	0	0	0	0
-Internal Funding	0	0	43	0	0	0	0	0	0	0	0
<b>DCSF Wave 2 PlaybuilderFunding</b>			<b>12</b>			<b>0</b>			<b>0</b>		
- External Funding	0	0	12	0	0	0	0	0	0	0	0
-Internal Funding	0	0	0	0	0	0	0	0	0	0	0
<b>Flood Pump Resilience</b>			<b>31</b>			<b>0</b>			<b>0</b>		
- External Funding	0	0	0	0	0	0	0	0	0	0	0
-Internal Funding	31	0	31	0	0	0	0	0	0	0	0
<b>Fleet Vehicles</b>			<b>3,213</b>			<b>0</b>			<b>0</b>		
- External Funding	110	0	110	0	0	0	0	0	0	0	0
-Internal Funding	3,103	0	3,103	0	0	0	0	0	0	0	0
<b>Highways Drainage Works</b>			<b>165</b>			<b>0</b>			<b>0</b>		
- External Funding	0	0	0	0	0	0	0	0	0	0	0
-Internal Funding	0	0	165	0	0	0	0	0	0	0	0
<b>TOTAL GROSS EXPENDITURE</b>	<b>3,134</b>	<b>0</b>	<b>7,476</b>	<b>0</b>	<b>0</b>	<b>2,906</b>	<b>0</b>	<b>0</b>	<b>2,834</b>	<b>0</b>	<b>0</b>
<b>TOTAL EXTERNAL FUNDING</b>	<b>0</b>	<b>0</b>	<b>2,412</b>	<b>0</b>	<b>0</b>	<b>1,756</b>	<b>0</b>	<b>0</b>	<b>1,684</b>	<b>0</b>	<b>0</b>
<b>TOTAL INTERNAL FUNDING</b>	<b>3,134</b>	<b>0</b>	<b>5,064</b>	<b>0</b>	<b>0</b>	<b>1,150</b>	<b>0</b>	<b>0</b>	<b>1,150</b>	<b>0</b>	<b>0</b>
<b>CANS - Housing &amp; Community Safety</b>											
<b>Modernisation of Local Authority Homes</b>			<b>1,736</b>			<b>682</b>			<b>701</b>		
- External Funding	0	0	0	0	0	0	0	0	0	0	0
-Internal Funding	0	0	1,736	0	0	682	0	0	701	0	0
<b>Assistance to Older &amp; Disabled People</b>			<b>320</b>			<b>300</b>			<b>300</b>		
- External Funding	0	0	0	0	0	0	0	0	0	0	0
-Internal Funding	0	0	320	0	0	300	0	0	300	0	0
<b>MRA Schemes</b>			<b>4,733</b>			<b>5,200</b>			<b>4,997</b>		
- External Funding	0	0	4,733	0	0	5,200	0	0	4,997	0	0
-Internal Funding	0	0	0	0	0	0	0	0	0	0	0
<b>Local Authority Homes</b>			<b>1,088</b>			<b>0</b>			<b>0</b>		
- External Funding	0	0	563	0	0	0	0	0	0	0	0
-Internal Funding	0	0	525	0	0	0	0	0	0	0	0
<b>Water Mains Upgrade</b>			<b>0</b>			<b>3,199</b>			<b>1,333</b>		
- External Funding	0	0	0	0	0	0	0	0	0	0	0
-Internal Funding	0	0	0	0	0	3,199	0	0	1,333	0	0
<b>Building Insulation Programme</b>			<b>828</b>			<b>855</b>			<b>845</b>		
- External Funding	0	0	0	0	0	0	0	0	0	0	0
-Internal Funding	0	0	828	0	0	855	0	0	845	0	0
<b>Housing Grants &amp; Associated Investment (Gfund)</b>			<b>76</b>			<b>0</b>			<b>0</b>		
- External Funding	0	0	0	0	0	0	0	0	0	0	0
-Internal Funding	0	0	76	0	0	0	0	0	0	0	0
<b>Disabled Facilities Grant (Gfund)</b>			<b>987</b>			<b>1,075</b>			<b>1,125</b>		
- External Funding	0	0	512	0	0	600	0	0	650	0	0
-Internal Funding	0	0	475	0	0	475	0	0	475	0	0
<b>Air Quality Monitoring (Gfund)</b>			<b>125</b>			<b>0</b>			<b>0</b>		
- External Funding	0	0	125	0	0	0	0	0	0	0	0
-Internal Funding	0	0	0	0	0	0	0	0	0	0	0
<b>Crematorium (Gfund)</b>			<b>1,601</b>			<b>36</b>			<b>0</b>		
- External Funding	0	0	0	0	0	0	0	0	0	0	0
-Internal Funding	0	0	1,601	0	0	36	0	0	0	0	0
<b>Travellers Site Improvements (Gfund)</b>			<b>220</b>			<b>0</b>			<b>0</b>		
- External Funding	0	0	0	0	0	0	0	0	0	0	0
-Internal Funding	0	0	220	0	0	0	0	0	0	0	0
<b>Empty Homes (Gfund)</b>			<b>100</b>			<b>100</b>			<b>100</b>		

	2012/13	2012/13	2012/13	2012/13	2012/13	2013/14	2012/13	2012/13	2014/15	2012/13	2012/13
	Mon 2	Mon 2	Revised	Mon 2	Mon 2	Revised	Mon 2	Mon 2	Revised	Mon 2	Mon 2
	Adj	Reprofile	Budget	Adj	Reprofile	Budget	Adj	Reprofile	Budget	Adj	Reprofile
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
- External Funding	0	0	0	0	0	0	0	0	0	0	0
-Internal Funding	0	0	100	0	0	100	0	0	100	0	0
<b>TOTAL GROSS EXPENDITURE</b>	<b>0</b>	<b>0</b>	<b>11,814</b>	<b>0</b>	<b>0</b>	<b>11,447</b>	<b>0</b>	<b>0</b>	<b>9,401</b>	<b>0</b>	<b>0</b>
<b>TOTAL EXTERNAL FUNDING</b>	<b>0</b>	<b>0</b>	<b>5,933</b>	<b>0</b>	<b>0</b>	<b>5,800</b>	<b>0</b>	<b>0</b>	<b>5,647</b>	<b>0</b>	<b>0</b>
<b>TOTAL INTERNAL FUNDING</b>	<b>0</b>	<b>0</b>	<b>5,881</b>	<b>0</b>	<b>0</b>	<b>5,647</b>	<b>0</b>	<b>0</b>	<b>3,754</b>	<b>0</b>	<b>0</b>
<b>TOTAL GROSS EXPENDITURE</b>	<b>2,358</b>	<b>-1,314</b>	<b>21,438</b>	<b>-4,000</b>	<b>1,064</b>	<b>16,487</b>	<b>-3,000</b>	<b>250</b>	<b>12,485</b>	<b>0</b>	<b>0</b>
<b>TOTAL EXTERNAL FUNDING</b>	<b>-776</b>	<b>-841</b>	<b>8,483</b>	<b>-4,000</b>	<b>841</b>	<b>8,717</b>	<b>-3,000</b>	<b>0</b>	<b>7,331</b>	<b>0</b>	<b>0</b>
<b>TOTAL INTERNAL FUNDING</b>	<b>3,134</b>	<b>-473</b>	<b>12,955</b>	<b>0</b>	<b>223</b>	<b>7,770</b>	<b>0</b>	<b>250</b>	<b>5,154</b>	<b>0</b>	<b>0</b>
<b>CES - Strategic Planning &amp; Transport</b>											
<b>Better Bus Area Fund</b>			<b>670</b>			<b>1,095</b>			<b>0</b>		
- External Funding			670			1,095			0	0	0
-Internal Funding			0			0			0	0	0
<b>Local Transport Plan (LTP)</b>			<b>2,778</b>			<b>2,354</b>			<b>2,405</b>		
- External Funding	0	0	2,476	0	0	2,354	0	0	2,405	0	0
-Internal Funding	0	0	302	0	0	0	0	0	0	0	0
<b>York City Walls - Repairs &amp; Renewals (City Walls)</b>			<b>276</b>			<b>90</b>			<b>90</b>		
- External Funding	0	0	0	0	0	0	0	0	0	0	0
-Internal Funding	0	0	276	0	0	90	0	0	90	0	0
<b>Access York</b>			<b>3,582</b>			<b>11,965</b>			<b>3,121</b>		
- External Funding	0	0	3,582	0	0	10,913	0	0	3,121	0	0
-Internal Funding	0	0	0	0	0	1,052	0	0	0	0	0
<b>Minster Piazza</b>			<b>250</b>			<b>0</b>			<b>0</b>		
- External Funding	0	0	0	0	0	0	0	0	0	0	0
-Internal Funding	0	0	250	0	0	0	0	0	0	0	0
<b>Leeman Road Flood Defences</b>			<b>1,356</b>			<b>0</b>			<b>0</b>		
- External Funding	0	0	0	0	0	0	0	0	0	0	0
-Internal Funding	0	0	1,356	0	0	0	0	0	0	0	0
<b>CCTV Digital Infrastructure</b>	<b>95</b>	<b>0</b>	<b>95</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
- External Funding	10	0	10	0	0	0	0	0	0	0	0
-Internal Funding	85	0	85	0	0	0	0	0	0	0	0
<b>Pay on Exit Car Parking Pilot</b>			<b>100</b>			<b>0</b>			<b>0</b>		
- External Funding	0	0	0	0	0	0	0	0	0	0	0
-Internal Funding	0	0	100	0	0	0	0	0	0	0	0
<b>TOTAL GROSS EXPENDITURE</b>	<b>95</b>	<b>0</b>	<b>9,107</b>	<b>0</b>	<b>0</b>	<b>15,504</b>	<b>0</b>	<b>0</b>	<b>5,616</b>	<b>0</b>	<b>0</b>
<b>TOTAL EXTERNAL FUNDING</b>	<b>10</b>	<b>0</b>	<b>6,738</b>	<b>0</b>	<b>0</b>	<b>14,362</b>	<b>0</b>	<b>0</b>	<b>5,526</b>	<b>0</b>	<b>0</b>
<b>TOTAL INTERNAL FUNDING</b>	<b>85</b>	<b>0</b>	<b>2,369</b>	<b>0</b>	<b>0</b>	<b>1,142</b>	<b>0</b>	<b>0</b>	<b>90</b>	<b>0</b>	<b>0</b>
<b>CES - Community Stadium</b>											
<b>Community Stadium</b>			<b>2,864</b>			<b>1,000</b>			<b>0</b>		
- External Funding	0	0	0	0	0	0	0	0	0	0	0
-Internal Funding	0	0	2,864	0	0	1,000	0	0	0	0	0
<b>TOTAL GROSS EXPENDITURE</b>	<b>0</b>	<b>0</b>	<b>2,864</b>	<b>0</b>	<b>0</b>	<b>1,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL EXTERNAL FUNDING</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL INTERNAL FUNDING</b>	<b>0</b>	<b>0</b>	<b>2,864</b>	<b>0</b>	<b>0</b>	<b>1,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>CES - Economic Development</b>											
<b>Small Business Workshops</b>			<b>58</b>			<b>0</b>			<b>0</b>		
- External Funding	0	0	0	0	0	0	0	0	0	0	0
-Internal Funding	0	0	58	0	0	0	0	0	0	0	0
<b>TOTAL GROSS EXPENDITURE</b>	<b>0</b>	<b>0</b>	<b>58</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL EXTERNAL FUNDING</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL INTERNAL FUNDING</b>	<b>0</b>	<b>0</b>	<b>58</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL GROSS EXPENDITURE</b>	<b>95</b>	<b>0</b>	<b>12,029</b>	<b>0</b>	<b>0</b>	<b>16,504</b>	<b>0</b>	<b>0</b>	<b>5,616</b>	<b>0</b>	<b>0</b>
<b>TOTAL EXTERNAL FUNDING</b>	<b>10</b>	<b>0</b>	<b>6,738</b>	<b>0</b>	<b>0</b>	<b>14,362</b>	<b>0</b>	<b>0</b>	<b>5,526</b>	<b>0</b>	<b>0</b>
<b>TOTAL INTERNAL FUNDING</b>	<b>85</b>	<b>0</b>	<b>5,291</b>	<b>0</b>	<b>0</b>	<b>2,142</b>	<b>0</b>	<b>0</b>	<b>90</b>	<b>0</b>	<b>0</b>
<b>CBSS - Asset Management</b>											
<b>Works at Hungate Land Site</b>			<b>65</b>			<b>0</b>			<b>0</b>		
- External Funding	0	0	0	0	0	0	0	0	0	0	0

	2012/13	2012/13	2012/13	2012/13	2012/13	2013/14	2012/13	2012/13	2014/15	2012/13	2012/13
	Mon 2	Mon 2	Revised	Mon 2	Mon 2	Revised	Mon 2	Mon 2	Revised	Mon 2	Mon 2
	Adj	Reprofile	Budget	Adj	Reprofile	Budget	Adj	Reprofile	Budget	Adj	Reprofile
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
-Internal Funding	0	0	65	0	0	0	0	0	0	0	0
<b>EcoDepot Security Gate / Reception</b>			<b>207</b>			<b>0</b>			<b>0</b>		
- External Funding	0	0	0	0	0	0	0	0	0	0	0
-Internal Funding	0	0	207	0	0	0	0	0	0	0	0
<b>Property Key Components (H&amp;S)</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
- External Funding	0	0	0	0	0	0	0	0	0	0	0
-Internal Funding	5	0	0	0	0	0	0	0	0	0	0
<b>Health &amp; Safety / DDA</b>			<b>4</b>			<b>0</b>			<b>0</b>		
- External Funding	0	0	0	0	0	0	0	0	0	0	0
-Internal Funding	0	0	4	0	0	0	0	0	0	0	0
<b>Fire Safety Regulations - Adaptations</b>	<b>40</b>	<b>0</b>	<b>108</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
- External Funding	0	0	0	0	0	0	0	0	0	0	0
-Internal Funding	40	0	108	0	0	0	0	0	0	0	0
<b>Removal of Asbestos</b>	<b>40</b>	<b>0</b>	<b>132</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
- External Funding	0	0	0	0	0	0	0	0	0	0	0
-Internal Funding	40	0	132	0	0	0	0	0	0	0	0
<b>Mansion House External Repairs</b>	<b>-4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
- External Funding	0	0	0	0	0	0	0	0	0	0	0
-Internal Funding	-4	0	0	0	0	0	0	0	0	0	0
<b>Hungate / Peasholme Relocation</b>	<b>-1</b>	<b>0</b>	<b>20</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
- External Funding	0	0	0	0	0	0	0	0	0	0	0
-Internal Funding	-1	0	20	0	0	0	0	0	0	0	0
<b>Property Compliance (Asbestos and Fire regs)</b>	<b>-80</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
- External Funding	0	0	0	0	0	0	0	0	0	0	0
-Internal Funding	-80	0	0	0	0	0	0	0	0	0	0
<b>Riverbank Repairs - Scarborough to Clifton Bridge</b>			<b>561</b>			<b>0</b>			<b>0</b>		
- External Funding	0	0	0	0	0	0	0	0	0	0	0
-Internal Funding	0	0	561	0	0	0	0	0	0	0	0
<b>Riverbank Repairs – Blue Bridge Slipway</b>			<b>106</b>			<b>0</b>			<b>0</b>		
- External Funding	0	0	0	0	0	0	0	0	0	0	0
-Internal Funding	0	0	106	0	0	0	0	0	0	0	0
<b>Riverbank Repairs – Marygate</b>			<b>573</b>			<b>0</b>			<b>0</b>		
- External Funding	0	0	0	0	0	0	0	0	0	0	0
-Internal Funding	0	0	573	0	0	0	0	0	0	0	0
<b>Photovoltaic Energy Programme</b>			<b>185</b>			<b>100</b>			<b>100</b>		
- External Funding	0	0	0	0	0	0	0	0	0	0	0
-Internal Funding	0	0	185	0	0	100	0	0	100	0	0
<b>Parliament Street Toilet Demolition</b>			<b>93</b>			<b>0</b>			<b>0</b>		
- External Funding	0	0	0	0	0	0	0	0	0	0	0
-Internal Funding	0	0	93	0	0	0	0	0	0	0	0
<b>29 Castlegate Repairs</b>			<b>33</b>			<b>0</b>			<b>0</b>		
- External Funding	0	0	0	0	0	0	0	0	0	0	0
-Internal Funding	0	0	33	0	0	0	0	0	0	0	0
<b>Decent Home Standards Works</b>			<b>69</b>			<b>0</b>			<b>0</b>		
- External Funding	0	0	0	0	0	0	0	0	0	0	0
-Internal Funding	0	0	69	0	0	0	0	0	0	0	0
<b>Fishergate Postern</b>			<b>55</b>			<b>0</b>			<b>0</b>		
- External Funding	0	0	35	0	0	0	0	0	0	0	0
-Internal Funding	0	0	20	0	0	0	0	0	0	0	0
<b>Castle Mills Car Park</b>			<b>12</b>			<b>0</b>			<b>0</b>		
- External Funding	0	0	0	0	0	0	0	0	0	0	0
-Internal Funding	0	0	12	0	0	0	0	0	0	0	0
<b>Holgate Park Land – York Central</b>			<b>1,500</b>			<b>0</b>			<b>0</b>		
- External Funding	0	0	0	0	0	0	0	0	0	0	0
-Internal Funding	0	0	1,500	0	0	0	0	0	0	0	0
<b>Holgate Park Land Building Clearance - York Central</b>			<b>50</b>			<b>0</b>			<b>0</b>		
- External Funding	0	0	0	0	0	0	0	0	0	0	0
-Internal Funding	0	0	50	0	0	0	0	0	0	0	0
<b>Hazel Court - Office of the Future Improvements</b>	<b>618</b>	<b>0</b>	<b>618</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
- External Funding	0	0	0	0	0	0	0	0	0	0	0
-Internal Funding	618	0	618	0	0	0	0	0	0	0	0
<b>Critical Repairs and Contingency</b>			<b>450</b>			<b>0</b>			<b>0</b>		

	2012/13	2012/13	2012/13	2012/13	2012/13	2013/14	2012/13	2012/13	2014/15	2012/13	2012/13
	Mon 2	Mon 2	Revised	Mon 2	Mon 2	Revised	Mon 2	Mon 2	Revised	Mon 2	Mon 2
	Adj	Reprofile	Budget	Adj	Reprofile	Budget	Adj	Reprofile	Budget	Adj	Reprofile
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
- External Funding	0	0	0	0	0	0	0	0	0	0	0
-Internal Funding	0	0	450	0	0	0	0	0	0	0	0
<b>TOTAL GROSS EXPENDITURE</b>	<b>618</b>	<b>0</b>	<b>4,841</b>	<b>0</b>	<b>0</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>100</b>	<b>0</b>	<b>0</b>
<b>TOTAL EXTERNAL FUNDING</b>	<b>0</b>	<b>0</b>	<b>35</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL INTERNAL FUNDING</b>	<b>618</b>	<b>0</b>	<b>4,806</b>	<b>0</b>	<b>0</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>100</b>	<b>0</b>	<b>0</b>
<b>CBSS - IT equipment</b>											
<b>IT Equipment</b>	<b>174</b>	<b>0</b>	<b>1,612</b>	<b>0</b>	<b>0</b>	<b>750</b>	<b>0</b>	<b>0</b>	<b>750</b>	<b>0</b>	<b>0</b>
- External Funding	0	0	0	0	0	0	0	0	0	0	0
-Internal Funding	174	0	1,612	0	0	750	0	0	750	0	0
<b>TOTAL GROSS EXPENDITURE</b>	<b>174</b>	<b>0</b>	<b>1,612</b>	<b>0</b>	<b>0</b>	<b>750</b>	<b>0</b>	<b>0</b>	<b>750</b>	<b>0</b>	<b>0</b>
<b>TOTAL EXTERNAL FUNDING</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL INTERNAL FUNDING</b>	<b>174</b>	<b>0</b>	<b>1,612</b>	<b>0</b>	<b>0</b>	<b>750</b>	<b>0</b>	<b>0</b>	<b>750</b>	<b>0</b>	<b>0</b>
<b>CBSS - Admin Accomodation</b>											
<b>Admin Accom</b>			<b>14,030</b>			<b>1,468</b>			<b>0</b>		
- External Funding	0	0	0	0	0	0	0	0	0	0	0
-Internal Funding	0	0	14,030	0	0	1,468	0	0	0	0	0
<b>TOTAL GROSS EXPENDITURE</b>	<b>0</b>	<b>0</b>	<b>14,030</b>	<b>0</b>	<b>0</b>	<b>1,468</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL EXTERNAL FUNDING</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL INTERNAL FUNDING</b>	<b>0</b>	<b>0</b>	<b>14,030</b>	<b>0</b>	<b>0</b>	<b>1,468</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL GROSS EXPENDITURE</b>	<b>792</b>	<b>0</b>	<b>20,483</b>	<b>0</b>	<b>0</b>	<b>2,318</b>	<b>0</b>	<b>0</b>	<b>850</b>	<b>0</b>	<b>0</b>
<b>TOTAL EXTERNAL FUNDING</b>	<b>0</b>	<b>0</b>	<b>35</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL INTERNAL FUNDING</b>	<b>792</b>	<b>0</b>	<b>20,448</b>	<b>0</b>	<b>0</b>	<b>2,318</b>	<b>0</b>	<b>0</b>	<b>850</b>	<b>0</b>	<b>0</b>
<b>Miscellaneous</b>											
<b>Contingency</b>	<b>-116</b>	<b>0</b>	<b>214</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
- External Funding	0	0	0	0	0	0	0	0	0	0	0
-Internal Funding	-116	0	214	0	0	0	0	0	0	0	0
<b>TOTAL GROSS EXPENDITURE</b>	<b>-116</b>	<b>0</b>	<b>214</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL EXTERNAL FUNDING</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL INTERNAL FUNDING</b>	<b>-116</b>	<b>0</b>	<b>214</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Economic Infrastructure Fund</b>											
<b>Access York Phase 1</b>	<b>133</b>	<b>0</b>	<b>133</b>	<b>2,020</b>	<b>0</b>	<b>2,020</b>	<b>347</b>	<b>0</b>	<b>347</b>	<b>0</b>	<b>0</b>
- External Funding	0	0	0	0	0	0	0	0	0	0	0
-Internal Funding	133	0	133	2,020	0	2,020	347	0	347	0	0
<b>Better Bus Fund</b>	<b>700</b>	<b>0</b>	<b>700</b>	<b>770</b>	<b>0</b>	<b>770</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
- External Funding	0	0	0	0	0	0	0	0	0	0	0
-Internal Funding	700	0	700	770	0	770	0	0	0	0	0
<b>Re-Invigorate York</b>	<b>500</b>	<b>0</b>	<b>500</b>	<b>1300</b>	<b>0</b>	<b>1,300</b>	<b>1200</b>	<b>0</b>	<b>1,200</b>	<b>0</b>	<b>0</b>
- External Funding	0	0	0	90	0	90	0	0	0	0	0
-Internal Funding	500	0	500	1210	0	1,210	1200	0	1,200	0	0
<b>EIF central fund</b>	<b>-1,333</b>	<b>1,867</b>	<b>1,967</b>	<b>-4,090</b>	<b>-1,520</b>	<b>1,710</b>	<b>-1,547</b>	<b>-347</b>	<b>5,253</b>	<b>0</b>	<b>0</b>
- External Funding	0	0	1,300	-90	0	1,710	0	0	1,800	0	0
-Internal Funding	-1,333	1,867	667	-4,000	-1,520	0	-1,547	-347	3,453	0	0
<b>TOTAL GROSS EXPENDITURE</b>	<b>0</b>	<b>1,867</b>	<b>3,300</b>	<b>0</b>	<b>-1,520</b>	<b>5,800</b>	<b>0</b>	<b>-347</b>	<b>6,800</b>	<b>0</b>	<b>0</b>
<b>TOTAL EXTERNAL FUNDING</b>	<b>0</b>	<b>0</b>	<b>1,300</b>	<b>0</b>	<b>0</b>	<b>1,800</b>	<b>0</b>	<b>0</b>	<b>1,800</b>	<b>0</b>	<b>0</b>
<b>TOTAL INTERNAL FUNDING</b>	<b>0</b>	<b>1,867</b>	<b>2,000</b>	<b>0</b>	<b>-1,520</b>	<b>4,000</b>	<b>0</b>	<b>-347</b>	<b>5,000</b>	<b>0</b>	<b>0</b>
<b>Gross Expenditure by Department</b>											
ACE - Children's, Education and Skills	248	0	10,262	0	0	5,142	0	0	5,362	0	0
ACE - Adult Services	0	0	1,307	0	0	505	0	0	515	0	0
CANS - Culture, Leisure and Public Realm	-776	-1,314	2,148	-4,000	1,064	2,134	-3,000	250	250	0	0
CANS - Highways, Fleet and Waste	3,134	0	7,476	0	0	2,906	0	0	2,834	0	0
CANS - Housing & Community Safety	0	0	11,814	0	0	11,447	0	0	9,401	0	0
CES - Strategic Planning & Transport	95	0	9,107	0	0	15,504	0	0	5,616	0	0
CES - Community Stadium	0	0	2,864	0	0	1,000	0	0	0	0	0
CES - Economic Development	0	0	58	0	0	0	0	0	0	0	0

	2012/13	2012/13	2012/13	2012/13	2012/13	2013/14	2012/13	2012/13	2014/15	2012/13	2012/13
	Mon 2	Mon 2	Revised	Mon 2	Mon 2	Revised	Mon 2	Mon 2	Revised	Mon 2	Mon 2
	Adj	Reprofile	Budget	Adj	Reprofile	Budget	Adj	Reprofile	Budget	Adj	Reprofile
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
CBSS - Asset Management	618	0	4,841	0	0	100	0	0	100	0	0
CBSS - IT equipment	174	0	1,612	0	0	750	0	0	750	0	0
CBSS - Admin Accomodation	0	0	14,030	0	0	1,468	0	0	0	0	0
Miscellaneous	-116	0	214	0	0	0	0	0	0	0	0
Economic Infrastructure Fund	0	1,867	3,300	0	-1,520	5,800	0	-347	6,800	0	0
<b>Total by Department</b>	<b>3,377</b>	<b>553</b>	<b>69,033</b>	<b>-4,000</b>	<b>-456</b>	<b>46,756</b>	<b>-3,000</b>	<b>-97</b>	<b>31,628</b>	<b>0</b>	<b>0</b>
<b>Total External Funds by Department</b>											
ACE - Children's, Education and Skills	58	0	10,070	0	0	5,142	0	0	5,362	0	0
ACE - Adult Services	0	0	812	0	0	0	0	0	0	0	0
CANS - Culture, Leisure and Public Realm	-776	-841	138	-4,000	841	1,161	-3,000	0	0	0	0
CANS - Highways, Fleet and Waste	0	0	2,412	0	0	1,756	0	0	1,684	0	0
CANS - Housing & Community Safety	0	0	5,933	0	0	5,800	0	0	5,647	0	0
CES - Strategic Planning & Transport	10	0	6,738	0	0	14,362	0	0	5,526	0	0
CES - Community Stadium	0	0	0	0	0	0	0	0	0	0	0
CES - Economic Development	0	0	0	0	0	0	0	0	0	0	0
CBSS - Asset Management	0	0	35	0	0	0	0	0	0	0	0
CBSS - IT equipment	0	0	0	0	0	0	0	0	0	0	0
CBSS - Admin Accomodation	0	0	0	0	0	0	0	0	0	0	0
Miscellaneous	0	0	0	0	0	0	0	0	0	0	0
Economic Infrastructure Fund	0	0	1,300	0	0	1,800	0	0	1,800	0	0
<b>Total External Funds by Department</b>	<b>-708</b>	<b>-841</b>	<b>27,438</b>	<b>-4,000</b>	<b>841</b>	<b>30,021</b>	<b>-3,000</b>	<b>0</b>	<b>20,019</b>	<b>0</b>	<b>0</b>
<b>Total CYC Funding required by Department</b>											
ACE - Children's, Education and Skills	190	0	192	0	0	0	0	0	0	0	0
ACE - Adult Services	0	0	495	0	0	505	0	0	515	0	0
CANS - Culture, Leisure and Public Realm	0	-473	2,010	0	223	973	0	250	250	0	0
CANS - Highways, Fleet and Waste	3,134	0	5,064	0	0	1,150	0	0	1,150	0	0
CANS - Housing & Community Safety	0	0	5,881	0	0	5,647	0	0	3,754	0	0
CES - Strategic Planning & Transport	85	0	2,369	0	0	1,142	0	0	90	0	0
CES - Community Stadium	0	0	2,864	0	0	1,000	0	0	0	0	0
CES - Economic Development	0	0	58	0	0	0	0	0	0	0	0
CBSS - Asset Management	618	0	4,806	0	0	100	0	0	100	0	0
CBSS - IT equipment	174	0	1,612	0	0	750	0	0	750	0	0
CBSS - Admin Accomodation	0	0	14,030	0	0	1,468	0	0	0	0	0
Miscellaneous	-116	0	214	0	0	0	0	0	0	0	0
Economic Infrastructure Fund	0	1,867	2,000	0	-1,520	4,000	0	-347	5,000	0	0
<b>Total CYC Funding required</b>	<b>4,085</b>	<b>1,394</b>	<b>41,595</b>	<b>0</b>	<b>-1,297</b>	<b>16,735</b>	<b>0</b>	<b>-97</b>	<b>11,609</b>	<b>0</b>	<b>0</b>
<b>TOTAL GROSS EXPENDITURE</b>	<b>3,377</b>	<b>553</b>	<b>69,033</b>	<b>-4,000</b>	<b>-456</b>	<b>46,756</b>	<b>-3,000</b>	<b>-97</b>	<b>31,628</b>	<b>0</b>	<b>0</b>
<b>TOTAL EXTERNAL FUNDING</b>	<b>-708</b>	<b>-841</b>	<b>27,438</b>	<b>-4,000</b>	<b>841</b>	<b>30,021</b>	<b>-3,000</b>	<b>0</b>	<b>20,019</b>	<b>0</b>	<b>0</b>
<b>TOTAL INTERNAL FUNDING</b>	<b>4,085</b>	<b>1,394</b>	<b>41,595</b>	<b>0</b>	<b>-1,297</b>	<b>16,735</b>	<b>0</b>	<b>-97</b>	<b>11,609</b>	<b>0</b>	<b>0</b>

This page is intentionally left blank

TABLE 1 Funding Sources

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

TABLE 2 Projected Allocations by Theme &amp; Scheme - detail

	Funding type req	Prior Year	12/13 £000	13/14 £000	14/15 £000	15/16 £000	16/17 £000	Total £000	
<b>Get York Moving - Expenditure</b>		395	5,085	15,850	3,468	0	0	24,798	
<b>- Park &amp; Ride</b>		395	3,715	13,985	3,468			21,563	
Funded by:									
Gvt Grant - DFT			3,369	10,209	2,938			16,516	
S106			213	704	183			1,100	
CYC - Other		395		1,052				1,447	
CYC - EIF	approved	Capital	133	2,020	347			2,500	
			395	3,715	13,985	3,468	0	0	21,563
<b>- Better Bus Fund</b>			1,370	1,865				3,235	
Funded by:									
Gvt Grant - DfT			670	1,095				1,765	
External Contributions								0	
CYC - EIF	approved	Capital	700	770				1,470	
			0	1,370	1,865	0	0	0	3,235
<b>Get York Moving - Funding</b>		395	5,085	13,985	3,468	0	0	24,798	

	Funding type req	Prior Year	12/13 £000	13/14 £000	14/15 £000	15/16 £000	16/17 £000	Total £000
<b>Digital York - Expenditure</b>		0	0	0	0	0	0	0
<b>Digital York - Funding</b>		0	0	0	0	0	0	0

	Funding type req	Prior Year	12/13 £000	13/14 £000	14/15 £000	15/16 £000	16/17 £000	Total £000	
<b>Reinvigorate York - Expenditure</b>		0	700	1,300	1,200	0	0	3,200	
<b>- Reinvigorate York - Initial Funding</b>			700	1,300	1,200			3,200	
Funded by:									
External funding								0	
External Contributions								0	
CYC - EIF	approved	Revenue	200					200	
CYC - EIF	approved	Capital	500	1,300	1,200	0	0	3,000	
			0	700	1,300	1,200	0	0	3,200
<b>Reinvigorate York</b>		0	700	1,300	1,200	0	0	3,200	

	Funding type req	Prior Year	12/13 £000	13/14 £000	14/15 £000	15/16 £000	16/17 £000	Total £000
<b>Economic Inclusion York - Expenditure</b>		0	0	0	0	0	0	0
<b>Economic Inclusion York</b>		0	0	0	0	0	0	0

	Funding type req	Prior Year	12/13 £000	13/14 £000	14/15 £000	15/16 £000	16/17 £000	Total £000	
<b>Sustainable Economy York</b>		0	3,465	65	0	0	0	3,530	
<b>- Targeting Growth in Key Sectors</b>			40	40				80	
Funded by:									
External funding								0	
External Contributions (in kind)								0	
CYC - EIF	approved	Revenue	40	40				80	
			0	40	40	0	0	0	80
<b>- Digital and Media Arts Hub</b>			3,400					3,400	
Funded by:									
External funding			1,000					1,000	
External Contributions (in kind)			1,000					1,000	
CYC - EIF	approved in principle		1,400					1,400	
			3,400	0	0	0	0	3,400	
<b>- Tour de France - Campaign</b>			25	25				50	
Funded by:									
External funding								0	
External Contributions (in kind)								0	
CYC - EIF	approved		25	25				50	
			25	25	0	0	0	50	
<b>Sustainable Economy York - Funding</b>		0	3,465	65	0	0	0	3,530	

Funding type req	Prior Year	12/13	13/14	14/15	15/16	16/17	Total
------------------	------------	-------	-------	-------	-------	-------	-------

	--00	£000	£000	£000	£000	£000
<b>Core Costs - Expenditure</b>	0	86	86	86	86	86
- Officer delivery team		86	86	86	86	86
Funded by:						
CYC - EIF		86	86	86	86	86
	0	86	86	86	86	86
<b>Core Cost/Priect Team</b>	0	86	86	86	86	86

	Prior Year	12/13 £000	13/14 £000	14/15 £000	15/16 £000	16/17 £000	Total £000
<b>TABLE 3 - TOTAL EIF Fund Value + Other Funds</b>							
Direct EIF	0	3,300	5,800	6,800	6,800	5,800	28,500
Non EIF	395	6,252	13,060	3,121	0	0	22,828
	<b>395</b>	<b>9,552</b>	<b>18,860</b>	<b>9,921</b>	<b>6,800</b>	<b>5,800</b>	<b>51,328</b>
<b>Funded by:</b>							
Government Grant	0	4,039	11,304	2,938	0	0	18,281
S106	0	213	704	183	0	0	1,100
Other External Funding		2,000	0	0	0	0	2,000
CYC - Other	395	0	1,052	0	0	0	1,447
	<b>395</b>	<b>6,252</b>	<b>13,060</b>	<b>3,121</b>	<b>0</b>	<b>0</b>	<b>22,828</b>
CYC - EIF Revenue	0	351	151	86	86	86	760
CYC - EIF Capital	0	2,733	4,090	1,547	0	0	8,370
	<b>0</b>	<b>3,084</b>	<b>4,241</b>	<b>1,633</b>	<b>86</b>	<b>86</b>	<b>9,130</b>
CYC - EIF to be allocated	0	567	1,710	5,253	6,800	5,800	19,370

<b>TABLE 4 - Summary EIF - Approvals/Recommendations</b>							
Total Available	0	3,300	5,800	6,800	6,800	5,800	28,500
Total Allocations	0	3,084	4,241	1,633	86	86	9,130
Allocations Approved		1,684	4,241	1,633	86	86	7,730
Allocations Pending	0	1,400	0	0	0	0	1,400
Balance Remaining	0	216	1,559	5,167	6,714	5,714	19,370

<b>TABLE 5 - EIF (CYC) Analysis Capital Revenue Split</b>							
Total Available	0	3,300	5,800	6,800	6,800	5,800	28,500
<b>NHB Total</b>	0	<b>1,300</b>	<b>1,800</b>	<b>1,800</b>	<b>1,800</b>	<b>1,800</b>	<b>8,500</b>
NHB Revenue Spend		351	151	86	86	86	760
NHB Capital Spend		733	90	0	0	0	823
<b>NHB Total Remaining</b>	0	<b>216</b>	<b>1,559</b>	<b>1,714</b>	<b>1,714</b>	<b>1,714</b>	<b>6,917</b>
<b>Prudential Borrowing Total</b>	0	<b>2,000</b>	<b>4,000</b>	<b>5,000</b>	<b>5,000</b>	<b>4,000</b>	<b>20,000</b>
Prudential Borrowing (CYC) - Capital Spend Only	0	2,000	4,000	1,547	0	0	7,547
<b>Prudential Borrowing Remaining</b>	0	<b>0</b>	<b>0</b>	<b>3,453</b>	<b>5,000</b>	<b>4,000</b>	<b>12,453</b>

<b>TABLE 6 - Summaries by Theme Committed</b>							
Gross Cost	Prior Year	12/13 £000	13/14 £000	14/15 £000	15/16 £000	16/17 £000	Total £000
Get York Moving	395	5,085	15,850	3,468	0	0	24,798
Digital York	0	0	0	0	0	0	0
Reinvigorate York	0	700	1,300	1,200	0	0	3,200
Economic Inclusion York	0	0	0	0	0	0	0
Sustainable Economy York	0	3,465	65	0	0	0	3,530
Core Costs	0	86	86	86	86	86	430
<b>TOTAL</b>	<b>395</b>	<b>9,250</b>	<b>17,215</b>	<b>4,668</b>	<b>0</b>	<b>0</b>	<b>31,958</b>

<b>TABLE 7 - EIF element summary by project</b>							
<b>Approved</b>							
Park and Ride		133	2,020	347	0	0	2,500
Better Bus Fund		700	770	0	0	0	1,470
Project Team Costs		86	86	86	86	86	430
Reinvigorate York		700	1,300	1,200	0	0	3,200
Science City		40	40	0	0	0	80
Tour de France		25	25	0	0	0	50
<b>Total</b>		<b>1,684</b>	<b>4,241</b>	<b>1,633</b>	<b>86</b>	<b>86</b>	<b>7,730</b>
<b>Approved - Subject to Business Case</b>							
Digital media - BWP		1,400	0	0	0	0	1,400
<b>Total</b>		<b>1,400</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,400</b>
Approved (All)	<b>Total</b>	<b>3,084</b>	<b>4,241</b>	<b>1,633</b>	<b>86</b>	<b>86</b>	<b>9,130</b>





---

**Cabinet**

**6 November 2012**

**Report of the Cabinet Member for Corporate Services**

**Treasury Management Monitor 2 Mid Year review and Prudential Indicators 2012/13**

**Summary**

1. This Council is required through regulations issued under the Local Government Act 2003 and the revised 2011 CIPFA (Chartered Institute of Public Finance and Accountancy) Code of Practice for Treasury Management (as revised) to provide members with an update on treasury management activities at least twice a year.
2. This report therefore ensures this council is implementing best practice in accordance with the Code. It updates on the Treasury Management activities for the period 1 April 2012 to 30 September 2012 and reviews:
  - Economic Background
  - Annual Investment Strategy
  - Investment portfolio
  - Borrowing portfolio
  - Compliance with Prudential Indicators

**Background**

3. The Council's Treasury Management function is responsible for the effective management of the Council's investments, cash flows, its banking, money market and capital transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

**Economic Background and Analysis**

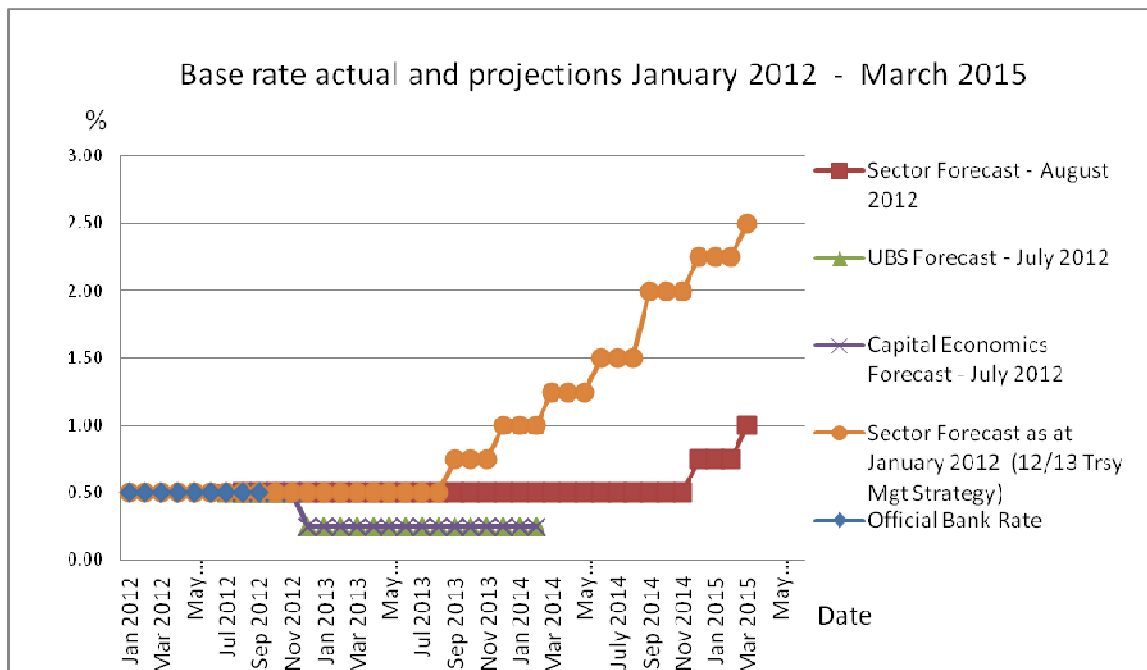
4. The Council's treasury management activities have operated within the following economic background:

- a) Indicators suggest that economic growth returned after three quarters of recession, with GDP (Gross Domestic product) in September increasing by 1% on the previous quarter. Over the last year the economy has remained flat.
  - b) Retail sales held up well and spending off the high street strengthened;
  - c) The labour market continued to recover, with most of the rise in employment being driven by growing self and part-time employment, rather than full-time. Pay growth has remained modest. Annual growth of overall average earnings ticked up from 1.3% in June to 1.4% in July. Given the rate of inflation over this period, real pay continued to fall on an annual basis
  - d) Annual inflation CPI (Consumer Prices Index) stands at 2.2 per cent in September 2012, down from 2.5 per cent in August. This is the slowest rate of inflation since November 2009, when it was 1.9 per cent. Further falls in inflation over the next few months look unlikely as a result of the recent increase in commodity prices – oil and agriculture.
  - e) The MPC (Monetary Policy Committee) announced additional asset purchase of £50bn in July over the following four months. This would take the total amount of Quantitative Easing to £375bn. Therefore, interest rate markets are pricing in a decent chance of a cut in official interest rates within the next few months, but Mervyn King (the Governor of the bank of England) is opposed to this.
  - f) UK equity and government bond prices rose;
  - g) The US economy's recovery has remained fairly weak. In the Eurozone, market sentiment improved following the ECB's pledge to buy "unlimited" quantities of peripheral government's sovereign debt in early September, provided that those countries have formally requested a bail out The US economy continued to recover, but at a disappointingly slow pace.
5. From the economic uncertainty described above the environment in which treasury management operates remains volatile. Sector – the Council's treasury management advisers – have undertaken a review of its interest rate forecasts following the Bank of England Inflation Report for August 2012, which again pushed back the timing of growth and the rate at which inflation will fall back towards the target rate of 2%. Table 1 is Sector's Interest Rate forecast:

	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15
Bank rate	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.75%	1.00%
5yr PWLB rate	1.50%	1.50%	1.50%	1.60%	1.70%	1.80%	1.90%	2.00%	2.10%	2.30%
10yr PWLB rate	2.50%	2.50%	2.50%	2.60%	2.70%	2.80%	2.90%	3.00%	3.20%	3.30%
25yr PWLB rate	3.70%	3.70%	3.70%	3.80%	3.80%	3.90%	4.00%	4.10%	4.20%	4.30%
50yr PWLB rate	3.90%	3.90%	3.90%	4.00%	4.00%	4.10%	4.20%	4.30%	4.40%	4.50%

**Table 1: Sector’s – Treasury Management Advisers – Interest Rate Forecast**

- The table highlights the first rise in Bank Rate is forecast to be in Q4 2014. For comparison purposes in January 2012, it was forecast that the Bank Rate would rise in Q1 2013. The current economic environment remains volatile with the uncertainty in the Euro zone and slow growth across the globe. PWLB (Public Works Loans Board) government rates for local authorities are forecast to remain low, rising in 2013 on a gradual upward trend.
- Figure 1 below shows the actual and projection of the bank base rate, which has remained at historically low levels since April 2009. Sector forecast bank base rate in August 2012 is compared to their revised forecast in January 2012. Other economists latest forecast are also shown for August 2012. The graph highlights the continued delay in the expectation of the increase in the Bank Base rate which is as a result of the decision to expand quantitative easing (now at £375bn) and continued low growth prospects.



## Figure 1: Base Rate 2012 to 2015 - latest forecast August 2012

### Annual Investment Strategy

8. Treasury Management Strategy Statement for 2012/13 was approved by Council on 23 February 2012. The Council's Annual Investment Strategy, which is incorporated in the Strategy, outlines the Council's investment priorities as follows:

- security of capital
- liquidity
- yield

The Council will aim to achieve the optimum return (yield) on investments commensurate with the proper levels of security and liquidity.

9. Investments are placed with highly credit rated financial institutions using the creditworthiness matrices described in the Treasury Management Strategy, which includes sovereign credit ratings from the rating agencies and the credit default swap (CDS) overlay information provided by Sector.

10. The current economic climate and the heightened credit concerns it is considered appropriate to keep investments short with a maximum duration of 3 months. This applies to all entities in which the Council is considering investing, except for the following institutions:

- (a) UK Government and related entities such as Local Authorities – suggested limit remains at 5 years.
- (b) UK semi-nationalised institutions e.g. Lloyds / RBS – suggested limit remains at 1 year. UK ownership of these entities provides comfort to investors.
- (c) Money market Funds – suggested limit remains at 1 year.

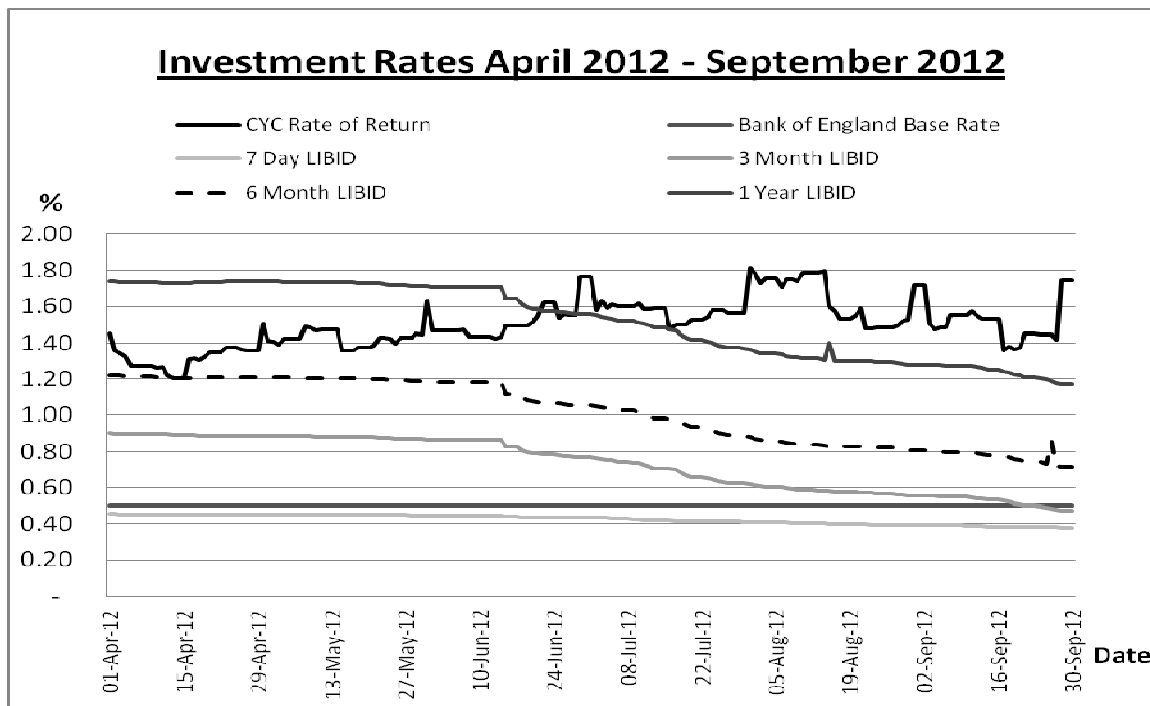
11. Investments held during the first six months of 2012/13, in accordance with Sector's Creditworthiness matrices and changes to Fitch and Moody's credit ratings, remained within the Council's approved credit criteria limits contained in the Annual Investment Strategy.

### Investment Portfolio

12. Investment rates available in the market have continued at historical low levels. The average level of funds available for investment

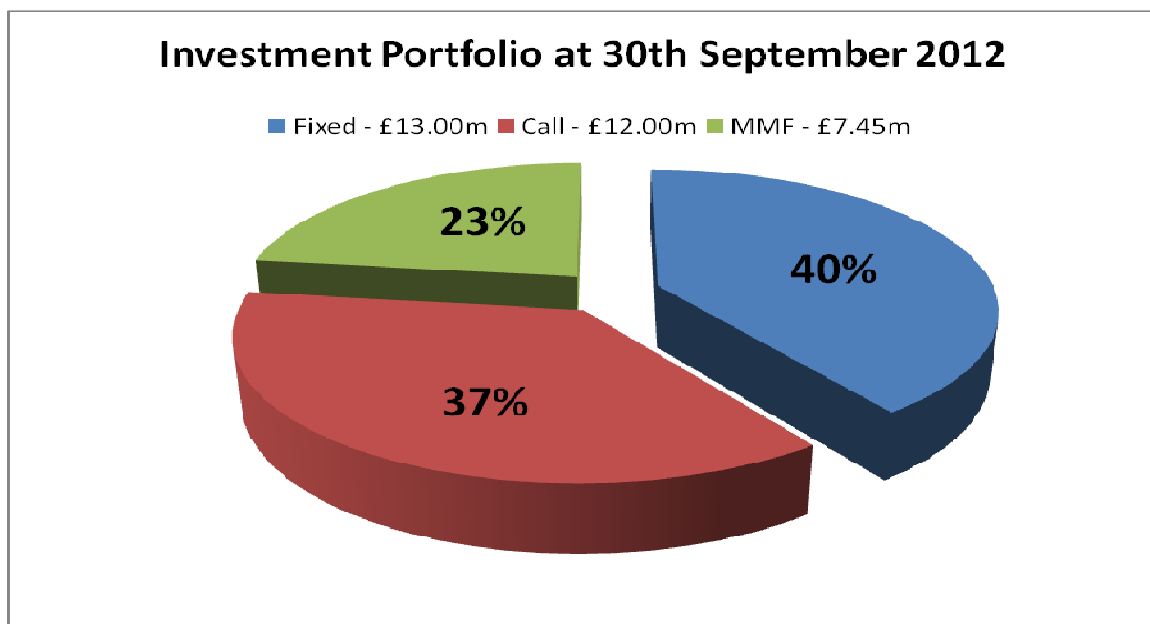
purposes in the six months of 2012/13 was £43.418m. The level of funds available is largely dependent on the timing of the Council's cash flow as a result of precept payments, receipt of grants, borrowing and progress on the Capital Programme. These funds are therefore available on a temporary basis dependant on cash flow movement.

13. There are no funds currently invested for periods of a year or more due to the limited institutions available for investment in the current market environment; in accordance with the credit criteria policy.
14. Investment activity during the first six months of 2012/13 earned a rate of return of 1.50% (compared to 1.50% 1<sup>st</sup> 6 months 11/12). This is 1.08% (compared to 1.03% 1<sup>st</sup> 6 months 11/12) better than the average 7 day London Inter-Bank Deposit rate (LIBID) of 0.43% (compared to 0.47% 1<sup>st</sup> 6 months 11/12) and 1.00% (compared to 1.00% 1<sup>st</sup> 6 months 11/12) higher than the average base rate for the period of 0.50%.The interest earned to date in 2012/13 is in line with the treasury management budget.
15. Figure 2 shows the interest rates available on the market between 7 days and 1 year and also the rate of return that the Council has achieved for the first six months of 2012/13. It shows that favourable / competitive interest rates have been obtained for investments whilst ensuring the required liquidity and security of funds for the Council.



## Figure 2: CYC rate of return on Investments vs Money Market Rates

16. The higher rate of return on investment activity compared to the average LIBID rate and base rate for the period is due to the treasury team continuing to monitor the market and taking advantage of opportunities when they become available, whilst ensuring the security of the council's funds. Investments in the portfolio are diversified and include fixed deposits in short term call accounts, fixed term investments and money market funds (MMF). This can be seen in Figure 3.



**Figure 3 Diversified Investment Portfolio at 30 September 2012**

## Borrowing Portfolio

17. The Council undertakes long term borrowing in accordance with the investment requirements of the capital programme and all borrowing is therefore secured against its asset base.
18. The level of borrowing taken by the Council is determined by the Capital Finance Requirement (the Councils underlying need to borrow for capital expenditure purposes). Borrowing needs to be affordable, sustainable and prudent and the treasury management budget supports the borrowing finance costs in the longer term.
19. Under regulation, the Council can borrow in advance of need in line with its future borrowing requirements in accordance with the Capital Financing Requirement. This Council has not borrowed in advance of

need during the quarter ended 30<sup>th</sup> September 2012 and has no intention to borrow in advance in 2012/13.

20. On the reverse side, the Council's level of borrowing can also be below the Capital Financing Requirement. This would mean that instead of increasing the Council's level of borrowing, surplus funds held for investment purposes would be utilised instead, decreasing the level of surplus funds being available for investment.
21. In the current interest rate environment where investment rates are below borrowing rates consideration is given to the value of taking borrowing or whether it is better for the council to keep investment balances lower. To date no external borrowing has occurred in 2012/13.
22. The interest rate target level for borrowing in the Treasury Management Strategy for 2012/13, approved by Council 23 February 2012, was 4.5% to allow for external borrowing over different time periods. The revised interest rate forecast in table 1 above, shows that borrowing rates in the first six months of 2012/13 have fallen across the board. Table 2 shows Government Public Work Loans Board (PWLB) borrowing interest rates across the interest rate yield curve for the quarter to 30 September 2012.

	1 Year	5 Year	10 Year	25 Year	50 Year
<b>Low</b>	1.00%	1.52%	2.52%	3.81%	4.02%
<b>Date</b>	02/08/12	23/07/12	23/07/12	18/07/12	18/07/12
<b>High</b>	1.21%	1.89%	2.91%	4.15%	4.32%
<b>Date</b>	02/07/12	17/09/12	17/09/12	17/09/12	17/09/12
<b>Average</b>	1.10%	1.68%	2.68%	3.94%	4.14%

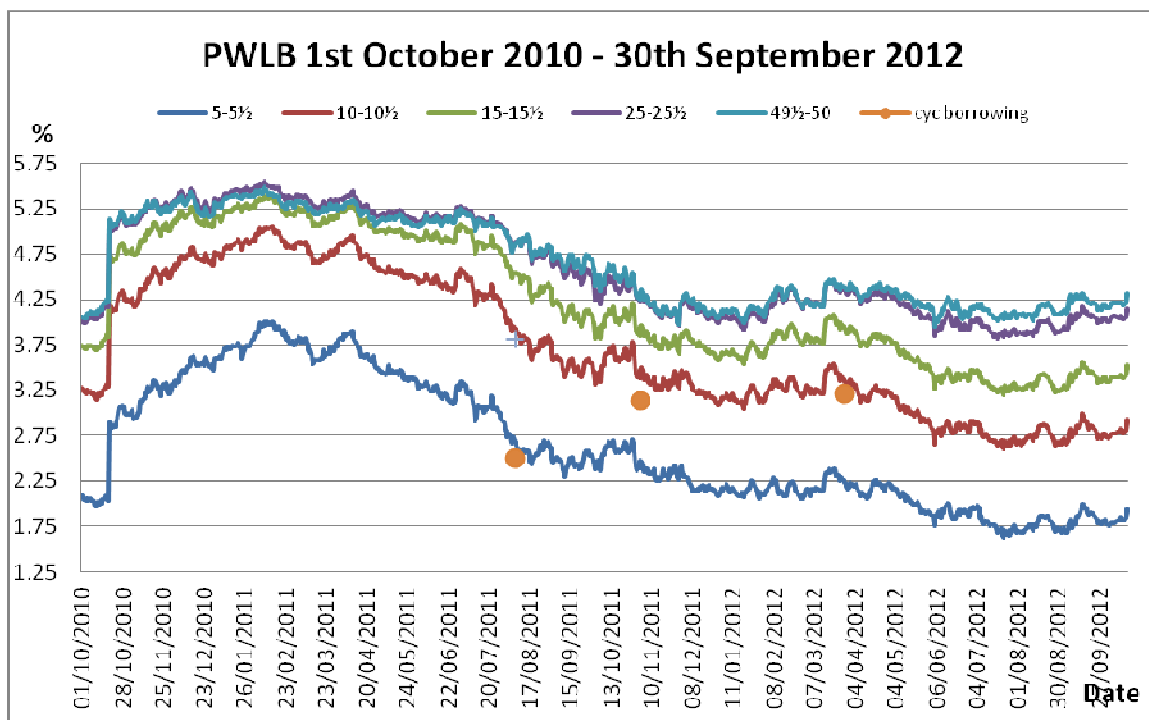
**Table 2 – PWLB Borrowing Rates - quarter ended 30 September 2012**

23. Long-term rates (30 years and above) hit their lows for the current year on 1<sup>st</sup> June 2012 (3.96% for 50 year PWLB). Rates at the short/medium term fell even lower into July and reached their low point on 23<sup>rd</sup> July amidst growing expectations of UK bank rates remaining lower for longer and falling inflation expectations.
24. Overall, PWLB borrowing rates have risen since June/July and are currently 20-30 basis points above the earlier lows, but still historically low. This slight rise is due to a reduced level of perceived market risk

leading to an outflow from UK gilts (selling gilts) into equities (buying equities). This results in a slight rise in interest rates.

25. There is further opportunity for lower borrowing rates to be achieved in Local Authorities, as in the March budget 2012 the government announced that they would introduce a 20 basis points discount on loans from the Public Work Loans Board. On 2 August 2012 the Treasury revealed details of the 'certainty rate' which will enable local authorities to access this cheaper borrowing. Authorities who wish to access this reduced rate were required by 17<sup>th</sup> September 2012 to complete a form detailing the amount of borrowing that authorities would require in accordance with their capital programme. On 12 October, the Government listed all those authorities that were eligible to receive the reduce rate of interest on borrowing. City of York Council have been included on this list.

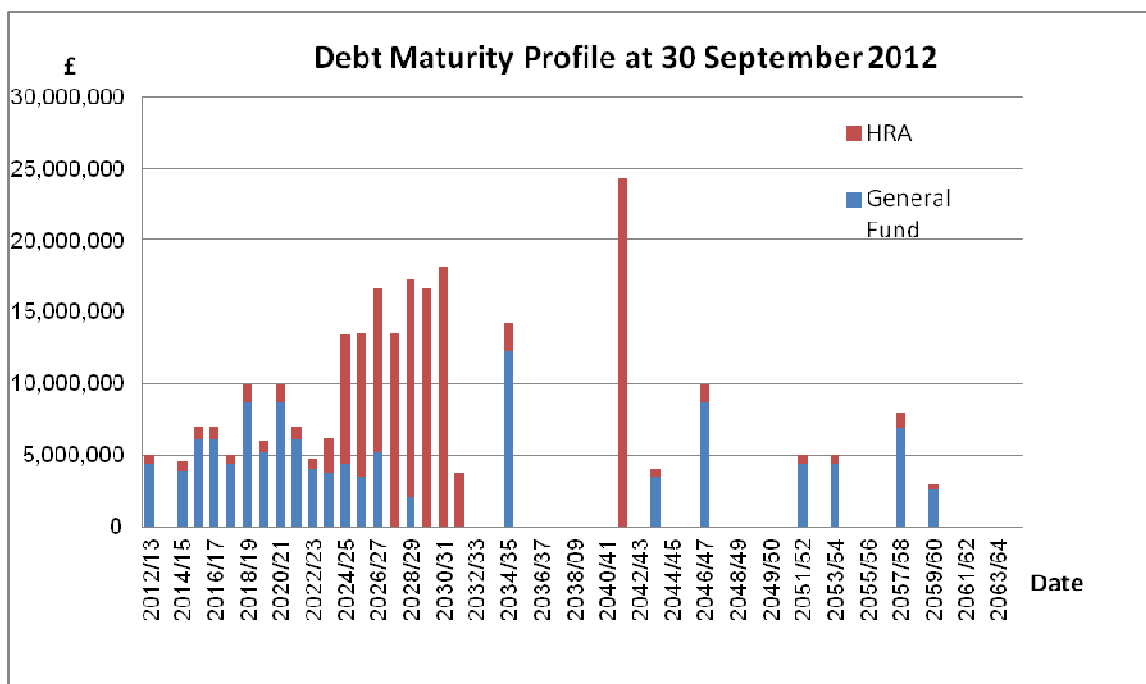
26. Figure 4 shows the fluctuation in PWLB rates since October 2010 when the Government's Comprehensive Spending Review increased rates to 1% above gilt yields. It indicates that all interest rates have generally been on a downward trend during the 2012/13 and continue to remain at historical low levels. The yellow circles highlight when new borrowing was taken in 2011/12, no borrowing has occurred in 2012/13. In future, due to the 'certainty rate', PWLB interest rates available will be 20 basis points lower and will be illustrate on the graph in future reports.





**Figure 4 – PWLB rates vs CYC Borrowing Levels**

27. The Councils long-term borrowing started the year at a level of £261.6m. This is split between the General Fund at £121.3m and the HRA at £140.3m. £3m loan was repaid in May 2012 in line with its maturity date, split between the General Fund and HRA at £2.6m and £0.4m respectively. No new borrowing has been taken in the first six months of 12/13.
  
28. It is not anticipated that borrowing will be undertaken during this financial year as borrowing rates remain higher than investment rates, even with the PWLB ‘certainty rate’. That said, borrowing rates are still at historically low levels and therefore rates will continue to be monitored in this volatile opportunistic environment. If rates forecast change and it is anticipated that borrowing rates are on the increase, then borrowing may occur to take advantage of favourable rates.
  
29. Figure 5 illustrates the 2012/13 maturity profile of the Council’s debt portfolio as at 30 September 2012. This is split between the loans held by the General Fund and the loans held by the HRA, which is required under the Self Financing regulation. These regulations came in to force on 1 April 2012. The maturity profile shows that there is no large concentration of loan maturity in any one year, thereby spreading the interest rate risk dependency.



**Figure 5 – Debt Maturity Profile 12/13**

### **Compliance with Prudential Indicators**

30. The Prudential Indicators for 2012/13, included in the Treasury Management Strategy Statement are based on the requirements of the Council's capital programme and approved at Council on 23 February 2012.
31. It is a statutory duty for the Council to determine and keep under review the "Affordable Borrowing Limits" included in the Prudential Indicators. The monitoring of the Prudential Indicators is attached at Annex A.
32. During the financial year 2012/13 to date, the Council has operated within the treasury limits and Prudential Indicators set out.

### **Consultation**

33. The report shows the six month position of the treasury management portfolio in 2012/13. The treasury management budget was set in light of the council's expenditure plans and the wider economic market conditions, based on advice from Sector - the Council's Treasury Management advisers.

### **Council Plan**

34. The Council Plan has five priorities which all require a budget to achieve. The treasury management function aims to achieve the optimum return on investments commensurate with the proper levels of security, and endeavours to minimise the interest payable by the Council on its debt structure. It thereby contributes to all Council Plan priorities.

### **Human Resources Implications**

35. There are no HR implications as a result of this report.

### **Equalities**

36. There are no equalities implications as a result of this report.

### **Legal Implications**

37. Treasury Management activities have to conform to the Local Government Act 2003, the Local Authorities (Capital; Finance and Accounting) (England) Regulations 2003 (SI 2003/3146), which specifies that the Council is required to have regard to the CIPFA Prudential Code and the CIPFA Treasury Management Code of Practice and also the *Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008* (SI 2008/414), which clarifies the requirements of the Minimum Revenue Provision guidance.

### **Crime and Disorder Implications**

38. There are no crime and disorder implications as a result of this report.

### **Information Technology Implications**

39. There are no IT implications as a result of this report.

### **Property Implications**

40. There are no property implications as a result of this report.

### **Risk Management**

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

### **Recommendations**

42. Members are required, in accordance with the Local Government Act 2003, to:
- Note the treasury management activities in 2012/13
  - Note the movements in the Prudential Indicators at Annex A

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

**Contact Details**

<b>Authors:</b>	<b>Cabinet Member &amp; Chief Officer Responsible for the report:</b>		
<b>Author:</b>  Louise Branford-White Technical Finance Manager Corporate Finance Tel No. 551187  Ross Brown Principal Accountant Corporate Finance Tel No. 551207	Councillor Julie Gunnell Cabinet Member for Corporate Services  Ian Floyd Director for Customer & Business Support Services Tracey Carter - Assistant Director of CBSS (Finance)		
	<b>Report Approved</b>	√	<b>Date</b> 26 October 2012
<b>For further information please contact the authors of the report</b>			

**Wards Affected:**

All

**Specialist Implication Officers:**

None

**Background Papers**

Cash-flow Model 12/13, Investment Register 12/13, PWLB Debt Register, Capital Financing Requirement 12/13, Venture Fund 12/13, Treasury Management budget 12/13.

**Annexes**

Annex A – Prudential Indicators 2012/13

## Prudential Indicators 2012/13 Monitor 2

## Annex A

PRUDENTIAL INDICATORS		2012/13 Original Budget	2012/13 Monitor 2
1) <b>Capital Expenditure</b> To allow the authority to plan for capital financing as a result of the capital programme. To enable the monitoring of capital budgets to ensure they remain within budget.	Non - HRA	£M 67.6	£M 60.3
	HRA	7.8	8.7
	TOTAL	75.4	69.0
2) <b>Ratio of financing costs to net revenue stream</b> This indicator estimates 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 and Subsidy.	Non - HRA	9.2%	9.7%
	HRA	2.3%	2.1%
3a) <b>Incremental impact of capital investment decisions - Council Tax</b> Shows the actual impact of capital investment decisions on council tax. The impact on council tax is a fundamental indicator of affordability for the Council to consider when setting forward plans. The figure relates to how much of the increase in council tax is used in financing the capital programme and any related revenue implications that flow from it.		£ p	£ p
	Increase in Council Tax (band D) per annum	23.89	18.27
3b) <b>Incremental impact of capital investment decisions - Hsg Rents</b>		£ p	£ p

	Shows the actual impact of capital investment decisions on HRA rent. For CYC, the HRA planned capital spend is based on the government's approved borrowing limit so there is no impact on HRA rents.	Increase in average housing rent per week	0.00	0.00
<b>4)</b>	<b>Net Borrowing not exceed the CFR</b> 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.		<b>£M</b> 258.5	<b>£M</b> 226.2
<b>5)</b>	<b>Capital Financing Requirement as at 31 March</b> 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.		<b>£M</b>	<b>£M</b>
		Non - HRA	168.6	179.2
		HRA	140.4	140.4
		<b>TOTAL</b>	<b>309.0</b>	<b>319.6</b>
<b>6a)</b>	<b>Authorised Limit for external debt -</b> 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 for 3 financial years.		<b>£M</b>	<b>£M</b>
		borrowing	337.9	337.9
		other long term liabilities	20.0	20.0
		<b>TOTAL</b>	<b>357.9</b>	<b>357.9</b>

6b) Operational Boundary for external debt -		£M	£M
<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	307.9	307.9
	other long term liabilities	20.0	20.0
	TOTAL	327.9	327.9
<p><b>7) Adoption of the CIPFA Code of Practice for Treasury Management in Public Services</b></p> <p>Ensuring Treasury Management (TM) Practices remain in line with the Code of Practice.</p>	TM Policy Statement	✓	✓
	12 TM Practices	✓	✓
	Policy Placed Before Council	✓	✓
	Annual Review Undertaken	✓	✓
	A&G named as specified Scrutiny body	✓	✓
<p><b>8a) Upper limit for fixed interest rate exposure</b></p> <p>The Council sets limits to its exposures to the effects of changes in interest rates for 3 years. The Council should not be overly exposed to fluctuations in interest rates which can have an adverse impact on the revenue budget if it is overly exposed to variable rate investments or debts.</p>	<p>Net interest re fixed rate borrowing / investments</p> <p>Actual Net interest re fixed rate borrowing / investments</p>	104%	109%
<p><b>8b) Upper limit for variable rate exposure</b></p>			

	The Council sets limits to its exposures to the effects of changes in interest rates for 3 years. The Council should not be overly exposed to fluctuations in interest rates which can have an adverse impact on the revenue budget if it is overly exposed to variable rate investments or debts.	Net interest re variable rate borrowing / investments Actual Net interest re variable rate borrowing / investments	-4%	-9%
<b>9)</b>	<b>Upper limit for total principal sums invested for over 364 days</b>		<b>£M</b>	<b>£M</b>
	To minimise the impact of debt maturity on the cash flow of the Council. Over exposure to debt maturity in any one year could mean that the Council has insufficient liquidity to meet its repayment liabilities, and as a result could be exposed to risk of interest rate fluctuations in the future where loans are maturing. The Council therefore sets limits whereby long-term loans mature in different periods thus spreading the risk.	Investments over 364 days	10.0	10.0
			£0	£0
<b>10)</b>	<b>Maturity structure of new fixed rate borrowing</b>		<b>Upper Limit</b>	<b>Actual £M</b>
	The Council sets an upper limit for each forward financial year period for the level of investments that mature in over 364 days. These limits reduce the liquidity and interest rate risk associated with investing for more than one year. The limits are set as a percentage of the average balances of the investment portfolio.	under 12 months 12 months & within 24 months 24 months & within 5 years 5 years & within 10 years 10 years & and above	30%	258.6
			30%	2%
			40%	3%
			40%	7%
			40%	15%
			90%	74%

### Glossary Of Abbreviations

HRA - Housing Revenue Account



1. In accordance with the Prudential Code, the Prudential Indicators set by full Council on 23 February 2012 for the financial year 2012/13 must be monitored and reported at Outturn. The Prudential Indicators are detailed above and the key points are explained below:
2. **Indicator 1 - Capital Expenditure:** The capital programme expenditure for 2012/13 was originally estimated at £65.1m and at monitor 2 had increased to £69.0m. The Capital Programme 2012/13 Monitor 2 report has further detail with regards to this movement. In brief, new borrowing schemes of £4.1m funded from existing revenue budgets increased capital expenditure and also a number of schemes were re-profiled to future years.
2. **Indicator 2 – Ratio of Finance Costs to Net revenue Stream:** This indicator represents how much borrowing (where the finance costs are not supported by government grant) for the capital programme, will cost as a percentage of the net revenue stream of the Council. The General Fund indicator at Monitor 2 is 9.7% compared to a budgeted level of 9.2%, with the marginal increase due to increased finance costs, as a result of increased provision to repay borrowing as defined in statute. The Housing Revenue Account (HRA) version of the indicator is 2.1% compared to the budgeted level of 2.3%, the difference is mainly due to a higher HRA balance which earned investment income than was originally estimated. Under the new self financing regulations, the increased finance costs to service the additional £121.1m borrowing taken are covered by the increased housing rent collected by the authority. In the past this rent was always collected, rent has not risen, but under the housing subsidy scheme it would have been paid to the Government.
3. **Indicator 3 (a) & (b) - Incremental Impact of Capital Investment Decisions on the Level of Council Tax (3a) and Housing Rents (3b):** This indicator shows the impact of capital investment decision on the bottom line level of Council Tax. The Council can fund its discretionary capital programme from two main sources, from borrowing or using capital receipts from the sale of surplus assets. The Council's policy is to use capital receipts to fund the Capital programme, where possible. However in the current economic environment with reduced capital receipts there is the requirement to use borrowing to support the capital programme, which has an impact on Council Tax through the revenue cost of financing the borrowing. The borrowing is not taken unless it is affordable, sustainable and prudent and can be supported by an existing budget. For the General Fund at Monitor 2 the increase in Council tax (band D) per annum is £18.27 compared to £23.89 estimated at budget. The reduction is in line with no borrowing occurring in the first six months for 2012/13.
4. **Indicator 4 – Net Borrowing not exceed the CFR:** In order 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. This essentially means that the Council is not borrowing to support revenue

expenditure. Net borrowing should not therefore, except in the short term, have exceeded the CFR for 2012/13 plus the expected changes to the CFR over 2013/14 and 2014/15. This indicator allows the Council some flexibility to borrow in advance of its immediate capital needs in 2011/12. The table highlights the Council's net borrowing position against the CFR, it confirms that no borrowing occurred in advance of need and the net borrowing position was below the CFR.

5. **Indicator 5 - Capital Financing Requirement (CFR):** The CFR at Monitor 2 is £319.6m, higher than the CFR originally budgeted at £3.09.0m. This is as a result of less capital receipts / grants / contributions being used to fund the capital programme and new schemes (as mentioned in paragraph 2 Indicator 1 above) being funded from borrowing. The CFR represents the Council's underlying need to borrow for all capital investment over time. The CFR represents the capital expenditure (which has not yet been paid for by revenue or other resources) which is required to be funded by borrowing. Under Statute, the council is permitted to borrow to fund capital expenditure. When borrowing is undertaken it is not taken for a specific capital scheme but rather to fund the council's capital financing requirement as a whole.
6. **Indicator 6(a) - Authorised Limit:** The authorised limit is the "affordable borrowing limit" required by s3 of the Local Government Act 2003. The Council does not have the power to borrow above this level, which is approved at Full Council every year. The table confirms at Monitor 2 that the Council has maintained gross borrowing within its authorised limit of £357.9m. Borrowing is currently £258.6m, the headroom available within this limit allows the Council the ability to borrow in advance of need in accordance with its 3 year forecast Capital programme.
7. **Indicator 6(b) – Operational Boundary:** This is the estimated borrowing position of the Council during the year. Periods where the actual position is either below or over the boundary is acceptable subject to the authorised limit not being breached. At Monitor 2 the actual borrowing level was below the operational boundary as no borrowing has been taken, even though this could have occurred in line with the Capital Financing Requirement of the capital programme. This was in accordance with the strategy to hold off borrowing due to borrowing rates being much higher than investment rates.
8. **Indicator 7 - Adoption of the CIPFA Code of Practice in Treasury Management:** In accordance with the Prudential Code, the Council has adopted the CIPFA Treasury Management in the Public Services Code of Practice "the Code" prior to the beginning of the financial year. The table shows the code has been adhered to.
9. **Indicator 8(a) & (b) - Upper Limit for Fixed and Variable Interest rate Exposure:** Interest rate exposure on debt is positive due to it being in relation to interest paid and on investments is negative as it is interest being received. When the variable and fixed interest rates are totalled, it will always be 100%.

The majority of the interest received for the Council relates to variable rated investments, where as the interest paid on debt is fixed. The limits set in the budget are similar to those at Monitor 2 at 109% for fixed interest rate exposure and –9% for variable interest rate exposure.

10. **Indicator 9 - Upper Limit for total principal sums invested for over 364 days:** This has been set at £10m and is approximately 25% of the average portfolio throughout the year. To date no investments for longer than 364 days have been taken due to the credit ratings assigned to counterparties. In the current environment it is viewed as high risk to have long term exposure. The banks which are nationalised have the backing of government and therefore investment up to 1 year are considered.
11. **Indicator 10 - Maturity Structure of Fixed rate Borrowing:** The borrowing portfolio is spread across different time periods to ensure that the Council is not exposed to the requirement to take new borrowing in any one year and be exposed to interest rates in any one year. At Monitor 2 the borrowing portfolio maturity profile was within the limits set as represented in the table.

This page is intentionally left blank



---

**Cabinet**

6th November 2012

Report of the Cabinet Member for Corporate Services

**Technical Reforms to Council Tax****Summary**

1. The purpose of this paper is to provide Cabinet with details of the Governments Technical Reforms to Council Tax. The report also sets out the recommended changes to council tax exemptions for Cabinet approval in the light of the new powers.
2. Changes to council tax exemptions as set out in this paper should:
  - have a positive impact in reducing the number of empty properties in the city;
  - bring short term empty properties back into use more quickly;
  - incentivise developers to bring development properties back to the market more quickly;
  - create substantial savings in the annual council tax billing process.

**Background**

3. The Governments aims of their technical changes are based upon the localisation agenda and keeping the overall level of Council Tax down. The context is:
  - necessarily tight local Government finance settlements for the next few years;
  - proposals to return some control of business rates to local authorities; and
  - proposals to replace council tax benefit with local support for council tax.

4. The changes were also seen by the Government as an opportunity to address some of the technical issues that have arisen in recent years, to explore modernising the system in certain minor respects and to consider whether some aspects of the system should be changed. None of these changes will affect students who will remain exempt from council tax. The changes in summary are:
  - (a) giving billing authorities power to levy up to full council tax on second homes;
  - (b) replacing exemption Classes A and C with discounts, the amount of which would be for billing authorities to determine;
  - (c) abolishing Class L exemptions, and making mortgagees in possession of empty dwellings liable to council tax in respect of them;
  - (d) allowing billing authorities to levy an 'empty homes premium' in respect of dwellings which have been left empty for two years or more;
  - (e) setting a default assumption that payment of council tax by instalments will be over twelve months rather than (as is currently the case) ten;
  - (f) allowing authorities to publish online the 'Information to be supplied with demand notices', but with a duty to supply it in hardcopy to any council tax payer requesting it – as an efficiency measure, and to encourage the take-up of electronic billing;
  - (g) changes to eliminate potential tax complications from arrangements involving third party suppliers where solar panels are placed on the roofs of dwellings without coming into the paramount control of the residents.
5. This paper looks at each of the issues in turn in light of the Government's response to consultation document issued by DCLG at the end of May 2012. It also sets out the financial benefits, recommendations and any potential risks.

## **Providing the power to levy full council tax on second homes**

6. The council already has the power to provide a discount of between 10% and 50% on second homes and has for a number of years only provided in most cases a 10% discount. The opportunity to remove the remaining 10% discount would provide an additional £102K of liability based upon the value of accounts raised in 11/12. There are a further 5 homes that benefit from a 50% discount as the occupant necessarily occupies it and another home as part of their job. Two of these are in respect of military personnel, two in respect of clergy and the final property is a schoolmaster of a boarding school. Increasing these to 100% would provide further additional liability of £7,800.
7. The Governments response to the consultation has confirmed its intention to amend secondary legislation to allow billing authorities to levy up to the full council tax on second homes.
8. It is recommended that the council takes advantage of this power and seeks to levy full council tax on all second homes other than those that are occupied as part of their job (5 properties). The key risks are that the council will no longer be able to identify second homes. It is likely that collection rates will be high for this additional levy and that the value of additional bills will be between an estimated £75K – £105K in 13/14

## **Empty Homes Premium**

9. The Government sought views on whether the billing authorities should be given the option to levy an 'empty homes premium' on the council tax payable in respect of dwellings that have been left empty for two years or more.
10. The Governments response to consultation is to seek the necessary primary legislation to implement the empty homes premium, and this has been included in Clause 10 of the Local Government Finance Bill. The premium will not become payable until a dwelling has been empty and unfurnished for at least two years and the maximum premium which an authority will be able to adopt will be 50%.
11. There has been a reduction in recent years in the number of empty properties in the city and this change if implemented will further incentivise bring homes back into use. There are currently just 154 properties in this category. The additional

liability that could be levied by applying the full 50% would be approx £64K. The key risks are that customers may claim their properties are occupied once this premium is applied. If basic furnishing were moved in to the property they could become classed as second homes and avoid the additional premium altogether. The clock will start again if any property is occupied for over six weeks. The actual amount of additional liability that will be collected in year is likely to be very low. It is however recommended that the council adopt the maximum levy of 50%.

### **Class A Exemptions**

12. The Class A exemption provides for a maximum 1 year grace period to bring properties requiring structural alteration or major repairs back into use. The Government have acknowledged in their response to consultation that it is reasonable that council tax payers should receive some relief.
13. The Government's response to the consultation is to confirm its intention to abolish Class A exemptions, and instead empower billing authorities to provide a discount which they may set at 100% or any lower percentage which seems reasonable to them having regard to local circumstances, in respect of dwellings which currently fall within Class A exemption. The Government has further decided that the length of discount should not be a matter for local discretion but should remain at 1 year.
14. Reducing the discount may act as a positive incentive to bring properties back into use more quickly. There were 251 accounts raised in respect of this exemption in 2011/12. It is recommended that the discount should be limited to 50% and based on the 2011/12 figures would provide additional liability in the region of £67K. There is no experience of collecting this new liability and the value of bills from 2013 onward will depend on whether this change deters developers from modernising properties.

### **Class C Exemptions**

15. This exemption applies to properties that are vacant and unfurnished for example between lets and following a move when the initial property has not sold. The Government's proposal here is the same as Class A in allowing councils' to



charge up to 100% of council tax and retain the additional income.

16. The Governments response to the consultation is to confirm its intention to abolish Class C exemptions, and instead empower billing authorities to provide a discount which they may set at 100% or any lower percentage which seems reasonable to them having regard to local circumstances, in respect of dwellings which currently fall within Class C.
17. There were 7,720 accounts raised in respect of this exemption in 2011/12. As with Class A exemptions it might be unfair to completely remove the discount especially given the number of accounts and customers affected. It is proposed however that the discount is reduced from 100% to 50% which based on the 2011/12 figures would provide an additional liability of £537K.
18. This change may again incentivise landlords in particular to bring properties back into use more quickly. There are some risks associated with this exemption. One highlighted in the Governments response document relates to landlords. Landlords feel that this is unfair and they would instantly become liable for council tax when a tenancy ended, and that it would inhibit the rental market. Housing believes that the rental market in York is buoyant and that the charge may increase turnover of stock. The council would also be liable for council tax on any of its own properties that remain empty between tenancies the estimates based on 11/12 put this in the region of £40K. Landlords who are Registered Social Landlords (RSL's) and have charitable status can apply for an alternative exemption to escape the additional charge.
19. The accounts raised under this exemption are short term with an average of 44 days in 2011/12. It is expected due to their short term nature and low value that in year collection rates will be below the current levels and possibly substantially lower in respect of this additional levy. A quicker turnover of properties driven by this change will also reduce the overall liability. It is recommended that the discount should be reduced from 100% to 50%.

### **Class L Exemptions**

20. This exemption applies to properties that have been repossessed. The Governments proposition is a change in the hierarchy of liability so that the mortgagee becomes

liable rather than the owner who is currently not required to pay. The Government suggests that the Class L exemption then would no longer be required.

21. The Government have accepted that this is a complex issue and their response to consultation is to continue to develop the proposals as set out in the consultation. Along with a commitment that the measure will not be commenced without detailed discussions with the mortgage lenders about these issues, leading to a satisfactory and workable administrative arrangements.
22. There were 47 accounts issued in respect of this exemption in 2011/12 with a liability of £18.5K. None of this liability will be recoverable until the Government have finalised there proposals.

### **Consequential issues for Empty Homes**

23. This has no impact for City of York Council as all empty homes that have been empty for up to two years are already charged at 100% liability.

### **Definition of relevant person**

24. This is a technical change to close a loophole that allows the liable party to escape liability for non-domestic rates when they retain an element of a property that is being commercially let. The amendment should therefore be supported. This relates to holiday homes escaping liability for business rates, but at the moment we may be benefiting because these properties pay council tax. However, we are not aware that there are any such cases in York
25. The Government's response to the consultation is therefore to go ahead with the amendment.

### **Payment by instalments**

26. The Government is proposing that council tax payers should be allowed to pay their bills in 12 monthly instalments instead of the current 10. This is on the basis that this is common practice with utility bills and that councils often allow this when customers are required to make a payment arrangement.
27. The Government has carefully considered this issue and the response from local authorities. Taking these views into account it is of the view that the default should remain at 10

months. The impact of all customers migrating to 12 monthly instalments could increase the councils borrowing costs by as much as £300K per annum. The council however must inform the council tax payer that they have a legal right to pay by 12 instalments.

### **Information to be supplied with demand notices**

28. The Government proposed that billing authorities should be able to discharge their duty to provide the information that must currently be supplied with demand notices by publishing it on line (with the exception of information relating to penalty charges), and subject to the right of any resident to request a hard copy. This has been approved and forms part of the Local Government Finance Bill. It has not been possible to talk to all local authorities about their approach to this opportunity but our largest neighbour East Riding Council will be moving to the electronic approach for annual billing in 13/14.
29. The savings associated with this change would be in the region of £46K - £50K. The roll out of e-billing during 2012/13 will also add further savings through lower annual postage charges. It is recommended that the council adopt this change.

### **'Rent a Roof' solar installations**

30. In simple terms the Government is proposing that where these are fitted to domestic properties by a third party for profit they are classed as part of the property. This will not increase the value of the property (For Council Tax purposes) but will avoid a complex case by case review by the valuation office for non-domestic rates.
31. The Government have adopted this proposal with a cap at 10kW. There are no risks or issue for the council in relation to this decision.

### **Annexes to dwellings**

32. Currently, occupied "granny annexes" are banded separately to the main residence and receive full exemption when occupied. When the granny annex becomes vacant then it is no longer deemed to be a granny annex and would be treated as a normal self contained property. This is a little complex but what is being suggested in simple terms is where an owner of a property has a 'granny annex' that is

self contained but is no longer occupied and has effectively been returned to the main residence as a joint home they should not have to continue to pay council tax for this separately. The Government have decided due to the complexities to undertake a broader review of the issue.

33. This is not material in terms of liability however policing occupation of this type of annex would be difficult.

### Options

34. The options associated with this paper are:

**Option 1** – To agree the recommendations at Paragraphs 6 – 33 and approve them on the basis that the Finance Bill is enacted;

**Option 2** – To not agree the recommendations and leave exemptions as they currently are

**Option 3** – To approve different levels of exemption to those recommended.

### Council Plan

35. The implication of the changes contained within the Governments consultation document will impact on several of the council's priorities that create the corporate strategy. This specifically includes:
- a) Protecting vulnerable people
  - b) Building strong communities
  - c) Creating jobs and growing the economy

### Implications

- (a) **Financial** – There is an opportunity to increase the council tax liability base and therefore council tax income.
- (b) **Human Resources (HR)** - There are no implications
- (c) **Equalities** – There are no implications

- (d) **Legal** - There are no implications
- (e) **Crime and Disorder** - There are no implications
- (f) **Information Technology (IT)** - There are no implications
- (g) **Property** - There are no implications

### **Risk Management**

36. The key risks in relation to this paper are that the value of additional council tax collected will be less than predicted. Landlords may increase rents to offset the reduction in class C exemptions. The risks of this are not perceived as being high (In consultation with Housing) although the impact of any change will be monitored. There is a risk of reputational damage as a result of increasing taxation.

### **Recommendations**

37. Cabinet are asked to:

- a. Consider and comment on the issues raised in this decision paper;

Reason: To gain an understanding of the implications of the Government's Technical Changes to Council Tax

- b. Approve the recommendations set out at Paragraph 6 - 33;

Reason: To increase the amount of council tax liability in 2013/14

**Contact Details**

**Author:** **Chief Officer Responsible for the report:**

<b>Authors:</b>	<b>Cabinet Member &amp; Chief Officer Responsible for the report:</b>		
David Walker Head of Financial Procedures Phone No. 01904 552261 Tracey Carter Assistant Director – Finance Asset Management and Procurement	Councillor Julie Gunnell Cabinet Member for Corporate Services  Tracey Carter Assistant Director of Financial Services		
	<b>Report Approved</b>	√	<b>Date</b> 25 October 2012
<b>Wards Affected:</b> <i>All</i>			
<b>For further information please contact the authors of the report</b>			

**Background Papers**

Technical reforms to council tax DCLG  
 Technical reforms to council tax – Response DCLG

**Annexes** - None



---

Cabinet

6 November 2012

## Report of the Cabinet Member for Corporate Services

### Leeds City Region Business Rates Pool

#### Purpose of report

1. This report provides Members with initial information as to how a Leeds City Region Business Rates pool will work and seeks approval for the Chief Executive and Director of Customer & Business Support Services (as Section 151 officer) to add their signatures to the final pool proposal submission to the Department of Communities and Local Government (DCLG).

#### Background

2. From 1 April 2013, the way Local Government is funded is changing. Under the current system, local authorities receive an annual grant settlement called Formula Grant which is made up of redistributed Business Rates and the Revenue Support Grant and is allocated based on an assessment of relative need. This is in the main funded by Business Rates that are collected by local authorities on behalf of the Government. It is very rarely the case that a local authority will receive back what it collects, e.g. York collects in the region of £90m in rates but only receives around £45m in Formula Grant.
3. Under the new funding system Business Rates are being localised, which the Government hopes will aid and incentivise economic growth at the local level. In theory, this would mean that a local authority keeps any money it collects, however as outlined above, this would result in significant winners and losers. As the system has been developed a number of significant rules have developed:
  - i) Some local authorities need more money than they collect in rates so to ensure they are not unfairly penalised, they will receive a **top up** payment,
  - ii) This will be funded by local authorities whom the Government determine collect more rates than they need in the form of a **tariff**. York will be a tariff authority.
  - iii) The Government wants to ensure that no local authority makes disproportionate gains so any growth will be subject to a **levy** which will be paid into a central pot. As York is a high tariff authority, it will have to pay over a significant levy; after Government has taken its share, projections

show that the council would only keep in the region of 25-30% of **an** growth.

- iv) Equally, the Government doesn't want any local authority to lose too much money should a local major economic shock occur, so the central pot collected from levies will fund **safety net** payments.

### **Pooling Arrangements**

4. Under the developing proposals, the Government has also said that it will let local authorities group together to form into local pools. The idea behind this is that economic growth could be incentivised over a larger geographic area than that of just one authority. The main benefit to a local authority of joining a pool would be to share the risks of any volatility in income as well as the potential of removing the need for a levy payment on growth. If the net position of all of the authorities in the pool would normally result in a top up, any growth would be fully kept within the pool and distributed amongst participating authorities rather than going straight to the Government. It should be made clear that if there is a loss in the pool, each member authority would be liable to a share of that loss.
5. DCLG has sought expressions of interest from groups of authorities who may like to set up a pool. This expression of interest is to be formalised via a final proposal for each pool which is to be submitted to DCLG by 9 November 2012. The submission must contain a draft governance arrangement document and a schedule of signatures of the Chief Executive and S151 Officer for each interested authority. A Local Authority cannot express an interest in membership of more than one pool.
6. It should be stressed that signing up to a final proposal for a pool is not binding at this stage. DCLG has made it clear that a pool will not need to be finalised until after the Local Government Finance Settlement has been announced in mid December when each authority will know what its baseline for the scheme will be. Estimating the impact is difficult to predict, not least given the fact that the total amount that DCLG will have to spend on Local Government, including funding provided to local authorities, will not be formally announced until the Chancellor delivers his autumn statement at the start of December.

### **Leeds City Region Pool**

7. As part of ongoing partnership working, member authorities of the Leeds City Region including York have been assessing the benefits of involvement in a pool. It has been acknowledged that a successful pool with the region's authorities could deliver wide economic benefit and remove the levy payment to Government of the two tariff authorities involved, Leeds and York.



8. It is on this basis that Leeds City Council, as lead authority has created a proposal and set of governance arrangements on behalf of the city region in order to submit a formal expression of interest to DCLG. A copy of these is at Annex 1.
9. In relation to the mechanics of any levy payment related to growth, as set out in paragraph 4 rather than paying over in the region of two thirds of all growth to Government, the total amount of any growth in York would be paid into the pool then redistributed back across all Leeds City Region authorities depending on the final distribution mechanism. This would be the same for any growth at any other authority in the pool.
10. In order to progress to the next stage, and ensure York keeps its funding options fully open, the Chief Executive and Director of Customer & Business Support Services (as S151 Officer) require approval to sign the proposal.
11. Members should note that final involvement in the pool will only be recommended if it is of financial and economic benefit to the city. This will be determined via the financial strategy process that is currently formulating the 2013/15 budget.

### **Analysis**

12. The analysis is included in the body of the report.

### **Consultation**

13. None specific to this report.

### **Council Plan**

14. The information and issues included in this report demonstrate progress on achieving the priorities set out in the Council Plan (2011-15).

### **Implications**

15. The implications are:
  - Financial - the financial implications are dealt with in the body of the report.

### **Risk Management**

16. The risks of involvement in the pool will be fully determined, as part of the financial strategy process, before any final decision on membership is sought.

## Recommendations

17. Members are asked to:

Agree that the Chief Executive and Director of Customer & Business Support Services (as S151 Officer) sign the final pool proposal for the Leeds City Region Pool, subject to subsequent assessment once the implications of the 2013/14 Local Government Finance Settlement is known.

Reason: To ensure that York's options are kept open with how best to benefit from the localisation of business rates.

<b>Authors:</b>	<b>Cabinet Member &amp; Chief Officer Responsible for the report:</b>		
Andrew Crookham, Principal Accountant, Ext 2912  Debbie Mitchell, Corporate Finance Manager, Ext 4161	Councillor Julie Gunnell, Cabinet Member for Corporate Services  Ian Floyd, Director for Customer & Business Support Services		
	<b>Report Approved</b>	√	<b>Date</b> 21 October 2012
<b>Wards Affected:</b> All			
<b>For further information please contact the authors of the report</b>			

Annex 1: Leeds City Region Draft Governance Arrangements

## LEEDS CITY REGION BUSINESS RATES POOL

### DRAFT GOVERNANCE ARRANGEMENTS – NOVEMBER 2012

#### 1. **Title**

- 1.1 The Leeds City Region Business Rates Pool.

#### 2. **Membership**

- 2.1 Bradford City Council, Calderdale Council, Harrogate Borough Council, Kirklees Council, Leeds City Council, Wakefield Council and City of York Council.

#### 3. **Commencement**

- 3.1 This governance document will come into force on 1<sup>st</sup> April 2013 and will continue until any one of the members formally leaves the Pool (see “Dissolving the Pool”, below).

#### 4. **Rationale and Objectives**

- 4.1 The LCR Pool exists to benefit the individual members and to further the aims of the Leeds City Region as a whole as set out in the Regions City Deal “Unlocking our Economic Potential”.
- 4.2 The income received by the Pool will be shared out so that each member authority receives the same amount that they would if they were treated individually under the Business Rates Retention scheme. The only exception to this is set out in Section 8, below. Any excess income arising from reductions in levy payments will, after allowing for agreed expenses, be allocated to the Investment Fund established by the Leeds City Region. See City Deal for details.
- 4.3 Any variation to the arrangements set out in 4.2, above, will require the formal agreement of the Leadership Board.

#### 5. **Leadership and Accountability**

- 5.1 The Pool will be led by a board of the leaders of the councils making up the Pool. The established City Region Leaders Board will act as the

interim board until the Combined Authority is established in 2014. The board shall be responsible for:

- any changes to the purposes for which the income received by the pool should be used, but the principle that no authority should receive less than they would if treated individually, shall be maintained.
- agreeing the expenses to be deducted by the lead authority administering the Pool;
- considering any applications for other councils to join the Pool;
- any variations to the membership of the Board; and
- any other matters relating to the administration of the Pool including replacement of the lead authority.

- 5.2 For administrative convenience, the chair of the City Region Leaders Board will also act as chair of the City Region Pool (but see 5.1 above).
- 5.3 The Leaders will meet as and when required but no less than twice each year. The meetings will be timed to coincide with those of the City Region Leaders Board (usually every two months).
- 5.4 The quorum for the meetings will be no less than 5 members. Leaders will be able to nominate substitutes.
- 5.5 Members will have equal voting rights and voting will be by simple majority. In the event of a tie, the chair of the meeting will have a casting vote.
- 5.6 The Leaders Board will be supported by officers drawn from the lead authority.
- 5.7 The Leaders Board may establish any sub-groups or any officer forums that they believe to be appropriate.
- 5.8 Minutes of Leaders Board meetings will be published on the LCR website.
6. **Lead Authority**
- 6.1 The initial lead authority responsible for the administration of the Pool shall be Leeds City Council.

6.2 The lead authority will normally act as such for a full year and may only be replaced at the year end. A lead authority wishing to relinquish the role at the year end must give a minimum of four months notice.

6.3 The lead authority will be responsible for all matters in relation to the administration of the Pool including (but not limited to):

- all liaison with CLG and other government departments including the completion of all forms and returns associated with the Pool;
- administration of payments to and from the Pool and all calculations relating to the collection fund for the Pool.
- producing an annual report showing how income has been distributed and preparing periodic monitoring reports for Pool members;
- calculation of the costs of administering the Pool which are to be deducted from the rewards of the Pool. If the excess income generated by the Pool was insufficient to cover the administrative costs of the Pool in any year, then the shortfall would be shared between the Pool members in proportion to their spending baselines.
- The lead authority will ensure that the pooling arrangements, annual reports and other financial information is published and is freely available on the LCR website or elsewhere as appropriate;

## 7. **Dissolving the Pool**

7.1 If any member decides to leave the Pool the regulations require that the Pool will be dissolved. Pools can only be dissolved at the end of a year.

7.2 Any authority seeking to leave the Pool should inform DCLG and all other members of the Pool as soon as possible. Once the Pool has been established, this must be by 30<sup>th</sup> September in any year, to allow the remaining members time to seek designation of new pool for the following year (see 7.4, below).

7.3 The Lead authority will make the necessary calculations and submit the required returns associated with the dissolving of the Pool.

7.4 The remaining members of the Pool may choose to form a new Pool and, if they wish, include new members for the following year (subject to new designation by DCLG).

**8. Treatment of Potential Losses in Income**

- 8.1 Authorities that suffer large reductions in business rates income from year to year (more than 7.5% to 10%, but subject to confirmation) will be entitled to safety net payments. If such an authority is a member of a business rates pool, the safety net payment could be lost because the *loss across the pool* may not be as much as the 7.5%/10% threshold. Indeed, if growth across the rest of the pool was weak, it could be that the loss of safety net payments could be greater than the amounts gained from paying reduced levies and the pool could be in deficit for the year.
- 8.2 Authority(s) that would otherwise have qualified for safety net(s) will have their share of pool proceeds calculated in a way to include what they would have received as a safety net payment. The loss in income to the Pool from the safety net(s) foregone in any year will be met by from the income generated from other authorities within the pool not having to pay levies in that year. If that levy income is insufficient, then the loss from the safety net foregone will be shared amongst all the members of the Pool (including those that would have otherwise qualified for a safety net payment) in proportion to their spending baselines for the year to which the safety net(s) would have applied.

*Resources Directorate  
Leeds City Council  
Revised 17<sup>th</sup> October 2012*



---

**Cabinet****6 November 2012**

Report of the Cabinet Member for Corporate Services

**City of York Council Annual Audit Letter 2011/12 – Audit Commission****Summary**

1. The purpose of this report is to provide members with the Audit Commission's Annual Audit Letter which summarises the 2011/12 audit of City of York Council.
2. Attached at Annex A is the Audit Commission's City of York Council Annual Audit Letter 2011/12, to be presented at this meeting.

**Background**

3. The Annual Audit letter is issued each year by the Council's external auditors – Audit Commission. It concludes the findings of their audit on the financial statements and value for money of the Council.
4. At Audit & Governance Committee on 27 September 2012 the financial statements were approved and members noted the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources.
5. The Value for Money conclusion assesses the Council's arrangements against two criteria – financial resilience and securing economy, efficiency and effectiveness.
6. The Annual Audit letter also certifies the completion of the audit and the Council's Whole of Government Accounts pack, which the government uses to consolidate the whole of the public sector's accounts.
7. It is a statutory requirement for the Audit Commission to produce the Annual Audit Letter and for the Council to provide a copy to all of its elected members. The letter is made available to members

of the public, partners and stakeholders through publication on the Council and Audit Commission websites.

### **Analysis**

8. The Annual Audit letter confirms the financial standing of the Council by providing an unqualified opinion of the financial statements and concludes the Council provides value for money.
9. The Council has successfully met one of its most significant financial challenges, delivering a balanced budget and achieving savings of £21m this year.
10. The financial planning process is robust, with the medium term financial plan setting out the Council's plan to manage the budget over the next 3 to 5 years. This is augmented every year with a detailed budget report to Cabinet showing how savings and growth will be realised and is supported by regular update reports throughout the year to Cabinet.
11. The budget process is challenging in the current environment but continues to ensure quality services with improved productivity and efficiency are being attained, whilst cost reductions continue to be made.

### **Council Plan**

12. The Council's Financial Statements and value for money procedures are integral to the Council's Plan and are key to ensuring sound financial governance and management.

### **Implications**

13. There are no financial, HR, equalities, legal, crime and disorder, IT or property implications arising from this report.

### **Risk Management**

14. The Annual Audit letter 2011/12 confirms an unqualified opinion of the financial statements and the Council has delivered a balanced budget.



**Recommendations**

15. Members are asked to Note the Audit Commission's City of York Council Annual Audit Letter 2011/12

Reason

It is a statutory requirement that the Annual Audit letter is issued on completion of the audit.

**Contact Details**

**Author:**

Louise Branford-White  
Technical Finance Manager  
Telephone: 01904 551187

**Chief Officer Responsible for the report:**

Ian Floyd  
Director of Customer & Business Support Services  
Telephone: 01904 551100

**Report  
Approved**



**Date** 06/10/12

**Specialist Implications Officers**

Not applicable

**Wards Affected:**

All

**For further information please contact the author of the report**

**Background Papers:**

**Annex**

Annex A – Audit Commission's City of York Council Annual Audit Letter 2011/12

This page is intentionally left blank



September 2012

Members  
City of York Council  
The Guildhall  
York

**Direct line** 0844 798 1675  
**Email** s-nicklin@audit-  
commission.gov.uk

Dear Member

## — **City of York Council Annual Audit Letter 2011/12**

I am pleased to submit my Annual Audit Letter which summarises my 2011/12 audit of City of York Council.

### **Financial statements**

On 27 September 2012 I presented my Annual Governance Report to the Audit and Governance Committee. This set out the findings from my audit of the 2011/12 financial statements, and I will not replicate those findings in this letter.

Following the Audit and Governance Committee on 28 September 2012 I:

- issued an unqualified opinion on the Council's 2011/12 financial statements ;
- concluded that you have made proper arrangements to secure value for money;
- certified the Council's Whole of Government Accounts pack; and
- certified completion of the audit.

### **Value for money**

I have concluded that the Council made proper arrangements to secure economy, efficiency and effectiveness in its use of resources. The Council has successfully met one of its most significant financial challenges, delivering a balanced budget and savings of £21m this year. However, further spending reductions will be required and there is an increasing focus on prioritising services for those most in need.

I have summarised my findings in the Appendix to this letter.

### **Closing remarks**

I have discussed and agreed this letter with the Chief Executive and Director of Customer and Business Support Services. This has been another challenging year for the Council and I wish to thank your officers for the positive and constructive approach they

have taken to my audit. Also, as this is the last audit carried out by the Audit Commission's Audit Practice, I would like to take the opportunity to thank senior management and Members for their support and co-operation during this year's audit and also over the many years previously.

Yours sincerely

Steve Nicklin  
District Auditor and Engagement Lead

## Appendix 1-Value for money

I am required to conclude whether the Council put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. This is known as the value for money conclusion, and I assess your arrangements against the two criteria specified by the Commission. These criteria, and a summary of my findings, are set out below.

**Table 1 - Value for money conclusion**

Criteria	Findings
<p><b>1. Financial resilience</b></p> <p>The organisation has proper arrangements in place to secure financial resilience.</p> <p>Focus for 2011/12:</p> <p>The organisation has robust systems and processes to manage effectively financial risks and opportunities, and to secure a stable financial position that enables it to continue to operate for the foreseeable future.</p>	<p>The Cabinet receives regular and detailed reports about the financial position, savings required and strategies in place to tackle the problem. The medium term financial plan, together with more detailed annual budgets, set out how the Council intends to manage its finances over the next 3-5 years. Financial planning is based on realistic assumptions about pay, prices and funding, and the need to maintain adequate balances. Members are increasingly demonstrating their ability to make, and stick to, unpopular but necessary decisions.</p> <p>Budgetary control continues to improve and all financial data is subject to regular review. Although some particularly volatile budgets are expected to overspend in the current year, these are being proactively managed and are offset by underspends elsewhere.</p>
<p><b>2. Securing economy efficiency and effectiveness</b></p> <p>The organisation has proper arrangements for challenging how it secures economy, efficiency and effectiveness.</p> <p>Focus for 2011/12:</p> <p>The organisation is prioritising its resources within tighter budgets, for example by achieving cost reductions and by improving efficiency and productivity.</p>	<p>City of York is not a high cost authority, but continues to deliver services that compare favourably with the national average. Consultation with the public informs every budget setting round, and there is an increasing focus on providing services for those most in need. Some innovative models of service delivery are in place, and there is scope to do more. Targets for financial savings are offset by additional investment in priority areas such as regeneration, and care for vulnerable adults and children.</p> <p>The Council's approach to savings and efficiency improvements has been more top down in 2011/12, with targets given to each Directorate as part of the budget setting process. Savings delivery is monitored through the corporate risk management process, as well as budgetary control, and indications to date are that a balanced budget will be delivered.</p>





---

**Cabinet**

**6 November 2012**

**Report of the Cabinet Member for Corporate Services**

**Future Credit Union Arrangements in York - Supporting the North Yorkshire & York Credit Union**

**Summary**

1. The purpose of this report is to establish a level of support from City of York Council to secure an on-going Credit Union presence in York and North Yorkshire.

**Background**

2. In May 2009 the York Credit Union expanded to cover the whole of North Yorkshire including York and was renamed North Yorkshire Credit Union. The City of York Council and North Yorkshire County Council (The County Council) made loans to the North Yorkshire Credit Union of £100k and £200k respectively. The £100k loan from City of York Council was approved in December 2008. The County Council and District Councils also played a significant part in encouraging and financially supporting the expansion of the North Yorkshire Credit Union.
3. The North Yorkshire Credit Union has, over the last 2 years, encountered severe financial difficulties. This has principally been as a result of –
  - A high level of bad debts on loans made to customers
  - Relatively high overheads
  - Over dependence on a number of non-recurring grants.
4. Given the financial difficulties, the Board of the North Yorkshire Credit Union is in the process of petitioning to wind up the organisation. It has therefore appointed Solicitors to oversee this process and is working with the Financial Services Authority (FSA) in order to manage the process. It should be noted that all individual savings within the North Yorkshire Credit Union are

protected by the Financial Services Compensation Scheme (FSCS).

### **Work to secure an on-going Credit Union presence in York and North Yorkshire**

5. The North Yorkshire Credit Union has 5762 Members – see **Appendix 1** for a breakdown. York and North Yorkshire Councils and the North Yorkshire Credit Union have been concerned that the absence of a Credit Union presence in York and the county would be to the detriment of its existing Membership.
6. Moreover, the introduction of the Universal Credit and other Welfare Reforms means that many low income households are likely to find themselves with even greater financial challenges. Credit Unions tend to work with such clients and can tailor products to suit their individual circumstance.
7. Members and officers from the County Council and the City of York Council have worked to try and establish the appetite for other Credit Unions to move into North Yorkshire. A number of interested parties came forward and exploratory discussions took place between the interested Credit Unions and the councils.
8. There was variable financial support offered from the District Councils of North Yorkshire but given the high number of Credit Union Members in Scarborough, Scarborough Borough Council were keen to try and assist an on-going Credit Union presence. The County Council, City of York Council and Scarborough Borough Council therefore met with representatives from 2 interested parties –
  - South Yorkshire Credit Union
  - A combined offer from the Leeds Credit Union and Hull and East Yorkshire Credit Union.
9. Following submission of outline business plans and a brief meeting, South Yorkshire Credit Union were notified of their preferred status. Councils are not able to sanction Credit Union activity but clearly are well placed to influence and shape given access to many potential customers and the wide resources available to councils (for example premises in key areas).



10. The South Yorkshire Credit Union has identified that it will need up to £100k in one-off funding to successfully launch a North Yorkshire Credit Union. This grant request is in order to fund up-front costs, particularly in Scarborough and York as they seek to consolidate North Yorkshire business in those 2 key locations. It has been made clear throughout that there will be no further recurring funding although all councils have been open to “in kind” contributions.
11. It is proposed that the grant to South Yorkshire Credit Union (if agreed) would be split as follows –
  - City of York Council £50K
  - North Yorkshire County Council £30K
  - Scarborough Borough Council £20K
12. This cash equivalent may reduce in the event of South Yorkshire Credit Union wishing to access premises or use other council assets and thereby reducing their set up costs. City of York Council are liaising with South Yorkshire Credit Union to assist them in finding a suitable premises from which South Yorkshire can operate, either from the Council’s commercial portfolio or the private sector. Also, the possibility that South Yorkshire Credit Union could work out of York Explore, Library Square and ultimately the new West Office building is being considered.

### **Consultation**

13. City of York Council along with the County Council has had dialogue with North Yorkshire Credit Union to ensure that there would be a continued Credit Union presence in the York and North Yorkshire area. City of York Council, the County Council and Scarborough Borough Council have also met with representatives from South Yorkshire Credit Union, Leeds Credit Union and Hull and East Yorkshire Credit Union.

### **Options**

14. There are 2 options for members, either to
  - a) approve the one-off cost of £50k to South Yorkshire Credit Union and a Credit Union presence remains in York,
  - b) not approve the £50k one-off cost and South Yorkshire Credit Union do not operate a Credit Union in York.

## Analysis

15. It is beneficial to the City of York to have an operational Credit Union to benefit all in society. The absence of a Credit Union presence in York and the County would be to the detriment of its existing Membership and also does not give the people York and North Yorkshire the opportunity to invest in their local area.
16. Moreover, the introduction of the Universal Credit and other Welfare Reforms means that many low income households are likely to find themselves with even greater financial challenges. Credit Unions tend to work with such clients and can tailor products to suit their individual circumstance.

## Council Plan

17. By continuing with a Credit Union in York this meets the Council's priorities to 'build strong communities' and 'create jobs and grow the economy'

## Implications

18. **Financial** - The one-off contribution identified in paragraph 11, of £50k, would be funded from the Economic Infrastructure Fund. It should be noted that the £50k is also included in a separate report on Financial Inclusion on this agenda and is included within the sum of £300k being requested in that report. No further funding requests are anticipated and no further provision is therefore required.
19. It should be noted that in December 2008 City of York Council agreed to provide a loan of £100k to the Credit Union and the County Council also provided a loan of £200k in 2009. Given the nature of the loan (i.e. it was subordinated as described by the FSA) there is no prospect of the loan being returned once the North Yorkshire Credit Union has been wound down. It will be necessary for City of York Council to write off the loan of £100k within the accounts in 2012/13, which has been provided for as part of the bad debt policy.
20. **Human Resources (HR)** - There are no HR implications as a result of this report.

21. **Equalities** - There are no equalities implications as a result of this report.
22. **Legal** - Should the Cabinet wish to support this proposal then the grant payment to South Yorkshire Credit Union would be made under S1 of the Localism Act 2011, Local Authorities have a general power of competence which allows them to do anything an individual could, including the power to provide a grant.
23. **Crime and Disorder** - There are no crime and disorder implications as a result of this report.
24. **Information Technology (IT)** - There are no IT implications as a result of this report.
25. **Property** – Property Services are identifying a suitable premise from which South Yorkshire credit Union can operate, either from the Council’s commercial portfolio or the private sector. The use of York Explore, Library Square and ultimately the West Office building is also being considered.

### **Risk Management**

26. There is a risk that the South Yorkshire Credit Union is unable to make the North Yorkshire Credit Union business successful and therefore either seeks to secure additional support from councils or winds up the business. The latter is regarded as unlikely as there would then be impact upon the South Yorkshire business as well as that in North Yorkshire. The South Yorkshire Credit Union have also been advised that councils would not look favourably upon any further requests and the South Yorkshire Credit Union have indeed expressed a wish to avoid any dependency on council funding.
27. Given the history of the Credit Union in North Yorkshire and York proposal would cap any City of York Council exposure to the £50k contribution.
28. The South Yorkshire Credit Union have indicated a wish to work in close partnership with all councils in York and North Yorkshire and have advised that they are amenable to the councils sending observers to Credit Union Board Meetings. There is therefore an opportunity to monitor and work alongside the new Credit Union.

## Recommendations

29. Cabinet are requested
- a) to approve a grant contribution of up to £50k to be allocated from the Economic Infrastructure Fund (EIF) towards the development of the South Yorkshire Credit Union
  - b) to note that the £50k allocated from the EIF is included in the £300k being recommended within the financial inclusion policy report, also included on this agenda.

Reason:

In order to promote a Credit Union offering in North Yorkshire and York in line with the Council's Plan to 'build stronger communities' and 'grow the economy'

## Contact Details

**Author:**

Louise Branford-White  
Technical Finance Manager  
Corporate Finance  
Tel No. 551187

**Chief Officer Responsible for the report:**

Ian Floyd - Director of Customer  
Business & Support Services

**Report  
Approved**

**Date** 06/11/12

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

**All**

**For further information please contact the author of the report**  
**Background Papers:**

**Annexes:**

Appendix 1 – Current key figures, June 2012


## Current Key Figures, June 2012



- Districts of York, Selby, Scarborough and Ryedale have 4893 members representing 85% of NYCU membership
- Strong demand for profitable loans, most recent May figures of 16.2% return on loans

	Adult Total		Members Total		Savings		Loans		Juniors		J Savings	
	Number	%	Number	%	£ Thousands	%	£ Thousands	%	Number	%	£ Thousands	%
<b>Total</b>	4329		5,762		1,855		1,248		1,433		110	
Craven	137	3.2	231	4.0	42	2.3	32	2.5	94	6.6	4	4.0
Hambleton	107	2.5	107	1.9	116	6.3	36	2.9				
Harrogate	257	5.9	281	4.9	116	6.3	50	4.0	24	1.7	2	2.0
Richmondshire	95	2.2	154	2.7	40	2.2	24	1.9	59	4.1	2	2.1
Ryedale	164	3.8	411	7.1	116	6.3	52	4.2	247	17.2	24	21.5
Scarb. & Whitby	1,120	25.9	1,846	32.0	214	11.6	150	12.1	726	50.7	63	56.8
Selby	353	8.2	543	9.4	148	8.0	113	9.0	190	13.3	8	7.6
<b>North Yorkshire</b>	<b>2,233</b>	<b>51.6</b>	<b>3,573</b>	<b>62.0</b>	<b>793</b>	<b>42.8</b>	<b>457</b>	<b>36.6</b>	<b>1,340</b>	<b>93.5</b>	<b>104</b>	<b>94.0</b>
OUTER	90	2.1	97	1.7	38	2.0	27	2.1	7	0.5	0	0.3
York	2,004	46.3	2,093	36.3	1,030	55.5	760	60.9	89	6.2	6	5.8

This page is intentionally left blank

	
<b>Cabinet</b>	<b>6 November 2012</b>
Report of the Cabinet Member for Corporate Services	

## Asset Management Strategy Update

### Summary

1. This report sets out a refined set of drivers to update the existing Asset Management Strategy, identifies mechanisms for delivering the strategy and sets out a proposed delivery plan for 2012-13.

### Background

2. In 2011 Cabinet agreed a 5 year Asset Management Strategy that set out how the Council would use its assets to
  - Make best use of publicly owned assets across York
  - Encourage shared use of property resources
  - Minimise the cost of occupation of land and buildings
  - Ensure the assets comply with sustainability policies
3. Since that strategy was set there have been significant shifts in government policy and finance that now mean we need to refocus these core priorities, and review all our assets to ensure that they meet developing needs within the city.
4. As a result of significant reductions in public sector funding over the last 2 years and in anticipation of further cuts in local government finance, there is an indisputable need to reduce the cost of our assets, to rationalise the number of assets we hold and to share assets with other public sector bodies. Proactive management of our assets will ensure we deliver best value from all our assets – for example we need to review our commercial portfolio to identify opportunities for a more commercial approach to generate income and review opportunities where we may need to invest to save,
5. The Localism Act 2011 provides for a community right to bid for all assets should they be sold. This requires every local authority to compile a list of public assets in which the community may have an interest and to ensure that they have adequate opportunity to bid to buy these assets. This comes in addition to the existing council policy on Community Asset

transfers which has led to the hand over of community buildings to community groups to run, such as Clements Hall.

6. The recession and the crisis in the banking industry have had a severe effect on the house building industry, as a consequence of which housing supply across the country is not keeping pace with housing demand. The adequacy of our housing supply is a prerequisite to having a buoyant economy and strong and safe communities. It therefore has become even more essential to use our own land and property assets to get York building.

### **Asset Review**

7. Given these significant drivers it is proposed that CYC undertake a comprehensive review of all its assets and develops a 10 year long term plan for the delivery of efficiencies and for planned investment in retained assets. This would ensure our resources are prioritised. This would involve the centralisation of all existing repairs and maintenance budgets to ensure resources are allocated to priorities/greatest need. We would also need to consider ongoing capital investment built into an annual programme of capital investment in line with the capital Programme.
8. It is proposed that the council adopts the following principles to evaluate all its land and property assets. We should evaluate all our assets and identify opportunities to :-
  - Reduce revenue costs, increase revenue income and generate capital – rationalise, share or reduce assets
  - Support economic development - use our assets to host new jobs in the city and encourage business start ups
  - Create new homes – Get York Building
  - Create community value - asset transfers or capacity building in the community sector
9. The review will consider all council assets including the commercial portfolio, all service specific properties, all HRA assets and all schools assets where there is potential for a broader community use. We will also collaborate with partners to assess rationalisation and sharing of assets or how their assets may contribute to the 4 principles set out above. The increased breadth of the review will enable us to identify more comprehensive and innovative opportunities and alternatives
10. We are developing a comprehensive asset information database covering all our assets and those of our partners. This enables us to spatially map assets in each area, to cross refer these to the needs of the communities they serve, identify rationalisation opportunities and understand the future costs of retained assets. We are developing



individual scorecards for each property that bring together headline data to feed the review process.

11. The newly constituted Capital Asset Board is reviewing all assets to ensure all ideas are explored and collaborative solutions brought forward. This is supplemented by a city wide board of asset managers from our major public and voluntary sector partners who are sharing future asset requirements and are interested in participating in a full scale asset review.
12. The first stage of the Asset review will be the delivery of an initial Year 1 programme based on the application of the review principles emerging opportunities and current priority sites. It will include the following projects.

Delivery Projects		
West Offices and Hazel Court	Complete the refurbishment and build of both admin accommodation sites to rationalise down from 17 offices to just 2. This work will integrate with efficiency projects to rationalise core functions, consolidate budgets and deliver revenue savings	By March 2013
Admin Accom exit strategy	Complete work to exit leased properties and sell Ashbank, Hollycroft and St Anthony's house and release revenue savings and a capital receipt	By September 2013 for leased properties
Hungate	Complete the sale of the Hungate site to create 400-600 jobs in the city	By April 2013
Elderly Peoples Homes re-provision	Support the project to move from 9 unsuitable EPHs to provide modern purpose built residential facilities to support older people and ensure maximum benefit is achieved for all vacated sites	2012-2015
Digital Media Culture Centre	Identify and secure a suitable city centre location for the establishment of the DMCC	November – March 2013
Yearsley Bridge	Complete the sale of Yearsley Bridge site for housing	December 2012
Regeneration Projects		
Castle Piccadilly	Work with City and Environment Services to develop proposals to bring forward a regeneration scheme for the Castle	Spring 2013

	Piccadilly area	
York Central	Work with City and Environment Services to develop proposals to bring forward a regeneration scheme for York Central	Summer 2013
Reviews		
Identification of Housing site	Evaluate our land and property to see if it can be used to increase housing stock within the city	Ongoing
Alternative use of the Guildhall	Evaluate the outcomes of the RIBA design completion and explore opportunities to bring important strategic and historic site to life and make it part of the vibrant heart of the city centre.	December 2012 – March 2013
Rejuvenating the rivers	Identify proposals to bring the two rivers into greater use at the heart of our city	Spring – summer 2013
Asset implications of service reviews	Assess and implement the asset impacts of proposals to reshape services e.g. developing Nursery Drive as a site for supervised access for looked after children, consider the implications of Libraries mutualisation.	Ongoing
Former Manor School site	Explore potential future uses for the former school site that enable master planning of the larger neighbouring British Sugar site and get York building in the near future.	Nov 2012- March 2013
Burnholme School Site	Identification of potential future uses for the school site when the school closes in 2014. This will involve a review of community provision in the area, consultation with current and potential future users of the site, options definition followed by a broader community consultation on potential options.	By Spring 2013

### Delivery Mechanisms

13. This is a very large programme of work. The small Asset Management team (11FTEs) are currently fully deployed managing the existing portfolio and it will be challenging to accommodate so many large projects and progress with the fundamental Asset Review work. However it is essential that we prioritise these projects as they are both essential to future efficiency and cost reduction and make a major contribution to the delivery of the Council Plan priorities. The Asset Review covers every piece of land and every property we own - this is a huge scope and

it is important we focus upon the above priorities with a view to ensuring delivery.

14. Given the limited internal capacity it will be necessary to engage with an external partner to assist in the delivery of this programme, to bring in commercial expertise and increase capacity, with a view to ensuring we realise maximum potential benefit and deliver savings that will be required as part of the budget strategy. A Delivery and Innovation Fund (DIF) bid will be developed with a view to taking this forward.

### **Consultation**

15. The Capital Asset Board and the City Asset Management Board have both been consulted on the proposed principles and year 1 action plan. Further consultation will need to be undertaken on any specific options and developments.

### **Council Plan**

16. The principles which are proposed in this report are derived from the Council plan and will help deliver the Council's priority to create jobs and grow the economy, to build strong communities, to protect vulnerable people, to protect the environment and build our core capabilities to collaborate with partners and focus on priorities.

### **Financial Implications**

17. There are no specific financial implications of adopting this strategy. The financial implications of individual proposals will be assessed on a case by case basis. The potential need for further investment will be considered as part of the capital programme.

### **Other implications**

18.
  - a. Human Resources (HR) – none
  - b. Equalities –None
  - c. Legal – Timely and appropriate advice and support will be needed to ensure the proposed programme is delivered
  - d. Crime and Disorder - None
  - e. Information Technology None
  - f. Property – Contained within the report

## Risk Management

19. The Review of assets set out in this report will serve to mitigate some of the significant risks that the council faces due to the growing repairs and maintenance backlog of its existing asset base. At a time of severely limited funding, prioritising which assets to retain and invest in and which assets to divest of is a good way of managing the long term financial and health and safety issues posed by elements of our asset base.

## Recommendations

20. Cabinet are asked to :-

- a) agree the principles set out in this report which will drive a comprehensive review of all CYC assets
- b) agree the Year 1 work plan as set out in Para 13
- c) note the prospective development of a DIF bid to support a comprehensive Asset Review as an invest to save initiative

Reason: To ensure that CYC assets deliver business priorities and value for money through maximising opportunities to generate income and reduce revenue costs

## Contact Details

Author:	Cabinet Member responsible for the report:		
Author's name Tracey Carter Title AD – Finance Asset Management and Procurement Tel No.553419	Cllr. Julie Gunnell Cabinet Member for Corporate Services		
	Chief Officer responsible for the report: Ian Floyd 551100	√	Date 6 <sup>th</sup> November 2012
Wards Affected: List wards or tick box to indicate all			All <input checked="" type="checkbox"/>
For further information please contact the author of the report			

**Annexes - None**



---

**Cabinet****6 November 2012****Report of the Cabinet Leader****The Big York Survey****Purpose**

1. The report is to provide the Cabinet with an initial view of the findings from the Big York Survey and understand the next steps for the survey data, plus provide an opportunity to discuss any specific items of interest that arise from the survey.

**Background**

2. The Big York Survey (BYS) marks a new approach to gathering customer insight and is the first survey of its kind within York and will be repeated on an annual basis. It is designed to track perceptions on the main themes in the council and city plans and to provide insight into key areas of focus.
3. The BYS is the first city-wide satisfaction and feedback survey since the Place Survey in 2008. It sought views on a broader range of outcomes than for previous city-wide surveys, such as the Place Survey, but whilst this new approach is not completely comparable with previous surveys, it does still include some elements that have been maintained to ensure comparability on key questions.
4. Inclusion of these comparable questions also enables comparison with other authorities that have also continued to survey their residents using these questions.
5. The results of the survey will:
  - Provide data and intelligence on quality of life - what local residents think are the most important issues facing them/the city;
  - Be used alongside service data to measure and track delivery of the Council Plan and provide input into service planning and priority improvement;

- Give direction of travel on the city's priorities and outcomes – how perceptions on priority areas are changing;
  - Signpost to areas for further investigation and consultation (through targeted and tailored engagement and consultation); and
  - Provide disaggregated data – ensuring that feedback results can be broken down spatially, and as far as possible, by various demographic and equality profiling groups. (This is only possibly where there is a suitable sample size for the group of interest)
6. More specifically, the results will be used as a key input for activities such as:
- Development of service plans and budget proposals
  - Ward work and improving the community contracts
  - Work on the Single Equality Scheme and achieving EFLG excellence
  - Future surveys, consultation and engagement activities (tailoring both the approach and the areas of focus)
  - Contextual information when publicising or promoting the city e.g. for funding bids or award submissions
  - Identifying areas of resident concern to specifically address.

### **Analysis - Initial Overview of Findings**

7. Overall, the findings highlight a range of positive factors plus some notable improvements since the last comparable surveys. Responses have also provided further support to our identification of in-year priorities for the council plan themes e.g. by providing further tangible evidence that residents overall see transport, access to housing and suitable jobs as the most important factors for them.
8. Many of the main areas for improvement are longer terms issues rather than 'quick fixes' and already have specific actions being taken as part of the council plan.
9. For example, the 'top five' areas that respondents think most need improving are:
- Traffic flow (54%)
  - Roads and pavement maintenance (46%)
  - Supply of affordable decent housing (46%)
  - Job prospects (37%)
  - Public transport links (30%)

10. The above are a key focus of the priorities to Create Jobs and Grow the Economy and to Get York Moving and hence resident views in these areas would be expected to improve as the plans for these progress over the coming months and years.
11. Residents feel that the most important aspects in making York a good place to live were:
  - low levels of crime (81%)
  - good health services (doctors, hospitals etc.) (76%)
  - good schools (73%)
  - good public transport links (72%)
  - clean streets (72%)
  - access to nature, parks and open spaces (68%)
  - cultural opportunities (66%)
  - affordable decent housing (64%)
12. The survey also highlights interesting variations amongst certain communities of interest e.g. it shows clearly where priorities for BME residents differ from the total results. Such variations are only just starting to be analysed in detail, but the core data of the survey will prove invaluable in shaping and targeting our policies and service delivery to specific areas of communities.

***Positives Areas:***

13. The results have highlighted a wide range of positive factors, but the most notable include:

**Satisfaction with York:** Residents' views on what it's like to live in York is very high - 92% satisfied or very satisfied.

**Satisfaction with the Council:** Satisfaction with the way the council runs York is also fairly high at 63% (notably improved since 2008 when it was at just 44%).

**Better value for money:** The number of people who think the council provides a good service given the money available is 45%, again an increase since 2008, when the figure was only 35%.

**Crime and violence:** nearly 80% agree their local area is free from Crime & Violence, with 11% neutral.

**Volunteering levels:** nearly half of respondents have given unpaid help in the last 12 months, with about one third doing so at least once a month.

***Areas already being addressed:***

14. Some of the concerns/issues raised through the survey have already had actions to address them, for example:

- **Increase for walking journeys:** 33% of people said that knowing the quickest route to take would encourage them to walk for more of their journeys – as part of the iTravel programme, a new dedicated walking website for York is currently being developed that will allow users to find, plot and share regular walking routes with others.
- **Smart bus ticketing:** 46% of people said that the thing that most needs improving on the bus service in York is the introduction of a ticket valid on any bus – through ticketing has recently been introduced on the major operators in York, with plans to expand this further next year.
- **Clean Streets:** The biggest suggestion for improvements to city centre areas was to keep it litter free and have clean pavements with 1 in 3 who made suggestions thinking this – the Smarter York Board has been formed to improve public realm and frontline environmental services and comprises residents, ward members and the Council working together.

***Areas of concern:***

15. There are certain responses which provide cause for concern and action is underway to address the issues raised. For example:

- **Understanding of Protecting Vulnerable People priority:** A higher than anticipated proportion of ‘don’t know’ responses in relation to perceptions of progress on some of the council’s priority areas, particularly around protecting vulnerable people.
  - Colleagues from ACE are reviewing the results of the BYS alongside other customer feedback to understand this area in more detail.
  - However, performance against the social care quality of life was surveyed through questions on people’s control, how they were treated, the quality of their personal care etc. and York’s performance in this area has improved since last year and was higher than the regional average and the average for comparable areas in the UK.
- **Supply of affordable housing:** 46% said that the supply of affordable decent housing needed improving.



- Housing supply is a known pressure in York and the 'Get York Building' programme has been established to increase the number of new homes available in York particularly increasing the number of affordable homes that are available.
- Work is underway to move housing sites forward including Hungate. Planning Committee recently agreed changes to planning requirements for Hungate to stimulate development. Negotiations are ongoing on a number of other development sites including Terry's and some rural sites.
- Influence on local area: 29% of people agree that they can influence decisions affecting their local area, compared to 42% who disagree with 28% being neutral on the matter.
  - The place survey from 2008 asked the same question and a comparable but very slightly higher number (32%) agreed they can influence decisions.
  - Community Contracts are in development in many Wards, giving communities a greater say in the services they receive. In addition growing community involvement in ward action planning and service monitoring is expected to increase the number of residents who feel they can influence decisions. New methods of communication are also being trialled, including the use of social media and Your Ward Online.
  - However, over 90% still say they are satisfied with their local area as a place to live – so whilst not feeling they can influence the decisions, in the majority of cases people are still satisfied with the overall result in their neighbourhood.
- Jobs Progression Options: one third of people were concerned that people have to commute out of York to work and 45% felt they personally would have to commute out of the York area to develop their career.
  - Creation of higher skilled jobs is a key element of the council plan and these findings are being further analysed to understand more of the detail on which residents have this view and how far the existing plans will address the issue. Findings will inform the above plans, which will be updated as required.

16. Annex A contains a summary of the key findings, grouped into key themes from the survey.

## Consultation

### Context of the Survey and Response Rates:

17. The response to the BYS has been positive, with 1,117 replies. These were received through three different channels:
  - Postal - 2300 survey papers sent out, 686 returned (30% response rate)
  - Face to face - 148 individuals
  - Online - 283 (through promotion on Twitter, Facebook, University of York website, CYC website and via Talkabout panellists)
18. The BYS uses a targeted approach through a combination of channels and sampling techniques (e.g. Twitter, CYC & partner websites, postal, face-to-face etc.). Groups under-represented in previous surveys have been specifically targeted to ensure a more representative response – for example, this has meant specific work with BME groups and young people.
19. It is also linked into other key surveys including “Confidence in the Police Survey” (SYP/NY Police/University of York/CYC) and the “Children and Young People’s Plan Consultation” (ACE). This allows further aggregation of data whilst avoiding duplication.
20. 30% is a very good response rate for a postal survey; especially one of this size and one which covers such a range of topics – surveys usually get a higher response where they are related to a single issue. Although not directly comparable, the last Place Survey got a higher response rate, but was much shorter, providing a more limited set of data. Responses were given by a representative sample of York residents and on a sample of this size results are accurate to  $\pm 2.9\%$ .
21. The online response rate is as would be expected, based on previous online surveys. There have only been 2 recent surveys to get a higher online response – the Budget Consultation and the Cycling City survey. In both cases, there were specific issues which would tend to attract a higher level of interest.
22. There is no doubt that the online channel has greater potential than we have currently exploited. To increase the response rate in future surveys, we are looking at options to increase the number of email addresses that can be targeted, without resorting to unsolicited mass emails or impinging on privacy.

23. Overall, the new methodologies and targeted sampling give confidence in the quality of the responses and that the information reflects the views of a genuine cross-section of our population.

### **Council Plan**

24. The BYS is a key component to meeting the objective in the council plan of being completely in touch with our communities. The results of the survey also provide key insight into the progress, understanding and public perception of the work to deliver the council plan priorities. The findings will shape the current and future work programmes.

### **Implications**

25. The implications are:
- Financial – The survey findings will assist in allocation of resources and budget setting.
  - Human Resources there are no specific human resource implications to this report.
  - Equalities – covered in the body of the report
  - Legal - there are no specific legal implications to this report.
  - Crime and Disorder – covered in the body of the report
  - Information Technology - there are no specific information technology implications to this report.
  - Property - there are no specific property implications to this report.

### **Risk Management**

26. No known risks associated with the report.

### **Recommendations**

27. Members are asked to:

- 1) Note the findings of the Big York Survey
- 2) Note the actions being taken as a result of the Big York Survey
- 3) Commit to repeating the Big York Survey on an annual basis

Reason: To ensure that the council gains representative feedback from residents to inform service design and delivery.

<b>Authors:</b>	<b>Cabinet Member &amp; Chief Officer Responsible for the report:</b>		
Ian Graham Head of Performance and Innovation Ext 3406	Councillor James Alexander Cabinet Leader		
Nigel Batey Business Intelligence Analyst Ext 2047	Kersten England Chief Executive		
	<b>Report Approved</b>	√	<b>Date</b> 25 October 2012
<b>Wards Affected:</b> <i>All</i>			
<b><i>For further information please contact the authors of the report</i></b>			

**Annexes:**

ANNEX A – BYS Summary of key findings

## Big York Survey – summary of key findings

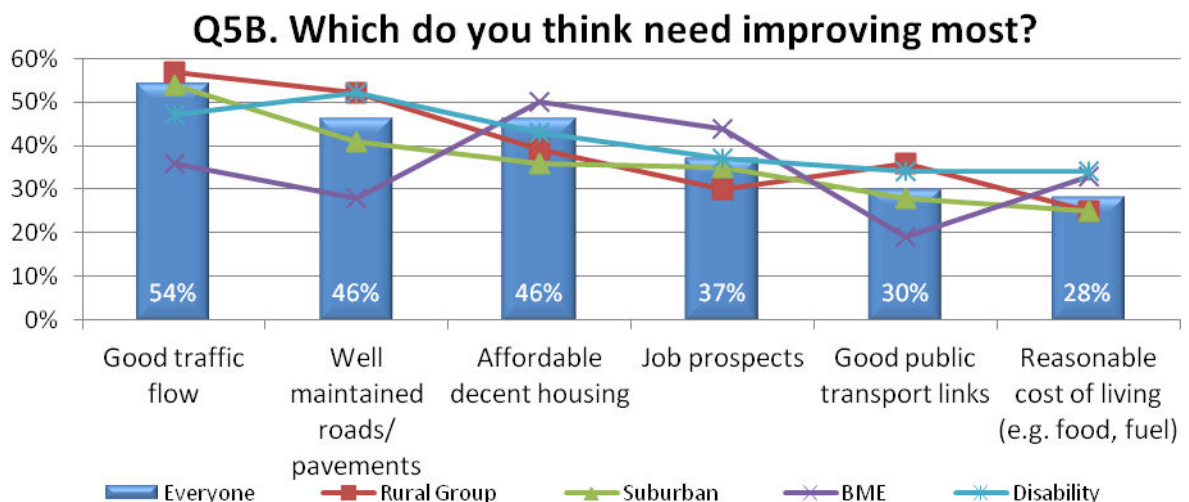
### What matters to residents

1. The issues that respondents think most need improving were:

- Traffic flow (54%)
- Roads and pavement maintenance (46%)
- Supply of affordable decent housing (46%)
- Job prospects (37%)
- Public transport links (30%)

Variations from the responses on what needs improving include:

- a. Care for vulnerable people is a significantly higher priority with older people aged 65-74 (41%) and of those with a disability (42%). Interestingly, only 6% of younger people aged 18-24 felt this needs improving most.
- b. Amongst those with a disability a higher proportion felt low pollution levels (21%), low crime levels (24%), good community relations (24%) and health services (22%) needed improving than all respondents.



2. Three of the 'top five' issues were traffic and transport related. Interestingly, the seventh highest issue was 'none of the issues' stated in the survey (27%).

3. Residents felt that the most important aspects in making York a good place to live were:
- low levels of crime (81%)
  - good health services (doctors, hospitals etc.,) (76%)
  - good schools (73%)
  - good public transport links (72%)
  - clean streets (72%)
  - access to nature, parks and open spaces (68%)
  - cultural opportunities (66%)
  - affordable decent housing (64%)
  - reasonable cost of living (63%)
  - job prospects (62%)

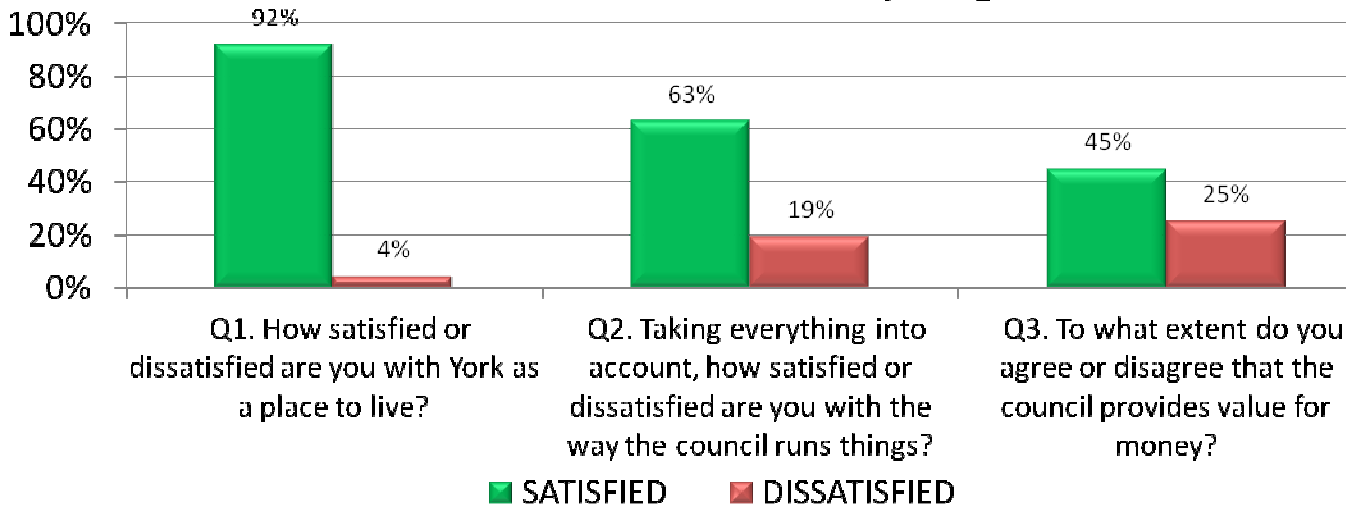
Variations on what the most important aspect include:

- a. BME groups felt things such as affordable decent housing (74%), job prospects (70%), acceptable wage levels (67%) and good community relations (61%) were more important things to make somewhere a good place to live than those of all respondents. Younger people (18-24) also felt wage levels, job prospects and affordable decent housing were more important issues.

### **Life in York and perception of the council**

4. Residents' views on what it's like to live in York is high - 92% satisfied or very satisfied. Satisfaction with the way the council runs York is also fairly high (63%), although less than half think it provides a good service given the money available (45%) with almost a 1/3rd giving a neutral response.
- The place survey carried out in 2008 asked similar satisfaction questions and the BYS results show a greatly improved picture, with only 44% being satisfied with the way in which the council ran things in 2008 and 32% with value for money.
  - Of those that disagree York provides value for money, the disability and older age groups (55-74) disagree more. Around 32% compared to 25% from all respondents.

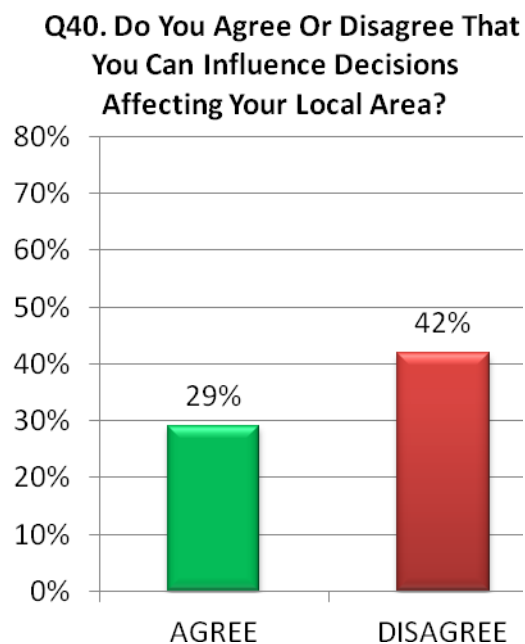
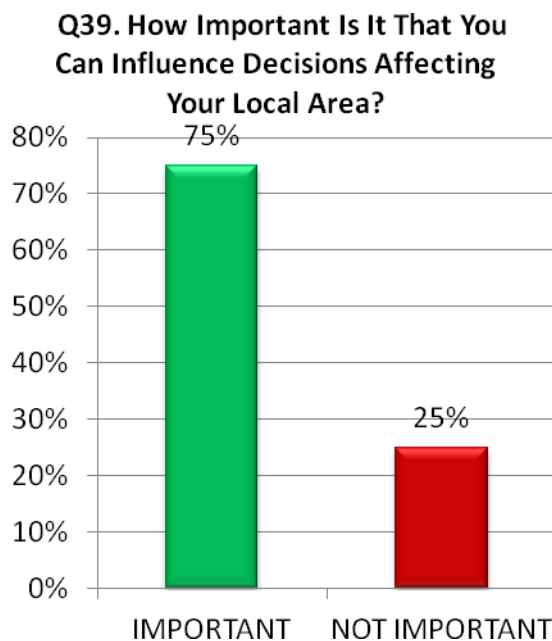
### Q1-3. How satisfied/to what extent do you agree..



5. Keeping in mind the emphasis on public engagement and partnership, the areas where the council and its partners are performing particularly well include:
- Preserving York's heritage (81% think it does this well; 7% not well)
  - Helping residents to reduce the amount of household waste they produce (65% think it does this well; 21% not well)
  - Improving the quality of streets/public spaces (63% think it does this well; 25% not well)
  - Improving green spaces (60% think it does this well; 15% not well)
  - Reducing crime and anti-social behaviour (56% think it does this well; 18% not well)
  - Working to make communities safer (54% think it does this well; 17% not well)
6. Respondents feel that the areas that the council and its partners need to improve are:
- Acting on the views of young people to create communities that reflect their interests (19% think it does this well; 29% not well)
  - Helping to create jobs in the city (29% think it does this well; 38% not well)
  - Promoting involvement in community-based work (29% think it does this well; 31% not well)
  - Improving York's bus service (34% think it does this well; 40% not well)

## In touch with the local community

7. York residents are generally more satisfied with their local area as a place to live than those that responded in the 2008 place survey (91% compared to 87%) and a high proportion (70%) believe it is important to feel part of the local community. However, only just over half (55%) feel they belong to their local community which is similar to 2008 place survey.
8. 3 in 4 people believe people from different backgrounds get on well together. Just over 90% of young people (18-24) agree with this.
9. 3 in 4 people also believe it is important to influence decisions in your local area. However, only 29% believe they can influence decisions. This drops to 25% for women and just 19% for carers. Interestingly those with younger children in the house tend to agree more (nearly 2 in 5). The place survey from 2008 asked the same question and a slightly higher 32% agreed they can influence decisions.



## Customer Contact

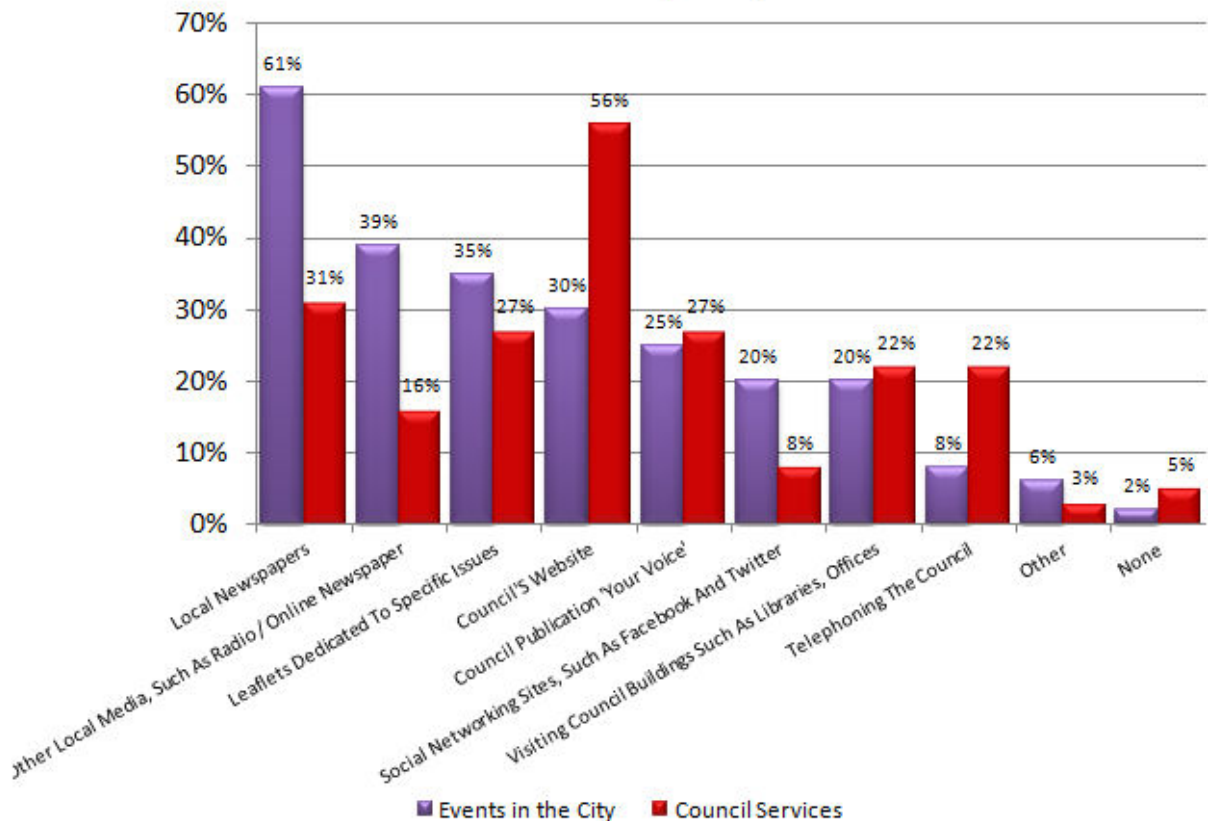
10. 3 in 5 people find out about events via local newspapers with only a 1 in 3 using the council website and just under 1 in 10 using the telephone.
11. Interestingly 1 in 5 would use social media such as facebook and twitter to find out about events This rises to half of all 18-24 year



olds and 2 in 5 for 25-34 year olds. However, the older age groups don't use this channel with less than 4% of 55+ year olds. There is limited use of social media to find out about council services. As part of the Customer Strategy deliverables we will be looking at ways to achieve more customer contact and provide access to services and information through social media (and improving other contact channels).

12. Nearly 3 in 5 people would use the council's website to find out about council services with 2 in 5 either visiting or using the telephone. Older people (65+) and those with a disability are more likely to telephone the council than other residents rising to nearly around 1 in 3.
13. 1 in 4 would use the council publication 'your voice' for events or to find out about council services. Nearly half of 75+ year olds for would use it to find out about council services.

**Q6. Which Of The Following Ways Do You Prefer To Find Out About A) Events In The City and B) Council Services?**

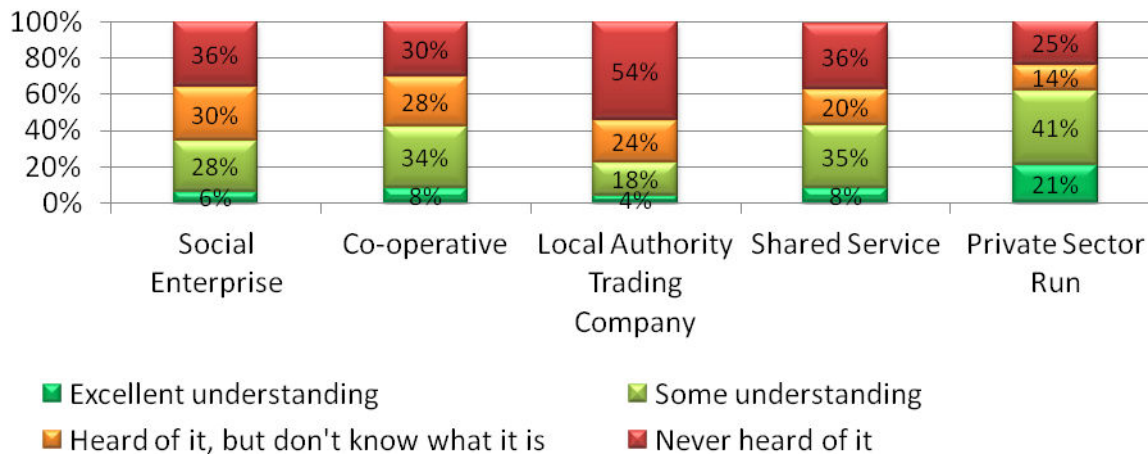


**Providing services differently**

14. The level of awareness for alternative delivery models for council service ranged considerably from 22% for Local Authority Trading Companies to 62% for private sector run services:

- 44% agreed that the council should explore alternative ways of working
- 20% were personally interested in exploring how to bid to run a service.
- 60% of those who are interested in exploring running a service are active library users.

Q7. What is your level of understanding of other ways of providing services?



### Council Priorities

- Perception of progress on some of the council’s priority areas saw high proportions of ‘don’t know’ responses (up to 64% in some cases). This was particularly apparent on the Protecting Vulnerable People theme, which is interesting given some of the high profile changes and decisions in this area over the last 18 months. High “don’t know” responses were received for against:
  - whether we are supporting families who may be struggling (64% ‘don’t know’);
  - whether we are providing good quality support for vulnerable adults (63% ‘don’t know’);
  - providing good quality support for people with dementia ( 62% ‘don’t know’);
  - supporting people to live in their own homes (60% ‘don’t know’).
- Half of respondents were also unaware (49% don’t know) on how we are encouraging the use of low-emission vehicles. This suggests that the council and its partners may need to focus on communicating our successes with different audiences (customer,

residents, Community of Interest groups etc.,) and show how partnership working has been successful in delivering priority outcomes across the city.

### **Job and Business development**

17. Nearly 1 in 3 (64%) think their skills are suited to the types of jobs in York, although starting their own business was not of interest to many respondents (2%). Currently, 6% of respondents already run their own business. Confidence in business expansion is mixed (32% would be confident and 36% would not be confident).
18. Just over half felt they do not get support from their employer or place of study to improve job related skills. We are looking to develop a skills framework and survey which will enable alignment of skills provision and business needs in the city.
19. The help that would be needed to support people to expand/run or start their own business included financial support via start up grants, courses and advice. CYCs work in setting up portal for businesses (York Means Business) will help towards providing some much needed advice and information. We are also looking to identify gaps in start up provision and review business support.
20. How well we are delivering on our key priorities shows a mixed picture. The key outcomes requiring further investigation with residents will be examined through the Talkabout panel in October 2012.

### **Travel**

21. Nearly 2 in 5 would use a car or motor cycle when travelling to work while 1 in 3 would go by foot. 3 in 5 would go by foot when accompanied children to school. However this still leaves 1 in 4 who would travel by car to school.
22. 4 in 5 would buy food and non food items either within the city centre or within a mile locally. However 1 in 2 also stated a they would use out of town shops or retail outlets.
23. Knowing the quickest and safest route to take would encourage more people to walk. This ties in with our Intelligence Travel project which should provide people with a better understanding of these routes across the city.
24. Nearly half of respondents suggesting improving the bus service in York would be helped by one ticket for all buses which should support the introduction of Smart Ticketing in York in August 2012.

25. 2 in 5 people did not think the council and its partners were are doing very well with improving York's Bus Service. However, nearly 3 in 5 felt we are doing well with expanding the cycle network.
- There are actions in place to improve the bus service including improvements to ticketing/information, bus infrastructure and enhancing the park and ride

## Crime

26. Crime results have been combined with a specific survey carried out by the University of York where the same questions were asked in each survey in ordered to obtain a bigger base and more reliable data.
27. The survey gathered the views of over 2400 residents and former residents of York over a 2 month period from April to June this year, and revealed that three-quarters of respondents felt that York is a safe place overall and over 90% satisfaction with their local area as a place to live in.
28. Approximately 70% had confidence in the police in York and over 80% felt that they could rely on them to treat them with respect. Most also had very positive views about the levels of crime and anti-social behaviour in their areas with the issue of rubbish or litter lying around (23%) generally being the biggest cause for concern. Within this those with a disability (31%) thought it was more of a problem.
29. However, although only 21% think my local area has a problem with crime / anti-social behaviour this is higher than the slightly different question asked in the 2008 Place Survey. This survey showed that only 11.3% think that anti-social behaviour is a problem in their local area.
30. The other two similar questions in the place survey show promising results with the proportion of people thinking drug dealing/drug use and drunk/rowdy behaviour both reduced in the Big York Survey.
31. Asked what would increase confidence in the police in York, most responses focused on a greater desire for increased police presence and visibility, though a substantial proportion also suggested greater communication and community engagement by the force would also be helpful.

## Volunteering

32. Just under half of respondents have given unpaid help over the last 12 months which is nearly double the response in the 2008 Place Survey. Although the BYS asked how often have you given unpaid help in the last 12 months and the Place Survey asked have you given unpaid help in the last 12 months you can still derive the same output. A higher proportion of BME groups, non-Christian and younger age groups do not volunteer (around 2 in 3).
33. Overall, 2 in 3 stated that they not having the time to volunteer had prevented them from doing and most notably amongst 25-34 year olds where 4 in 5 stated they did not have enough time to volunteer.
34. However nearly 1 in 5 (19%) stated they hadn't been asked or hadn't thought about volunteering, particularly amongst 35-44 year olds where more stated they had not thought about it. This suggests there is still a potentially large section of the city's residents that could be encouraged to volunteer through targeted campaigns or improved information & support.

## Being Healthy

35. Nearly 9 in 10 people stated they were very or fairly healthy which is an improvement on the 2008 Place survey.
36. Just over 4 in 5 people have not heard of the Just 30 citywide campaign trying to encourage York residents to get active. This rises even further amongst BME, disability older (65+) and young groups (18-24) where it becomes around 9 in 10 people. However, 2 in 3 people did know that doing 30 minutes exercise a day is the target level of activity for long term health benefits.
37. The main suggestions to helping families to get active included subsidised gyms, free swimming for children, safer cycle routes and more facilities.

## Directing resources for people with moderate care needs

38. A majority of respondents (69%) would prefer additional investment in the voluntary sector for those with moderate care needs being directed to helping people with their shopping, cleaning and laundry. This was considered the third most important investment among current social care customers (Fair Access to Care Survey, June 2012). Helping people to find the support they need (61%) was also considered important (this was ranked as the top priority in the Fair Access to Care Survey).

This page is intentionally left blank



---

**Cabinet**

**6<sup>th</sup> November 2012**

**Report of the Council Leader**

**Responding to the final report of York Fairness Commission:**

**A better York for everyone**

**Summary**

1. This report contains the proposed response of CYC to the Fairness Commission's final report published on 27th September 2012: *A better York for everyone* (Annex A). The report proposes 10 Fairness Principles, makes 7 headline recommendations and commends more than 100 *Ideas for Action* (Annex B) to be assessed and actioned.
2. Cabinet is asked to approve the proposed response to each of the Headline Recommendations noting how they contribute to the delivery of the Council Plan priorities.
3. Cabinet is also asked to approve the proposals for the ongoing ownership and monitoring of the Fairness Principles and Recommendations.
4. Any financial implications of recommendations which are proposed for implementation action in 2013/2014 will be formally proposed for Cabinet decision in the forthcoming 2013/14 Capital and Revenue Budget Reports.

**Background**

5. York is currently considered one of the most fair and equitable cities in the UK (ranked 6th out of 64 cities by the Centre for Cities Outlook 2012). However the Council is also aware that a significant number of people across the city live in challenging financial circumstances: 10,200 households are workless; 12,210 people are dependent on benefits; more than 4,500 York children are living in poverty and roughly 13,000 residents live in the 20% most deprived areas in the country. Impending changes to welfare benefits and ongoing

reductions in public spending are likely to increase this number and make households more vulnerable to income deprivation.

6. Recognising this challenge and in line with the Council's commitment to protect vulnerable people, the Council set up the independent York Fairness Commission in July 2011 as part of a Cabinet commitment to tackle poverty and inequality in York. Following public consultation in September and October 2011 the Commission published its Interim Report in November 2011 with 30 recommendations to the council focusing on specific advice on the difficult decisions the Council was tackling in setting its budget for 2012/13 and 2013/14. Cabinet approved a response to these recommendations in February 2012, supporting the proposed Fairness Principles; adopting the majority of the recommendations that aligned with existing strategic priorities; and reflecting these in the 2012/14 budget.
7. The Commission's second phase of engagement with practitioners and experts in March and April of this year focused on inequality issues by six themes: Health and Wellbeing; Income, Economy and Jobs; Education and Training; Housing and Homelessness; Communities of Identity; Communities and Volunteering.
8. Their final report *A better York for everyone* was published and formally presented to the Leader on September 27<sup>th</sup>. It proposes 10 Fairness Principles, makes 7 headline recommendations and commends more than 100 Ideas for Action to be assessed and actioned.

### **Consultation**

9. In both phases of their work, the Fairness Commission has engaged extensively with the people who live in York and the organisations who work in the city. Through public meetings, online and postal consultation and focused topic-based meetings to review evidence and debate solutions, there has been an opportunity for everyone to contribute.
10. CYC officers and members of the Without Walls (WOW) strategic partnership have also been involved throughout in providing evidence of the issues, information about existing plans and considering what this means for the city.



## **Progress since the Interim Report**

11. Since the interim report was published the Council has already made significant progress in adopting both the principles and delivering on specific recommendations.
12. An Economic Infrastructure Fund of £28m has been set up as an innovative single pot of funding to support the delivery of the Council Plan priority of creating jobs and growing the economy.
13. The Council has maintained its commitment to provide work and training opportunities for young people in the city by recruiting a further 35 apprentices this year.
14. The All York single ticket has been launched – making bus travel across the city more streamlined and less costly in a bid to reduce barriers to work and training opportunities and promote sustainable travel options.
15. The Council's 2012/14 Procurement and Commissioning Strategy has been adopted with a new emphasis on collaborative effort and the delivery of social, economic and environmental benefits as well as overall cost and quality.
16. A new Workforce Strategy, the embedding of the eXtra factor staff recognition scheme and an Employee of the Month award all demonstrate the Council's commitment to become an organisation where staff are engaged, valued and respected.
17. To generate new ideas and implement creative approaches, the Council has provided a £1m fund to facilitate delivery of priorities and support innovation. For example, this has funded a programme in partnership with Science City York to embed the skills and knowledge within the council to continue to harness and develop new ideas capable of saving money and delivering better services.
18. A reduction in the educational 'attainment gap' at Key stages 2 and 4 has been achieved. This means that children who are potentially more vulnerable to low achievement are now attaining results closer to the average for the city.
19. The first Big York survey was designed to help the Council understand the views and needs of all of York's communities of identity and for the first time measures to reflect the unique perspective of carers were included in the consultation.

20. Recognising the vital role of the voluntary sector, the Council has been working together with York Council for Voluntary Service (CVS) to produce the city's first Voluntary Sector Strategy setting out our shared priorities and ambitions for the city. An example of this in action is the Council's support to a group of voluntary organisations, led by York CVS, to develop a viable business plan for the creation of a Health and Social Care information and support hub in Oliver House.
21. As agreed in February 2012, further work has begun to assess the full implications and possible alternative approaches to a York 'Tourist Tax'. It remains the case that, without a change in legislation, York could not levy a tourist or bed tax and also would not want to implement a charge or tax that could deter visitors, impose an administrative burden on local businesses and potentially undermine the profitability of this sector of the local economy.
22. Instead, alternative options are being pursued. Visit York has joined an early adopters group facilitated by Visit England to evaluate the benefits and options for creating a York Tourism Business Improvement District (BID). This could allow for a levy on tourism businesses to be reinvested in infrastructure and other improvements designed to benefit those businesses. Tourism businesses in York will be fully consulted on any proposals and would be able to vote on the issue. Proposals are at an early stage of development with a view to a potential launch in summer 2014.
23. Work has also been continuing to assess the options for and financial implications of implementing extensions to the travel concessions currently offered to young and disabled people. Officers and the Cabinet Member for Transport have met with First Group to explore alternatives and will bring forward proposals for consideration in the 2013/14 budget review.

### **Response to the final Report**

24. As highlighted above, the Council is already fully engaged in the work to deliver a fairer York and it is proposed that Cabinet welcomes the findings of the Fairness Commission Final Report. It is expected that the independent review by the Commission will provide further stimulus for all partners in the city to work together to tackle inequality.
25. Each recommendation has been given careful consideration. In many areas the Commission's recommendations reinforce a commitment to the existing priorities and initiatives that the Council has already

started work on and that form part of the Council Plan 2011-2015. Equally many of the themes and actions are reflected in the WOW partnership's City Action Plan 2011- 2015.

26. In other areas the Commission has highlighted gaps in those priorities or in our plans to deliver them and challenged us to do more and to take a different approach. The work of the Commission is thought-provoking. It has brought together well-researched data and the voice of the people of York to give extensive insight into the effects of the real deprivation that exists in some parts of the city.

### **The 10 Fairness Principles**

27. The draft principles from the interim report that were addressed specifically to the Council have been updated to be of relevance to all organisations in the city. They are intended to help inform, steer and 'fairness proof' all decision making in the city, be that in the public, private or voluntary sectors. Their application will guide long term progress towards a fairer, poverty free York. The principles are:

<b>1</b> Make reducing income inequalities a core value in decision making, for example by paying a living wage.
<b>2</b> Build social factors into procurement and contracting to promote good employment practice, enhance local supply chains, reduce inequalities and heighten opportunities for unemployed people in York.
<b>3</b> Strive for excellence in York's organisations and the way they work together so that corporate social responsibility is the norm, services are delivered efficiently and effectively, and the city builds a reputation as a leader in tackling inequalities.
<b>4</b> Empower and extend opportunities for disadvantaged groups and individuals.
<b>5</b> Adopt a long term view and a preventative approach that acts now to prevent bigger problems in the future.
<b>6</b> Take decisions and run services in an open and transparent manner, listening to and engaging with communities and customers, including the most disadvantaged.
<b>7</b> Embed a creative and 'can do' culture that strives for new solutions and opportunities, even when there are difficult challenges and limited resources.
<b>8</b> Exert influence outside York to address external factors that drive inequalities or restrict local action within the city.

<p><b>9</b> Target investments and services to reduce inequalities and improve life chances in the most disadvantaged areas.</p>
--

<p><b>10</b> Promote and prioritise sustainable economic growth that maximises opportunities and benefits to all people, including the most disadvantaged (e.g. jobs, wages and wellbeing)</p>
--

28. In the context of the Council Plan, the above Fairness Principles are compelling. They reinforce the key priorities and core competencies and have already been adopted by the Council and many of its partners. The council is embedding the approach and values expressed in the Fairness Principles in the way it makes decisions and designs and delivers services; and in all its strategies and action plans.
29. This approach is reflected in a refreshed approach to equalities and diversity described in the Single Equality Scheme. It addresses in its objectives and action plans all of the inequality themes identified by the Commission. Its purpose is to deliver greater equality in outcomes across all Council services. Its adoption will go a long way towards ensuring that the required values, governance and monitoring mechanisms are in place to ensure that the Fairness Commission's recommendations are embedded and delivered within the Council.
30. The Commission charges the Council specifically with the responsibility on behalf of the city for ensuring that their recommendations are acted upon and progress is monitored. The best way to ensure that this is achieved and all partners can contribute to reducing inequality in the city is to seek to embed the principles in all strategies and the recommended actions in all delivery plans city-wide. It is proposed therefore that the Council through its leadership of the WOW partnership promotes the adoption of the Principles by all organisations in the city. It is also proposed that the re-constituted Inclusive York Board takes a lead role on fairness and monitoring of progress (through the governance structure proposed in the Single Equality Scheme report).

### **The Headline Recommendations**

31. In line with the approach of embedding within existing strategies, each of the recommendations and *Ideas for Action* has been carefully considered and reviewed against a number of pre-existing key strategies and delivery plans including:

- The Council Plan [Council Plan 2011-15 \(2.05MB\)](#)
  - The City Action Plan [City Action Plan 2011-2015](#)
  - The Housing Strategy [Housing Strategy 2011-15](#)
  - The Child Poverty Strategy [Child Poverty Strategy](#)
32. Other strategies published more recently have been developed taking into account the Fairness Principles, the Commission's interim recommendations and emerging findings. These include the York Economic Strategy and The Children and Young Person's Plan.
33. The Fairness Commission's findings and recommendations have also provided valuable input into the formulation of the Financial Inclusion Strategy and the Single Equality Scheme; and will continue to inform the Health and Wellbeing Strategy which is under development and due to be formally adopted in April 2013.
34. Below is a response to each of the report's Headline Recommendations outlining how it aligns with the Council's priorities and illustrating progress already made and planned.

### **Headline Recommendations Analysis/Response**

<b>A Make York a Living Wage City and inspire Yorkshire to become a Living Wage Region</b>
--

35. The Council has already publicly pledged to work towards all council – employed staff receiving a Living Wage. This is set at a level allowing a “minimum socially acceptable standard of living” with the current rate of £7.20 per hour due to be up-rated in line with increased living costs on 5th November.
36. Detailed proposals which could benefit more than 500 staff will be put before Cabinet in December in a report entitled *Working towards a Living Wage*. The financial decisions to enable this to be fully implemented in 2014/15 will form part of the 2013/15 budget decisions.
37. The commitment to pay the Living Wage means that the Council will be leading the way in York and in the region in tackling in-work poverty. Through its membership of the Association of West Yorkshire Authorities and the Leeds City Region LEP the Council has been campaigning for other councils to follow its lead. The Council will continue to promote the Living Wage to all employers in the city.

38. The Council's key anti-poverty strategies (the Child Poverty strategy and the Financial Inclusion strategy) reference the Living Wage as a key enabler to reducing poverty and promoting financial inclusion.

**B** Deliver an inclusive approach to economic development that creates jobs, tackles worklessness, and ensures all of York's citizens can contribute and prosper.

39. The Council's top priority is to create jobs and grow the economy and one of the core principles underpinning the delivery of the York Economic Strategy is the aim of ensuring that all York residents have the opportunity to contribute and benefit from its success.
40. The Council has been working strenuously with business leaders to attract businesses to York and develop a range of job opportunities that match the skills profile of the city.
41. The success of these efforts is demonstrated by the decisions of Hiscox Ltd, the John Lewis Partnership and Marks and Spencer to locate and further invest in York bringing 800 new jobs to the city. The Council will be continuing to work with these businesses as they develop their relocation and recruitment plans to ensure that these opportunities are made accessible to those who most often encounter barriers to work. For example the John Lewis Partnership is already making plans to develop and recruit its workforce in some of the more deprived areas of the city.
42. A recent Jobs Fair organised in partnership with Future Prospects, Job Centre Plus and Learning City is another example of our efforts to bring together employers in the city with job-seekers. 3,500 unemployed job-seekers received a personal invitation from the Leader and more than 1500 residents attended the free event where they were able to talk to many of York's major employers and education providers all under one roof. More than 200 job applications were made on the day with many more to follow online.

**C** Create a simple and shared system to get help and advice to the people, including an easy to access central information hub, outreach centres and promotional activity.

43. The Council's Customer Strategy aims to meet the needs of customers in the 21st Century. This ranges from providing traditional face-to-face assistance for those in greatest need of support to making use of the newest technology so people can access services, make enquiries, get information and advice or pay their bills in a way and at a time to suit them. The strategy is also designed to make sure that the council continues to protect the most vulnerable people and remains completely in touch with our communities.
44. A key strand in the delivery of the strategy will be the co-location of council and other partner organisations (including the CAB) in a single Customer Centre at West Offices from April 2013. By sharing this advice and information hub with our partners the Council will be extending the range of information and advice available to people in one place and developing stronger working links that will benefit our customers.
45. The Council's Financial Inclusion Strategy also proposes investment in more co-ordination of advice and support in the city and maps out the many sources of advice and information available to help people access work, claim benefits, manage their money and tackle their debts.
46. It also recognises that in addition to centrally-located advice and information it is vital to have advice available for people near where they live and in places they regularly visit and highlights the benefits of targeted outreach campaigns. This mix of access points does effectively complement more specialist/central provision.
47. From the base of an existing well-developed network across the city we can continue to work with our partners towards the achievement of a more comprehensive central information hub, looking at the future role for a combined web portal bringing all sources of information and advice together.

<p><b>D</b> Urgently address the city's housing and accommodation needs to improve availability and affordability for all, and to support sustainable economic growth, backed by a long term strategic framework.</p>
---

48. The Commission is right to identify that there is an urgent need to address the shortage of housing supply in York – both for the economic benefits that it will bring and because of the pressing social need of the many households who cannot access affordable housing.

49. The Council has already recognised this need and it is a key priority. It has developed a Get York Building programme to understand and tackle the current barriers to residential development. A Project Board has been set up to drive this work forward. A range of possible interventions is being considered and will be reported to Cabinet in the New Year.
50. To kick-start the programme York's Strategic Housing Forum will be launched in Housing Week (commencing 5<sup>th</sup> November) to enlist the support and involvement of partners across the city.
51. Activity to review and help restart stalled developments is already bearing fruit with the recent success in securing Get Britain Building funding to support a stalled development.
52. Also, the Council has submitted a bid to the Government's Traveller Pitch Fund as part of its long-held commitment to provide sites for gypsy and traveller communities who want to preserve their traditional way of life.

<p><b>E</b> Make far greater use of early intervention, preventative measures and community based care to support and promote health, independent living and inclusion.</p>
---

53. This recommendation is at the heart of the strategy being developed by York's shadow Health and Wellbeing Board. This powerful coalition of senior public and voluntary sector health and social care commissioning and delivery partners is working together to make improvements to the health and wellbeing of York residents. Its remit is to: know and understand the health and wellbeing needs of York; agree the priorities for the city; and translate this into action through all commissioning decisions, services planning and delivery.
54. A comprehensive Joint Strategic Needs Assessment has been developed to inform the Board's decision about priorities. Work is currently underway to develop a Health and Wellbeing Strategy which will set out what key organisations will do over the next 3 years to address these priorities. This will be approved in April 2013.
55. The Health and Wellbeing Strategy will confirm the Board's aspiration for more early intervention and prevention measures, particularly shifting towards a model of community based care and support. This



approach underpins all five priorities in the strategy – these are:

- making York a great place for older people to live in
- Reducing health inequality
- Improving mental health and intervening early
- Enabling all children and young people to have the best start in life
- Creating a financially sustainable local health and wellbeing system

56. The Health and Wellbeing Board recognises the importance of the Fairness Commission's work to address inequality in our city. Inequality is complex and multifaceted – it relates to a wide range of disciplines and organisations across sectors. The Health and Wellbeing Board will be a vehicle for delivering a number of the health and wellbeing recommendations within the Fairness Commission 'Findings and Recommendations' report and the companion report 'Ideas for Action'.

<b>F</b> Ensure childcare, the learning environment and education help to tackle inequalities.
--

57. The new Children and Young People's Plan 2013-16 for the City of York was launched on 23<sup>rd</sup> October. The new Plan, 'Dream Again', reflects on the progress partners have made over the past three years to improve outcomes for children, young people and families, but does not shy away from naming the challenges ahead in striving to make York the best place in which to live and grow up. Neither does it deny the challenging financial climate within which the Council works. To turn the plan and its priorities into reality a separate and more detailed action plan is being produced. It shows what the Council will do, where responsibility for actions will rest and how progress will be monitored.

58. The Plan has drawn on the issues and ideas raised throughout the Fairness Commission's work as well as a wide range of other consultation and includes the following priorities of specific relevance to this recommendation:

- improving the educational attainment and outcomes for Looked After Children, and in particular the education of children placed outside of York;
- further narrowing the gap in educational outcomes for other vulnerable pupils in the city, including those who have special educational needs, those who are in receipt of free school meals and Traveller pupils;
- increasing the number of free child care places for vulnerable two-year olds from 50 to 350;
- keeping a sharper focus on the education and attainment of the 0-5s, children who are at risk of being excluded from school and pupils in mainstream schools who need specialist support;
- developing school-to-school support and improving arrangements to support leadership across the school community;
- introducing a pre-birth to 14 literacy policy to help drive up standards, outcomes and consistency through all early years settings;
- identifying, and further responding to the needs of, Young Carers.

**G** Further assess the full range of ideas and proposals for action made in our companion report 'Ideas for Action' and agree mechanisms for taking them forward.

59. The Ideas for Action report (Annex B) lists more than 100 ideas for new or further action across all of the Commission's themes. In many instances they add further support to the headline recommendations. Along with the main recommendations these have been reviewed for relevance against existing strategies and plans and will be incorporated as appropriate.
60. The Council will also promote a similar approach by its partners through discussion in the WOW forums.

## **Implications**

61. **Financial** – any financial implications of actions to further the Fairness Commission recommendations as described in this report will be

reflected in the forthcoming 2013/14 Capital and Revenue Budget Reports.

62. **Human Resources (HR)** – the potential HR implications of implementing a Living Wage will be brought to members when detailed proposals are formulated.
63. **Equalities** – the Fairness Commission’s consultation and recommendations have directly informed the development of the Council’s proposed new Single Equalities Scheme which represents a refreshed approach to equality and diversity.
64. **Legal** – Local authorities in the UK do not currently have the legal power to levy a bed tax or tourist tax. This would require legislation. Legal implications in relation to other ideas under consideration will need to be considered at part of the review of those ideas.
65. There are no **Crime and Disorder, Information Technology, Property**, or other implications arising from this report.

### **Council Plan**

66. The Fairness Commission recommendations and the Council’s proposed responses are in line with key outcomes identified throughout the Council Plan with most emphasis on the Create Jobs and Grow the Economy, Build Strong Communities and Protect Vulnerable People priorities. It is proposed that the further work highlighted by the recommendations is identified and embedded into Directorate’s Service Plans, and that overall progress towards outcomes is managed through the Council Plan Delivery Boards and monitored through the ongoing tracking of the Council Plan.

### **Risk Management**

67. There are no known risks in adopting the Fairness Commission’s recommendations.

### **Recommendations**

68. Cabinet is asked to approve the proposed response to each of the Headline Recommendations noting how they will contribute to the delivery of the Council Plan priorities.

69. Cabinet is also asked to approve the proposals for the ongoing ownership and monitoring of the Fairness Principles and Recommendations as described in paragraph 30.
70. Cabinet is asked to note that the financial implications of implementing the Living Wage and extending concessionary fares will be brought forward in the 2013/15 budget papers for decision.

Reason: To ensure that the fairness principles and recommendations are implemented in line with the Council's commitment to protect vulnerable people.

### Contact Details

**Author:**

Jane Collingwood  
Strategy & Development  
Officer  
Office of the Chief Executive  
01904 553407  
[jane.collingwood@york.gov.uk](mailto:jane.collingwood@york.gov.uk)

**Chief Officer Responsible  
for the report:**

Kersten England  
Chief Executive

**Report**  **Date** 25.10.12  
**Approved**

**Specialist Implications Officers**

Financial	HR
Tracey Carter	Pauline Stuchfield
AD Finance, Asset Management & Procurement	AD Customers & Employees
01904 553419	01904 551100

Legal  
Andy Docherty  
AD Governance & ICT  
01904 551004

**Wards Affected:**

All

**For further information please contact the author of the report**

**Annexes (accessed via under mentioned web links)**

**Annex A:** The York Fairness Commission final report:  
*A better York for everyone – Findings and Recommendations*

27.9.12 <http://www.yorkfairnesscommission.org.uk/>

**Annex B:** The York Fairness Commission final report:  
*A better York for everyone – Ideas for Action*

27.9.12 <http://www.yorkfairnesscommission.org.uk/>

**Background Papers:**

The York Fairness Commission Interim Report: *A fairer York, a better York*  
28.11.2011

<http://www.yorkfairnesscommission.org.uk/>

The Council Plan [Council Plan 2011-15 \(2.05MB\)](#)

<http://www.york.gov.uk/council/plan/>

The City Action Plan [City Action Plan 2011-2015](#)

<http://www.yorkwow.org.uk/meetings/>

The Housing Strategy **Housing strategy**

[http://www.york.gov.uk/housing/Housing\\_plans\\_and\\_strategies/housin strategy/](http://www.york.gov.uk/housing/Housing_plans_and_strategies/housin_strategy/)

The Child Poverty Strategy [Child Poverty Strategy](#)

<http://www.york.org.uk/Workforce/Training%20and%20Workforce%20Development/ChildPoverty>

This page is intentionally left blank



---

**Cabinet Report****6th November 2012****Report of the Cabinet Member for Corporate Services****City of York Council Financial Inclusion Policy and Action Plan****Summary**

1. Cabinet is asked to approve the City of York Council **Financial Inclusion Policy** and associated **Action Plan** (attached as Annex A). This policy supports the CYC Economic Strategy as an enabler for growth. At its heart is a clear and joined up service offer to York's residents.

- Intervening early before specialist debt and benefits advice is needed.
- Implementing innovative approaches to save residents money e.g. community bulk buy of fuel, food etc.
- Engaging with the hardest to reach in settings familiar to them e.g. financial advice in pubs, surgeries and community settings.

This policy also delivers the following recommendations from the Final Report of the Fairness Commission:

- Creating a simple and shared system to get help and advice to the people, including access to central information hubs, outreach centres and promotional activity.
- Making far greater use of early intervention and preventative measures to promote inclusion.
- Targeting investments and services to reduce inequalities and improve life chances in the most disadvantaged areas.

2. Cabinet is also asked to approve the draw-down of Economic Infrastructure Funding of £300k over 3 financial years to deliver against the outcomes in the Financial Inclusion Action Plan.

3. Cabinet is asked to agree the proposed governance of CYC's overarching approach to addressing Financial Inclusion (attached as Annex B).

## **Background**

4. The country presently finds itself in the grip of the most severe economic recession since the 1930s. In York the drive to reduce the financial deficit has led to severe pressure on public sector jobs and services, slow growth and increasing unemployment for women and young people, entrenched high concentrations of unemployment in key wards, mounting debt levels and pressure upon family finances.
5. Legislative changes reducing Housing Benefit (because of Local Housing Allowances and under-occupation rules) and harsher tests for disability benefits have already increased pressure on the financial wellbeing of those currently out-of work or on low incomes. Further provisions of the Welfare Reform Act such as Universal Credit, changes to Independent Living Allowance, reductions in Social Fund payments, changes to local Council Tax support mean that the future impacts will be even more severe. The proposed removal of housing benefit for the under 25s could result in a reduction of £4,276,012 in benefits for young people in the City.
6. In York this has manifested itself through a recorded rise in stress levels. York Mind have reported an increase in clients who have experienced stress due to being reassessed or being found no longer eligible for benefits. . York CAB also report that debt levels are rapidly on the increase, particularly within our more marginalised neighbourhoods, and payday (rather than doorstep) lending is becoming increasingly common. Since 2007 the payday loan market has quadrupled in the UK. Nationally more than 1 million people are now resorting to payday loans every year, borrowing a total of £2 billion, or £153 each month, to cover basic household bills. The continued cutting of benefits, as outlined in paragraph 5 will create an even more lucrative market for payday lenders offering emergency loans.
7. There has been a growing recognition that the council needs to lead a whole-city response that will contribute to alleviating the



impacts of service reductions, support people to find their own financial solutions and include a socially responsible CYC approach to people in debt to the council. This is reflected in the council Debt Policy which sets out a clear policy objective and framework to deliver this.

8. In the first instance CYC has established a two-tier cross directorate Financial Inclusion Network, comprised of senior managers and key officers responsible for delivering on the financial inclusion agenda and managing the council's approach to income collection through its Debt and Income Collection Policies (Annex B).
9. An initial task of the network has been to undertake a comprehensive mapping exercise of current financial inclusion services across the Council (Annex C). The mapping exercise reveals a good range of financial advice and support services across all CYC directorates. However, it remains the case that some of these services operate in relative isolation from each other and there is some duplication of provision.
10. The CYC financial inclusion network has also researched good practice models elsewhere (e.g. the Leeds City Council approach to financial inclusion) and identified a number of key features to be included in the York model going forward. These include a strong partnership working template, a focus on the most marginalised communities, the embedding of financial inclusion across council directorates and that services adopt and comply with the corporate Debt and Income policies for the collection and prioritisation of debt.

### **Financial Inclusion Policy and Action Plan**

11. The other key task of the CYC Financial Inclusion Network has been the preparation of a draft **Financial Inclusion Policy and Action Plan**. (Annex A).
12. Both the Financial inclusion Policy Action Plan identify key Citywide financial services, tools and products that should be made available for all residents, accompanied by specialist debt and benefits advice and a targeted, outreach approach within marginalised neighbourhoods.

13. The Financial Inclusion Policy and Action Plan also identifies the need to train and up-skill frontline CYC staff, particularly Customer Centre staff, in order to signpost all residents and CYC customers to the most appropriate sources of financial advice and support to meet their particular needs.
14. The success of the Financial Inclusion Policy and Action Plan is heavily dependent on the active involvement and buy-in of partner agencies across the wider City and will change and evolve as time progresses.

### **Additional Funding Requirements**

15. City of York Council's vision is to lead and drive forward a high-level Citywide commitment to reduce financial exclusion in York over forthcoming years. To position CYC at the forefront of financial inclusion activity in the City and to progress the actions identified in the Financial Inclusion Policy, a 3-year package of Economic Infrastructure Funding has been identified by the Creating Jobs and Growing the Economy Panel (£300,000 over three years). These costs include:
  - A part-time Financial Inclusion Project Manager role to co-ordinate and drive forward a City-wide financial inclusion work programme.
  - A specialist debt and benefits advice worker to perform a link role with York CAB, the York Welfare Benefits Unit, Future Prospects and others
  - Bolstering existing benefits advice and advocacy services in the City.
  - Funding to support the availability of affordable borrowing and access to basic bank accounts for all residents of York.
  - Additional, 'flexible funding' to support a range of additional Financial Inclusion pilots and interventions which emerge from discussions at the CYC Financial Inclusion Network, and discussions with City wide partners.

## Consultation

16. In the preparation of the **Financial Inclusion Policy and Action Plan** extensive consultation has been undertaken with key partners across the City. This includes input from the Fairness Commission Findings and Recommendations and the Citizens Advice Bureau (on behalf of the wider voluntary sector). Both parties have indicated that the CYC approach outlined above (i.e. a combination of better access, co-ordination and financial inclusion outreach) is an appropriate way to proceed.

## Implications.

17. **Financial:** It is proposed to utilise Economic Infrastructure Funding of approximately £300,000 over three years to deliver against the priorities outlined in the Financial Inclusion Policy and Action Plan.
18. **Equalities:** The proposed new financial inclusion arrangements will enable the targeting of support towards activities which contribute towards all the equality outcomes set out in the draft Council Plan.
19. **Legal:** The Council's general power of competence under section 1 of the Localism Act 2011 allows the Council to implement the actions proposed in the draft plan.

There are no **Human Resources, Crime and Disorder, Information Technology, Property**, or other implications arising from this report

## Council Plan

20. The Financial Inclusion Policy and Action Plan are in line with key outcomes identified within the Protecting Vulnerable People section of the Council Plan. It is essential that the areas of work identified in the Action Plan are embedded into Directorate's Service Plans, and that overall progress towards outcomes is managed through the ongoing tracking of the Council Plan.

## Risk Management

21. The initiatives supported by Economic Infrastructure Funding will be overseen and consistently monitored by the CYC Financial Inclusion Network.

## Recommendations

22. Cabinet are asked to approve CYC's proposed overarching approach to Financial Inclusion, in particular the draft Action Plan for the next 12 months including proposed arrangements for Economic Infrastructure Funding.
23. Cabinet are asked to approve the draw-down of £300,000 identified from the Economic Infrastructure Fund to facilitate the above approach.

**Reason:** CYC's policy approach to financial inclusion is intended to increase the scope and build the capacity of CYC and other partners to deliver a more co-ordinated approach to financial inclusion across the City, bringing about the following outcomes:

- The creation of a Citywide financial safety net, with good information and advice available for all residents.
- The identification of a programme of proactive outreach campaigns in areas of specific need.
- The embedding of financial inclusion within all council strategies and all directorates / service plans.

<b>Author:</b>	<b>Cabinet Member and Chief Officer responsible for the report:</b>		
Adam Gray / Jane Collingwood Strategy and Development Officers Strategy and Partnerships OCEX 551053 / 553407	Councillor Julie Gunnell Cabinet Member for Corporate Services Ian Floyd Director for Customer & Business Support Services		
	<b>Report Approved</b>	✓	<b>Date</b> 26 October 2012
<b>Specialist Implications Officer(s)</b> N/A			

<b>Wards Affected:</b> <i>List wards or tick box to indicate all</i>	<b>All</b>	<input checked="" type="checkbox"/>
<b>For further information please contact the author of the report</b>		

Annexes

Annex A - City of York Council Financial Inclusion Policy and associated Action Plan

Annex B - Debt and Income Collection Policies

Annex C - Mapping exercise of current financial inclusion services across the Council.

This page is intentionally left blank

## **Annex A: City of York Council: Financial Inclusion Policy**

### **Section 1: What is Financial Inclusion?**

Financial Inclusion is primarily concerned with access to an appropriate level of income and access to the financial tools and products people need to fully participate in modern day society.

It is about ensuring that everyone has access to appropriate financial services, enabling them to maximise their income, manage their money on a day-to-day basis, plan for the future and deal effectively with financial distress, for example:

- Access to affordable and responsible credit
- Access to an appropriate bank account
- Access to face-to-face debt and benefits advice
- Access to savings

Financial Inclusion is intrinsically connected to an individual's qualifications, skills, knowledge and employment status - and their ability to access affordable childcare, healthcare and housing.

It is also vital that individuals are able to access appropriate financial advice, information and support they need at a time when they need it, to enable them to address and overcome some of the challenges presented by the multi faceted issues outlined above.

The Financial Inclusion strategy can be seen as distinct from, but supportive of, the CYC Economic Strategy - with its focus on generating jobs and economic growth. Sustainable job creation is in many ways the key driver of Financial Inclusion, while the specific Financial Inclusion Strategy acts as an enabler to support the drive towards growth.

## **Section 2: Why do we need to respond?**

Whilst two fifths of York's population live in areas that are in the best 20% in England, eight areas of the City are in the most deprived 20%. These 'local super output areas' (LSOAs) are home to around 13,000 people, just under 7% of York's population, but with an unemployment rate of 30%, and are characterised by significant levels of poverty, debt low income and associated financial exclusion.

These areas also contain a high concentration of single parent families and people suffering from physical or mental ill health who are at particular risk of being financially excluded.

York has one of the highest ratios outside London of earnings to average rent, giving the city a particularly acute problem in finding suitable accommodation for those on benefits, even more so in light of recent welfare reform. Legislative changes reducing Housing Benefit (because of Local Housing Allowances and under-occupation rules) and harsher tests for disability benefits have already increased pressure on the financial wellbeing of those currently out-of work or on low incomes. Further provisions of the Welfare Reform Act such as Universal Credit, changes to Independent Living Allowance, reductions in Social Fund payments and the changes to local Council Tax support mean that the future impact on York's residents will be even more severe.

For example, the proposed removal of housing benefit for the under 25s could result in the loss of £4,276,012 in benefits for young people in the City.

These problems are compounded by the 'poverty premium' faced by people on low incomes e.g. higher bank charges (£2.4 million leaves the sub region annually in bank charges) expensive prepayment fuel meters, lack of access to online discounts etc. Calculations reveal that that the poverty premium faced by York's poorest residents amounts to £1,800 per annum.

Further to this there is increasing evidence of stress and workplace absenteeism brought about by financial worries, coupled with a rise in debt and payday loans. This has been revealed in national studies and at a local level by York and District Mind and the Citizens Advice Bureau.



### Section 3: Financial Inclusion: Vision and Values

City of York Council's vision of a **Financially Inclusive York** is as follows:

- A city where everyone has access to the services and support they need to make the most of their money, including access to banking, savings, affordable and responsible credit.
- A city where people are able to manage their money day-to-day, to plan for the future, cope with financial pressure, and to deal with financial distress.
- A City where employers pay a living wage to their employees to reduce levels of in-work poverty.
- A city where key stakeholders work together strategically and operationally to ensure that Financial Inclusion services are co-ordinated, holistic and customer focused.
- A city where people do not suffer deprivation, social exclusion, poverty, and ill health caused by financial pressures - thereby reducing the costs incurred by public services.
- A city where disposable income is retained within the local economy.
- A city where legal and illegal doorstep and payday lending is minimised.
- A city where a commitment to financial inclusion is embedded within the relevant strategic plans, procurement programmes and decision making structures of all key stakeholders.
- A city which intervenes early, educating children and young people in money management to prevent the cycle of poverty repeating itself.
- A city which 'breaks the mould' utilising digital connectivity, community bulk buy, fuel co-operatives and travel-to-work loans to address financial inclusion.
- A city which engages with the hardest to reach, through proactive financial inclusion initiatives in pubs, betting shops, doctors' surgeries and communities.

## **Section 4: Current Financial Inclusion Landscape**

In the preparation of this policy document a comprehensive mapping exercise was undertaken, capturing the current landscape of financial inclusion service provision across CYC and the wider City.

### **Wider City - Financial Inclusion Profile**

During 2011-2012 debt, benefits and other financial advice related services were delivered to over 7,000 residents of York. Of the 4,700 clients advised by York CAB, 45% of all cases related to debt and 22% to benefit concerns. Casework undertaken with the most severe debtors dealt with a combined debt total of almost £8 million.

Future Prospects secured employment for 431 individuals and offered benefits advice to at least 500 more - resulting in £1.8 million in benefits savings, £2.72 million in additional income and a £431,000 increase in council tax revenue. CYCs own CBSS Benefits Team offered advice and outreach to almost 700 residents, resulting in an increase in benefits entitlements of approximately £800,000. Furthermore, CBSS Income Officers dealing with Adult Social Care identified an additional £1.5m in unclaimed benefits last year when visiting customers.

Other key agencies offering financial advice and support include York Carer's Forum, Age UK, Christians Against Poverty, Fabric and Yorkshire Housing Associations each of whom employ benefits advisors. York also has a specialist Welfare Benefits Unit who offer expert benefits advice and training to frontline charities and statutory services. York and North Yorkshire Credit Union also offer a range of financial tools and products and services for all residents, but particularly the more financially excluded.

Other key services / organisations critical to an effective financial inclusion approach include the Pensions Service, JobCentre Plus and Work Programme Providers (supporting the longer-term unemployed), National Careers Service (who support JCP clients), providers supporting 16-18 year old NEET (not in education, employment and training), Children's Centres and the work of public health professionals employed by the Primary Care Trust.

### **City of York Council - Current Activity**

Within City of York Council the ACE directorate has been actively involved in connecting CYC customers into these Citywide support services, particularly through initiatives such as

Catalyst, targeting financial advice at families most in need (in partnership with Future Prospects and the Citizens Advice Bureau).

The directorate also makes financial support services available for all families and children across the City through a network of frontline advisors situated in Schools, Colleges and Children's Centres (effectively co-ordinated through the Family Information Unit).

A similar picture emerges within the CANs Directorate, with a particular emphasis on community outreach and engaging the hardest to reach. Future Prospect's welfare benefits advisors have worked intensively with ex-offenders and people with mental health problems, also partnering with Doctor's surgeries in disadvantaged wards.

The CANs Adult and Community Education team have been fully engaged, working with Aviva to offer bitesize money management courses within Libraries and other community settings, whilst the CANs Housing Landlord team have worked extensively with Citywide partners such as the Credit Union to prepare tailored packages of support for vulnerable tenants, particularly young people at risk of losing their tenancies. The team have also ensured that Council tenants are fully briefed about the impact of forthcoming welfare reforms such as Universal Credit.

Excellent work has also been undertaken by York Youth Council to promote free school meals and uniforms, and CYC's own welfare benefits advisors have conducted door-knocking and outreach in specific estates, supported by the Neighbourhood Management Unit.

The CBSS Directorate plays a particularly important cross cutting role in financial inclusion, operating as the key interface between CYC and the wider public. In addition to employing benefits and income officers who offer free impartial advice to residents across York, the Directorate is also responsible for the Customer Contact Centre and other face-to-face customer points across the City. For this reason CBSS staff are at the forefront of developing and sharing intelligence about CYC's most vulnerable customers and also advising / signposting these individuals appropriately.

Much good practice exists here as it does elsewhere: the Income Team within CBSS liaises closely with the Housing Options team around the potential co-ordination and consolidation of customer debts. Furthermore CBSS have implemented a range of nationally commended corporate policies around income and debt (Income Policy, Corporate Debt Policy, Prepaid for Council Tax, Sundry Debts, Housing Benefit Overpayment).

## **Next Steps**

Despite the excellent existing good practice already being undertaken within CYC there is significant room for improvement, particularly around the cross directorate sharing of

customer information and data. This led to the recent creation of the CYC Financial Inclusion Network, a priority of which will be to establish financial information sharing and governance protocols across the council, and to embed financial inclusion as a priority across all directorate action plans.

Another priority will be to work with partners across the wider City to achieve key outcomes as identified in the Financial Inclusion Vision in Section 2.

The network has also prepared a CYC Financial Inclusion Action Plan (Section 6) for the forthcoming 12 months, comprised of a combination of proactive and reactive measures working alongside Citywide partners.

## **Section 5: City of York Council's Response**

Against the backdrop outlined above an Action Plan has been developed with a particular focus on the next 12 months (outlined in Section 6). Actions will be delivered to meet the following strategic outcomes.

### **Action 1 Financial Tools, Products and Services**

Across the country dynamic local authorities are using their corporate buying power to purchase cheaper food, white goods, transport and energy deals for their citizens. Coupled with access to financial tools and products such as Paypal, Jam Jar Savings Accounts and Pre Paid Credit Cards this can realise a significant budgetary saving for many families and individuals.

**Key Outcome:** Reduce levels of financial and social exclusion by relieving the pressure on family budgets, helping disadvantaged individuals to access cost effective financial products and tools.

### **Action 2 Debt, Benefits and Money Management Advice**

CYC needs to play a role in effectively co-ordinating the plethora of debt and benefits advice services across the City, as well as raising the level of general financial literacy / awareness across York.

**Key Outcome:** Develop sustainable solutions to improve the financial capacity and capability of individuals and communities within the City, reduce levels of debt and raise awareness of benefit entitlement.

### **Action 3 Customer Awareness and Contact**

CYC must work with partners towards a comprehensive customer profiling system, tracking specific customer needs around financial inclusion, identifying when client groups will require intervention / support and how they are likely to access it.

**Key Outcome:** Develop a clear, co-ordinated offer for CYC customers, via visible access points across the City. Develop sympathetic, well co-ordinated debt recovery and customer charging policies.

### **Action 4 Supporting the Most Vulnerable and Marginalised**

Despite our best efforts there will be particularly vulnerable and marginalised individuals and families who are unlikely to access any form of support without a fundamental change in mindset towards officialdom. Taking a step beyond the standard community outreach venues will require innovative approaches - offering financial support in pubs, homes, betting shops, doctor's surgeries and working with trusted intermediaries such as local residents to deliver that support.

**Key Outcome:** Create financial support packages which effectively target vulnerable and marginalised families, individuals and communities in settings that are comfortable and familiar to them.

## Section 6: Financial Inclusion Action Plan

<b>Actions 0-3 Months</b>	<b>Next Steps</b>	<b>Delivery Partners</b>
<p><b>Financial Inclusion Manager / Specialist Debt and Benefits Advisor</b></p> <p>Secure funding for a CYC Financial Inclusion Co-ordinator and Specialist Debt and Benefits Advisor.</p> <p>Secure flexible funding for a range of targeted financial inclusion interventions.</p> <p>Secure funding to support the provision of affordable credit and basic bank accounts for York residents..</p>	<p>Submit bid to the CYC Economic Infrastructure Fund - circa £300,000 over three years.</p>	<p>CYC lead, but working closely with other partners - CAB, Welfare Benefits Unit, Pensions Service, Credit Union etc.</p>
<p><b>CYC: Financial Inclusion Governance</b></p> <p>Need to agree governance for all the financial Inclusion activity, within CYC and City wide.</p>	<p>Need to establish a two-tier structure of financial inclusion activity within CYC, a high level strategic steering group will oversee the financial inclusion strategy, supported by a</p>	<p>City of York Council</p>



	<p>broader cross directorate working group.</p> <p>Also need to consider the governance relationship with partners agencies, an approach adopted by other authorities. Leeds City Council chairs a Citywide group, in partnership with banks, credit unions, pensions service, housing associations, voluntary sector, jobcentre plus, children’s centres, GP surgeries etc. etc</p>	<p>City of York Council / City partners</p>
<p><b>CYC - Identification of Vulnerable Customers</b></p> <p>Customers still have demands from different parts of the council, be it Council Tax, Rent Arrears or Benefit Overpayment. Need to explore a different way of delivering this service that has the customer at the focus and still ensures that the authority maximises income.</p>	<p>Promote and support greater awareness of the Corporate Debt Policy across CYC</p> <p>Initiate work around CYC Customer Charging and Debt Recovery protocols and broader customer profiling - income levels, ability to pay, potential benefits entitlements, identification of vulnerable customers etc. Investigate use of pre-committal surgeries for key debtors.</p> <p>Maximise use of internal CYC benefits advice capacity.</p>	<p>City of York Council / City partners</p>

	<p>Trial data sharing protocols with voluntary sector groups to enable a basic level of information to be shared across organisations.</p> <p>Provision of financial inclusion training for frontline advice staff (CYC and Citywide), and more formalised communication routes / access to the Income Team for liaison around vulnerable customers.</p>	
<b>Actions 3-6 Months</b>	<b>Next Steps</b>	<b>Delivery Partners</b>
<p>Launch of a high profile <b>Financial Inclusion awareness raising programme</b>, enabling CYC and City providers to network and better co-ordinate service provision together e.g. align debt and benefits advice, also look to better co-ordinate Citywide advice and activity around welfare reform, money management courses etc.</p>	<p>Test the co-ordination of services through the roll-out and development of the neighbourhood pilots in the Lindsey and Carr Estates, specifically designed to reach the most marginalised individuals - complementing other neighbourhood initiatives / approaches being trialled in the Hull Road, Tang Hall areas (CAB Family Fortunes Pilot etc).</p>	<p>CYC / City wide partners.</p>

Actions 6-12 Months	Next Steps	Delivery Partners
<p>Work towards the development of <b>City Access Points</b> to direct those in need of assistance with financial issues towards multiple sources of support e.g. Linking together training programmes at Future Prospects (run in partnership with JobCentrePlus), advice on childcare options from the Children’s Centres, advice on debt management / benefit take up from the CAB and CYC Benefits Team and access to the financial tools / products offered by the Credit Union.</p> <p>Initiate better access to Financial Tools and Products.</p>	<p>CYC to commission a series of in-house and community / voluntary sector led interventions and services through the EIF e.g.</p> <p>Extend presence of advisors in GP Surgeries</p> <p>Smarter money management sessions</p> <p>Establish community Buying Groups – Food / Household Goods, Fuel Co-operatives</p> <p>Extend access to basic bank accounts</p> <p>Monitor and measure outcomes and explore sustainability options</p>	<p>CYC / City wide partners</p>

## Section 7 Conclusion

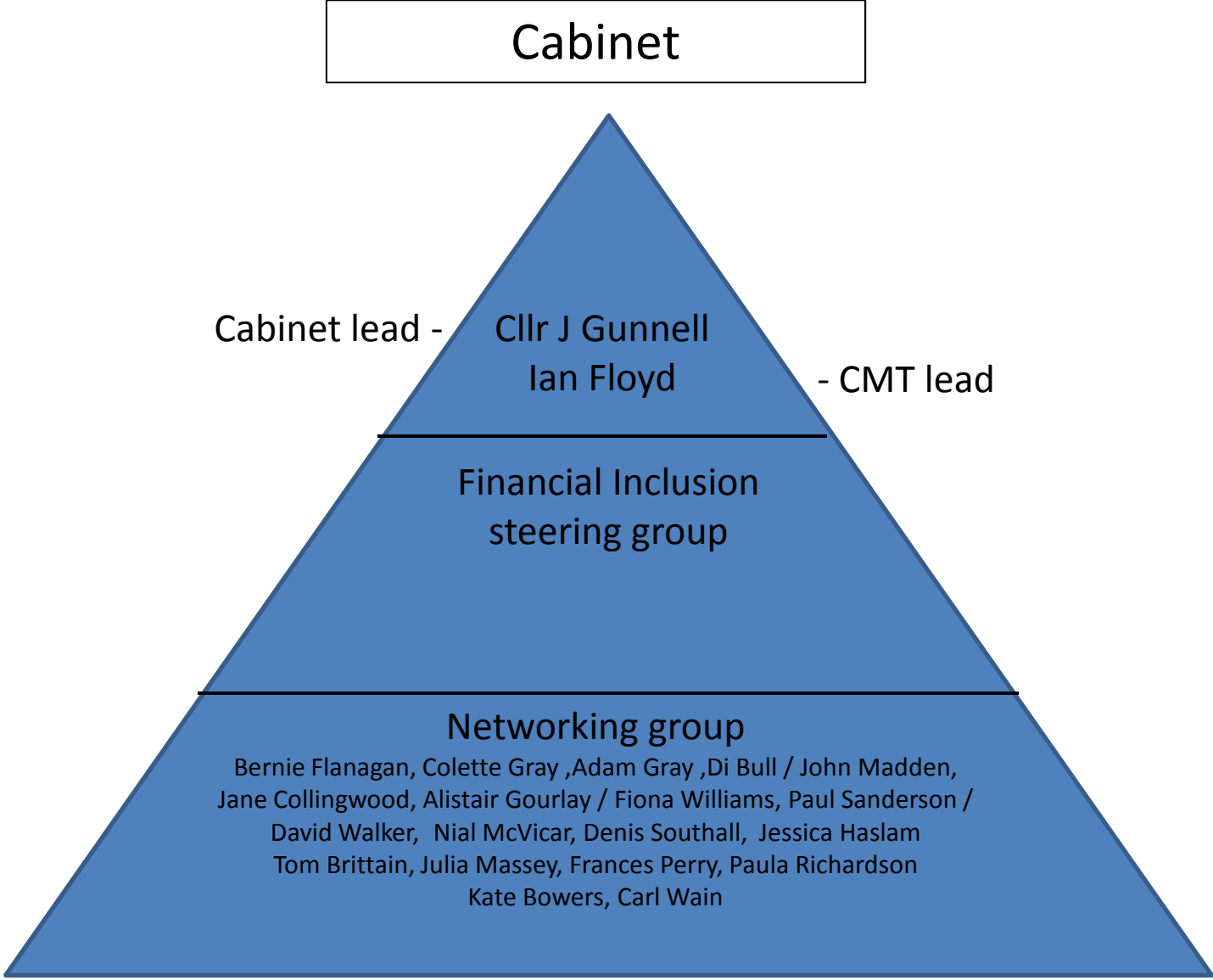
It is evident that much good work is emerging across the City and it is clear that City of York Council needs to take a strong lead around the alignment and co-ordination of service provision, presenting a coherent offer to residents, both now and in the future. An effective Financial Inclusion strategy can realise many benefits for resident - the Leeds approach has evidenced that for every pound invested in Financial Inclusion initiatives £8.40 is generated for the regional economy. Some of the specific benefits that may be realised by CYC as the result of a successful financial inclusion policy and action plan are as follows:

- Improved cash flow
- A reduction in the number of people presenting as homeless
- A reduction in the level of rent and mortgage arrears
- A reduction in the costs of rent and Council Tax collection, including court costs, and an increase in the use of the most efficient collection methods, e.g. direct debit and other automated payments;
- A reduction in the number of evictions, repossessions, bailiff visits and court actions as a result of rent or Council Tax arrears
- A reduction in the number of failed tenancy rates, abandoned properties and housing void costs
- A reduction in broader social costs caused by financial pressures e.g. anti-social behaviour, noise nuisance, vandalism.
- A joined up approach to income management to ensure increased debt recovery and limiting the negative outcomes for customers.



This page is intentionally left blank

# Financial inclusion Governance



This page is intentionally left blank



Money Management / Financial Awareness Packages			Annex C
Course / Publication	Details	Target Audience	Directorate / Contact
<b>Make the most of your money / Bitesize Money Management Courses / Parent and Child Money Management Courses</b>	12 week Adult Education programme Also preparing a condensed 1 hr training package with Aviva .	Specific target audience usually marginalised families - all courses held at Children's Centres. New, condensed 1 hr course a possible bolt-on to other courses (mental health etc). Again focus on targeted groups Parent and child courses discontinued due to lack of interest but could be offered again.	CANS / Adult Ed Alistair Gourlay
<b>Better Budgeting in the Community / York on a Budget Booklet</b>	Major national Scheme which employs accredited trainers across the country, who support frontline public agency staff to help clients prepare a budget. CYC has funding to buy training time.	Any frontline CYC staff working with marginalised client groups to help them prepare a budget.	CANS / Adult Ed Alistair Gourlay
<b>Family Information Service: Booklets, pamphlets</b>	Online and hard copy of Parent's Guide to Money, and One Space Money Survival Kit, alongside advice leaflets re debt, childcare, tax credits etc.	Parents and carers of 0-19 year olds (up to 25 for disabled children)	CANS / Adult Ed Alistair Gourlay

<b>Budget Courses, Skills to Pay the Bills, Support Sessions around Money Management</b>	<p>Led by hostel supervisors - support sessions around money management, independent living skills. Hostel staff also help with benefit claims, income maximisation. Supporting people staff are trained to deliver similar sessions for those who have moved on from hostels into their own tenancies.</p>	<p>Homeless and Resettlement Customers - Howe Hill Hostel, ordnance Lane, Peasholme etc.</p>	<p>CANS / Homelessness Becky Ward</p>
<b>Managing Money / Maximising Income Support Sessions</b>	<p>Led by Supported Housing Staff</p>	<p>Largely aimed at the Traveller Community but there are plans to explore within sheltered housing accommodation</p>	<p>CANS/ Sheltered Housing / Kate Grandfield</p>
<b>Managing Money / Maximising Income Support Sessions</b>	<p>Future Prospects</p>	<p>Usually tied to 'back to work' initiatives with specific target client groups.</p>	<p>CANS / Supporting People</p>

Financial Products / Tools	Annex C		
Product	Details	Target Audience	Directorate / Contact
<b>Credit Union: Jam Jar Account</b>	Allows customers to split their account balance into 'Jam Jars' for spending, saving and bill payment.	Supports customers to improve their bill payment	CANS, Landlord Liaison, Denis Southall
<b>Smarterbuy Website</b>	Managed by Northern Housing Consortia - offers up to 50% off household goods and is designed to give low-income consumers a viable alternative to high-cost lenders	Offers regular deals and allow customers who do not have access to a debit or prepaid card to buy online and then pay in cash at PayPoint counters or via Credit Union. Anyone can use the site.	CANS, Landlord Liaison, Denis Southall
<b>All Pay Payment Cards</b>	PayPoint is a leading specialist payments collection network used, primarily, for the cash payment of bills and services and prepayments for mobile telephones and energy meters. The Payopint branded network in the UK features over 23,500 terminals in local shops.	PayPal is a cheap and flexible way to pay for individuals who don't have access to direct debit to pay their bills. CYC housing tenants are primary being assisted by CY at present. Depsoits can also be made into Credit Union accounts.	CANS, Landlord Liaison, Denis Southall

<p><b>PrePaid Visa Debit Card</b></p>	<p>Members can load their card with money available in their Credit Union Account and use the card to have complete control over their money.</p>	<p>Credit Union Members - members can pay standing orders, wages, tax credits, benefits or similar into their credit union account and use it to load up their Credit Union Visa Card.</p>	<p>CANS, Landlord Liaison, Denis Southall</p>
<p><b>Interest Free Loans - Homeowners</b></p>	<p>Very limited support for homeowners in the City to make improvements to their homes</p>	<p>Vulnerable Residents</p>	<p>CANS/Housing/Ruth Abbot</p>
<p><b>Energy Efficient Insulation, Smart Meters etc.</b></p>	<p>Some areas of the City eligible for free loft and cavity wall insulation, solar panels etc. Also some support with finding energy efficient equipment, lowest tariffs etc.</p>	<p>Vulnerable Residents</p>	<p>CANS / Housing / Energy Advice Trust</p>

Benefits Awareness / Debt			Annex C
Product	Details	Target Audience	Directorate / Contact
<b>Future Prospects</b>	Accessing childcare / applying for tax credits	Parents - rolling programmes. Currently operational at Clifton Children's Centre.	CANS / FP
	Doctor's Surgeries: Gale Farm Surgery Lavender Grove Surgery (covers Acomb ward) - funded until March 2014	Any users of doctors surgeries in the area.	CANS / FP
	Specialist support for troubled families - financial inclusion skills and back to work training.	Wide presence in the majority of Children's Centres and some primary schools and community centres across York.	CANS / FP
	Specialist support for mental health clients - financial inclusion skills and back to work training.	Was active within Clifton - community centre and doctors surgery. Funding ceased	CANS / FP
	Specialist support for prison leavers - financial inclusion skills and back to work training.	Ex-offenders across York, North Yorkshire - variety of settings	CANS / FP
	Specialist support for NEETS - financial inclusion skills and back to work training.	Young People not in education, employment or training - variety of settings	CANS / FP
<b>CYC Benefits, Incomes Team - CBSS</b>	General benefits awareness primarily to CYC housing and adult social care clients - but dealing with benefit claims of all kinds.	Centrally based within CYC, but recently conducted community outreach in Carr Estate, Westfield and Poppleton. Also ongoing outreach at York Hospital	CANS / Housing

<b>CYC Hostel Supervisors</b>	General benefits awareness, primarily to CYC hostel clients - Peasholme, Southlands Rd etc.	Hostel clients - including specialist support for young people linked to maintaining tenancies.	CANS / Housing
<b>CYC Sheltered Accommodation Team</b>	General benefits awareness, primarily to the Traveller Community - and residents of sheltered accommodation.	General financial advice and support, primarily to the Traveller Community - and residents of sheltered accommodation.	CANS / Housing
<b>CYC Adult Social Care / Supporting People Commissioning</b>	Commission a range of external providers to provide some benefits guidance to clients to retain independent tenancies - learning disability, drug and alcohol, older people etc.	Huge client range - level of support varies depending on the service provider.	CANS / Housing
<b>CYC Housing Services</b>	Debt and Employment Advice for CYC Social Housing Tenants	New service - to be launched in June 2012, the only specialist debt service commissioned outside of CAB	CANS / Housing
<b>CYC Housing Services</b>	Mortgage Rescue Scheme	Financial advice and support for homeowners	CANS / Housing
<b>Future Prospects / ACE</b>	Led by CAB and strongly supported by ACE and FP the project will recruit volunteer Community Champions from different groups who face poverty and professionals who work with families to get out the message that there is help to increase benefits, tackle debt, manage money, improve health and get work.	Families in need across the City: Focus on Early Intervention and Outreach Venues	CANS/ Housing

Community Outreach / Liaison			Annex C
Product	Details	Target Audience	Directorate / Contact
<b>Estate Managers</b>	Estate Management officers are sign-posters and facilitators within communities, making connections between residents and a plethora of advice and support agencies.	Predominantly Social Housing / CYC Housing clients	CANS/ Housing
<b>NMU Staff</b>	Neighbourhood Management Unit officers are in essence sign-posters and facilitators within communities, making connections between residents and a plethora of advice and support agencies.	Generic service for all residents across the City.	CANS/ NMU
<b>Catalyst Officers - Intensive Family Support</b>	Catalyst staff are able to directly provide some support with Financial Inclusion act also as the key conduits / signposters to specialist sources of advice and support around the City. Referral procedures have been established with York CAB. Other referral points now need to be established.	Troubled Families - those most in need / marginalised.	ACE / Catalyst

<p><b>Health Visitors / Neighbourhood Care Teams</b></p>	<p>Currently employed by the Primary Care Trust but a function that will transfer to CYC the Health Visitors are a key function within integrated Neighbourhood Care Teams - again a potential signposter of financial advice and support.</p>	<p>Generic service for all residents across the City - but with a focus on areas most in need.</p>	<p>CANS / Public Health</p>
--	--	--	-----------------------------



CYC Customer Profiling / CBSS			Annex C
Product	Details	Target Audience	Directorate / Contact
<b>Supporting more vulnerable customers to assist them to reach debt solutions</b>	All C Tax cases reaching court stage shared with Adult Social Care Customer Accounts to identify any vulnerable cases.- support worker contact details are provided to the Recovery Team to avert recovery action.	Vulnerable CYC Customers	CBSS: Paul Sanderson
<b>Supporting more vulnerable customers to assist them to reach debt solutions</b>	C Tax Recovery presentations held for consumer support partners. CYC Income Collection staff are also supported with understanding the role of the Baliff firms in the recovery process.	Vulnerable CYC Customers	CBSS: Paul Sanderson
<b>Supporting more vulnerable customers to assist them to reach debt solutions</b>	Corporate liaison is led by the CBSS team around multiple debt cases (e.g. HBOP, NNDR, Sundry Debts) to avert onerous recovery action against customers with low debts, achieve a single view of customers with multiple debts to reach joined up solutions. Involves liaison between C Tax, HBOP, Housing teams to flag credit balances to identify all CYC debts the customer may have.	Vulnerable CYC Customers	CBSS: Paul Sanderson
<b>Supporting more vulnerable customers to assist them to reach debt solutions</b>	C Tax and NNDR Pre-Committal Surgeries for high profile Council tax debt cases to avert formal commital action. Also Baliff surgeries to reach solutions before van uplift stage,	Vulnerable CYC Customers	CBSS: Paul Sanderson

This page is intentionally left blank



---

**Cabinet****6 November, 2012****Report of the Cabinet Member for Leisure, Culture and Tourism****Single Equality Scheme 2012-2016: Realising the Vision for a Fair and Inclusive Council****Summary**

1. This report summarises the Council's equality journey so far and requests the Cabinet to approve:
  - A new equality vision for the Council
  - The new Single Equality Scheme (2012 – 2016)
  - Governance arrangements for the scheme

**The Council's Equality Journey**

2. The Council has adopted the Equality Framework for Local Government (EFLG) as its pathway to excellence in equality. The Framework incorporates the requirements of the Equality Act 2010. In July 2010, following an LGA peer review, the Council was placed at level "Achieving" of the Framework. We now aim to be at Level "Excellent" by the first quarter of 2014/15.
3. A key element of demonstrating excellence will be evidencing equality in outcomes. The new Single Equality Scheme (SES) will therefore be founded on SMART<sup>1</sup> objectives to improve life outcomes for the communities of identity in York, especially those who face socioeconomic disadvantage.
4. The SES will be a key element in the taking forward the Council's response to the final report of the York Fairness Commission. Adoption of the SES will go a long way towards ensuring that the required values and governance are in place to deliver the Fairness Commission's recommendations within the Council. The SES addresses in its objectives and action plans all of the inequality themes identified by the Commission.

<sup>1</sup> Specific, measureable, achievable, realistic and timely

## Updated Equality Vision

5. The Cabinet is requested to approve the following updated equality vision statement:

*We believe that everyone should enjoy the excellent quality of life our city offers. This means enjoying a long and fulfilling life, in good housing, with excellent opportunities in work, education, training, self-development and participation in public life, safety and security in family and social life, and the chance to enjoy diverse and inclusive culture and leisure opportunities.*

6. To achieve this vision we have prioritised Building Stronger Communities and Protecting Vulnerable People, in the Council Plan 2011-15. In addition the Council will:

- Design our policies and practices to be inclusive from the start
- Provide services that are flexible enough to meet the needs of our different communities
- Employ, support and develop workers from these communities
- Work with our partners to support and inspire our communities to continue to ensure that York is a fair, inclusive and a welcoming city
- Adopt and apply the 10 Fairness Principles recommended by the York Fairness Commission in their final report, published in September 2012, in everything we do.

7. The vision reflects feedback from the equality communities in York captured during consultation and engagement events throughout 2011-12. These include meetings of the Equality Advisory Group, *Help us to Get it Right* days, and events that have informed the One City Strategy, the Fairness Commission and the Joint Strategic Needs Assessment.

## Realising the Vision

8. In order to realise the vision, it is proposed that Cabinet:

- Approves a new **Single Equality Scheme (SES)** for 2012-16 (See Annex). It sets out 3 objectives:
  - **A Fairer York: Narrowing quality of life gaps**
  - **Respecting and celebrating diversity**
  - **An enabling, positive and diverse council workforce**

Having a Scheme in place, is one of the actions under the Building Stronger Communities priority of the Council Plan 2011-16 . The Scheme tells the public, partners and equality community groups about the council's equality vision, objectives and proposed actions, why they were arrived at, who will be involved in delivering them and who will scrutinise the delivery. It brings together objectives and targets found in a number of existing council and partner policies and strategies and also includes new objectives and targets. Outcomes cover both residents and staff.

- Supports the development of **Community of Identity Plans**, to be co-produced, co-owned and co-managed by each of the communities of identity and relevant partners in York.
- Encourages partner organisations also to produce equality schemes outlining their organisational equality priorities, approaches and contributions to Community of Identity plans when they are in place.
- Promotes the development of a city-wide Single Equality Scheme that pulls together shared action as identified across all the Contracts. This scheme will be used to refresh and update the **One City Plan**.
- Supports the development of **governance mechanisms** necessary to deliver and scrutinise the delivery of the Community of Identity plans and the One City Plan.

9. The above will form the **York Equality System**.

### **Scheme Governance**

10. The Scheme will be led by the Cabinet Member for Leisure, Culture and Tourism supported by the Council Management Team and the Equality Leadership Group and advised by the Equality Advisory Group.
11. It is proposed that the newly re-constituted Inclusive York Board takes on the role of driving forward a city-wide SES as part of a wider ownership of monitoring the Fairness Principles. It will take responsibility for the three areas of the One City Strategy: Fairness and Equalities, Community Cohesion, and Engagement and Active Citizenship and will update and lead on the necessary action plans. It will ensure co-ordination of forums representing the various communities of identity. In this way it will address the issues and

agenda that are raised by the communities of identity. It will also oversee the development of Community of Identity plans and will facilitate the delivery of any action to be taken in response of community needs identified in the plans.

12. EAG will remain one of the Council's key advisory groups focussing on advising the Cabinet on the SES and dealing with key strategic Community Impact Assessments (CIAs - formerly known as EIAs). The critical friend review that followed the EFLG assessment recommended that EAG should be more representative of the equality communities. Furthermore, the membership and operation need to be updated to enable it to handle the functions assigned to it more effectively. Key changes will be:
  - The group needs to be representative of each of the communities of identity
  - The group should be led by the communities of identity themselves
  - Membership should be confined to the communities of identity: Councillors should no longer be members. The Cabinet member will attend as an observer and to receive advice.

### **Communities of Identity (Col) Plans**

13. Communities of Identity are non-geographical communities who share common experiences, opportunities and challenges. These experiences, opportunities and challenges relate to gender, gender reassignment, race, disability, age, sexual orientation, religion and belief, pregnancy and maternity, marriage and civil partnerships. They also relate to carers of older and/or disabled people as well as to deprivation because of someone's social and economic background.
14. Whilst the SES outlines what the council will do for a fair and inclusive council and city, the Plans will be the main vehicles to engage and empower Cols to act with the council and its partners to deliver agreed outcomes. It is expected that the Plans will:
  - Be co-produced, co-owned and co-managed by each Community of Identity in York, the council and its partners.
  - Empower and support the communities to live productively and harmoniously in the city.
  - Help social partners in York to realise their vision for an inclusive city, as well as meet the requirements of the Equality

Act 2010 public sector duty to promote good relations between equality community groups and other groups.

15. The plans are likely to include information about the make-up of each community, its physical and virtual assets and the challenges and opportunities it faces now and in the future as well as action(both by the each community as well as others) to address the challenges. Once in place, they will be the primary sources of information and evidence to consider when assessing the impact of decisions made by council and its partners in the future.

### **Consultation**

16. The proposed vision, the Single Equality Scheme and the proposal to put in place Community of Identity plans, respond to stated needs of equality community groups as identified through a number of engagement and consultation mechanisms, including the council's Equality Advisory Group and the Staff Equality Reference Group. The objectives, actions and targets in the SES were developed with members of equality community groups during the *Help us to Get it Right* day that took place in September 2012. A feedback report from the day is available on request.
17. They also take on board the recommendations of the Fairness Commission, Local Government Association Diversity Peer Challenge for level Achieving of the Equality Framework for Local Government and the independent critical friend review.
18. The Equality Advisory Group held a Help us to Get it Right Day on 19 September, where representatives from Communities of Identities examined and commented on the SES action plan. Most of these comments have been incorporated into the detailed action plan (available from the author). Remaining comments will be used to refresh the action plan after June 2013.
19. Members of the public and community groups are invited to comment on the Scheme at any time, on the relevant internet pages, by ringing or by e-mailing the council. Their comments will be taken on board during the annual review of the scheme expected to take place in June each year.
20. The SES will be a living document and will continue to be discussed with EAG, the Staff Equality Reference Group, and the Inclusive York Partnership in order to develop it further.

21. An internal and external communication plan for the scheme will be developed by the Equality Leadership Group when it meets in December 2012.

### **Options and Analysis**

22. The equality system, as set out in this report, is recommended as it will empower the Communities of Identity to take charge of their future and will offer the Council and its partners the means and pathways to embed fairness, equality and diversity in their organisations as well as across the city.
23. The Council is no longer required to have a SES and has the option not to do so; however, having a SES will:
  - i. Support the Cabinet, councillors involved in Overview and Scrutiny, and members of the public to scrutinise progress with the equality agenda in the council and the city
  - ii. Increase knowledge and understanding about equality and diversity in York
  - iii. Contribute to and support putting in place inclusive strategic plans
  - iv. Encourage and support council partners to contribute to shared equality objectives and outcomes in the city
  - v. Provide a mechanism for council to demonstrate that it meets the Public Sector Duties as in the Equality Act 2010

### **Implications**

24. **Financial** – The SES will assist Cabinet in allocating resources and in budget setting.
25. **Human Resources** - All HR policies and practices will need to be constantly reviewed to ensure that they are in line with HR objectives of the Scheme that are also included in the Workforce Strategy Plan. It is essential that data about our workforce is up to date and that staff well-being surveys are regularly undertaken to ensure that all staff have good outcomes and experiences whilst in our employment and/or in the employment of those we award contracts and grants to.
26. **Equalities** –The recommendations in this report will support council to achieve its vision for a fair and inclusive council and city.



27. **Legal** – The Scheme will assist the Council to meet its public sector equality duties.
28. **Crime and Disorder** –The Scheme includes community cohesion objectives and actions and will draw from and contribute significantly to hate crime and domestic violence policies and plans, amongst others.
29. **Property** – The Scheme will ensure that council meets provisions of the Equality Act 2010 relating to the accessibility of premises open to the public or let by the council. Not meeting the requirements of the Act can lead to costly legal challenges.

**Risk Management**

30. The level ‘Excellent’ improvement plan will be the main mechanism via which the Single Equality Scheme will be risk-managed. The Audit and Governance Committee will receive regular reports about the improvement plan.

**Recommendations**

31. Cabinet is requested to:
  - Consider and approve the Council’s current equality vision
  - Approve the Single Equality Scheme 2012 to 2015
  - Approve the governance arrangements set out including changes to the Equality Advisory Group set out in paragraph 12

Reason: To help the Council to achieve its vision for a fair and inclusive council and city

**Contact Details**

<b>Author:</b>	<b>Cabinet Member:</b>
Evie Chandler Neighbourhood Manager – Equality	Cllr. S. Crisp Cabinet Member for Leisure, Culture and Tourism

	<b>Report Approved</b>	✓	<b>Date</b>	26.10.12.
<b>Specialist Implications Officer(s)</b>				
<b>Wards Affected:</b>			<b>All</b>	✓
<b>For further information please contact the author of the report</b>				

**Background Papers:**

File held by the author

Feedback report on *Help us the Get it Right Day* held by the author

SES Action Plans

**Annex:** The Single Equality Scheme including objectives

# City of York Council Equality Scheme



## A Fairer York

We are committed to fairness and equality in everything we do

**A Fairer York – City of York Council Equality Scheme** is our vision for an equal, inclusive, and welcoming council and city, as well as how we will go about making sure that everyone enjoys the excellent quality of life our city offers.

# Contents

## Contents

Foreword by Cllr Sonja Crisp	1
<b>About the scheme</b>	<b>2</b>
Why do we need a scheme?	2
How was the scheme put together?	2
Who does the scheme apply to?	3
Who is the scheme for?	4
Delivering the scheme	6
Making sure the scheme works	7
Reporting progress	7
<b>Scheme objectives</b>	<b>8</b>
A Fairer York - Narrowing the gaps	
Respecting and celebrating diversity	
An enabling, positive, and diverse council work force	
<b>Council vision for Fairness</b>	<b>10</b>
<b>Equality Legislation and Public Sector Duties</b>	<b>12</b>

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)

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

Bu bilgiyi kendi dilinizde almanız mümkündür. (Turkish)

 01904 551550

**A large text  
version of this leaflet  
is available on  
request**

**Tel: (01904) 551550**

# Foreword

In the City of York Council we are committed to fairness and equality in everything we do.

**City of York Council Equality Scheme – A Fairer York** is our vision for an equal, inclusive, and welcoming council and city, as well as how we will go about making sure that everyone enjoys the excellent quality of life our city offers.

The aim of the scheme is to benefit everyone in the city who at some point in time may experience discrimination or disadvantage (which impacts on their quality of life and life opportunities). In putting the scheme together, we have talked to many community groups and partners. In summary they told us that the Council (and its partners) should try to continuously improve life in the city for everyone, but that we should start with groups that face many difficulties and have had them for a long time

The scheme includes details about what the council wants to achieve, how, and how we'll know that we have achieved it. It also covers how the council works as a community leader, in partnership with other organisations, how it commissions and delivers services through others, and how it treats its employees.

I hope you will find reading the scheme useful and that you will let us have your views about it by e-mailing [evie.chandler@york.gov.uk](mailto:evie.chandler@york.gov.uk) or ringing (01904) 551704. You can do this at anytime, as the scheme will be monitored and reviewed annually. It is my sincere intention that we shall try our best to take what you tell us on board and improve the way we work every time we review this scheme.



**Cllr Sonja Crisp**  
Cabinet Member for Culture Leisure  
Tourism and Social Inclusion

## About the scheme

### Why do we need a scheme?

The scheme will help councillors and officers manage council business so that residents, visitors, customers, and staff can all enjoy good life outcomes, regardless of who they are and the opportunities and challenges that they face.

The scheme also supports the general public to find out what the council is doing about equality and whether it meets the objectives it has set in this area.

Finally the scheme will help the council to meet the Duties it has under the Equality Act 2010. These are outlined on page 12.

### How was the scheme put together?

The scheme was put together using statistics and other evidence - including the results of engagement with specific groups - that informed the following:

- **The One City Plan 2011-15** developed by York's local strategic partnership, a group of organisations working to improve the quality of life of local people.
- **The York Joint Strategic Needs Assessment (JSNA) 2012** which provides a comprehensive local picture of the health and wellbeing needs of all the people who live in York.
- **The Fairness Commission report**, published in September 2012. The Commission is an independent advisory body set up by City of York Council to recommend ways the Council can increase fairness and reduce inequality in York in the six key areas that emerged from feedback: Health, Incomes and Work, Education, Housing, Diversity and Community Life.

The York Fairness Commission is a non-political, completely independent, and entirely voluntary advisory body.

- **The Big York Survey Results**

**2012** -The Big York Survey provides an opportunity for people to raise their views, give feedback and ideas on city-wide services, and more importantly how improvements can be made to deliver them across the city. The survey focuses on a range of topics including York's economy, communities, protecting vulnerable people, protecting the environment and travelling and transport in York. Results are broken down by equality strands. Over 2,800 residents considered the survey resulting in 1,117 replies.

- **Other Engagement Activity** including feedback from meetings and Help us to get it Right Days organised by the council's Equality Advisory Group (EAG)

Issues identified through the analysis of these sources are highlighted in depth in the **Scheme Objectives** document.

Each time this scheme is refreshed in the future, we shall use updates to these sources of evidence as well as other material (such as customer and staff feedback, community impact assessments, complaints etc) as appropriate.

## Who does the scheme apply to?

The scheme applies to:

- Council employees and elected members
- People on work placements with the council
- Volunteers working for the council
- Organisations and individuals commissioned by the council to provide services or facilities



## Who is the scheme for?

### Who is the scheme for?

The scheme is for the benefit of everyone in the city, who at some point in time may experience discrimination or disadvantage which impacts on their quality of life and life opportunities.

In York we have defined those people who suffer disadvantage or discrimination because of particular characteristics as our **Communities of Identity**.

This scheme will be targeted at specific Communities of Identity;

- Those living in the most deprived wards in York
- Older People, Older People with disabilities
- Those with disabilities (learning and physical )
- Those with mental illness
- Families out of work
- Lone Parents, Pregnant women, Teenage mums
- 16 -24 year olds
- Young People with mental health issues, learning difficulties, disabilities
- Young People Living Care
- Looked After Children, Children in Poverty on Free school meals, Children with Special Educational Needs, Gypsy and Traveller Children
- Gypsy and Travellers
- Black, Asian and Minority Ethnic Community

- Lesbian, Gay, Bisexual, and Transgender community
- Carers

With the exception of someone's social and economic background these characteristics are protected under equality legislation – Equality Act 2010.

### How will we meet their needs?

The demographics of City of York population and council staff are changing rapidly.

According to the latest Centre for Cities Report, York ranks sixth out of the ten top UK cities with the lowest levels of inequality. We, and our partners, will focus on the following areas to maintain and improve this position:

- Reducing income inequalities across the city and minimising the impact of the Welfare Reform Act 2012.
- Providing opportunities for people to gain access to employment and training especially for people from the Black, Asian and Minority Ethnic communities, women, lone parents, young people, young disabled people including those with learning difficulties, and people suffering from mental health issues.



- Reducing child poverty and fuel poverty.
- Increasing the number of good quality flexible child care provision.
- Increasing the number of new homes being built (particularly affordable homes) and increasing the housing provision for young parents, people with learning difficulties, those with mental health issues and people suffering from dementia.
- Finding ways for older and disabled people to remain in their homes for as long as possible.
- Improving housing conditions in the private sector.
- Meeting the housing need of Black, Asian and Minority Ethnic communities including Gypsy and Traveller Communities.
- Providing more affordable and flexible transport opportunities so that disabled people and young people in particular can travel across the city to health appointments, training, employment, and social activities.
- Improving educational attainment for children on free school meals, children with special educational needs, children who are looked after and for children from the Gypsy and Traveller Community.
- Improving the health outcomes for people with mental health issues, looked after children, young people leaving care, the BAME community and the Gypsy and Traveller Community.
- Improving the Health and Wellbeing amongst young people, pregnant women and manual workers by reducing smoking.
- Reducing the reliance on drugs and alcohol especially for ex-offenders, young people, young parents and those living in care and for people suffering from mental health problems.
- Increasing support for carers so they can continue in their caring role and also maintain employment.
- Respecting and celebrating diversity and tackling hate crime.
- Diversifying the council workforce and enabling Communities of Identity to access council employment opportunities
- Strengthening our engagement and empowerment frameworks.
- Promoting equality and diversity through our procurement and commissioning activity and opening up market opportunities to the voluntary and community sector for delivery of inclusive services.

# Delivering the scheme

## Delivering the scheme

The council's Cabinet will be responsible for the delivery of the scheme. The Cabinet is the most senior group of decision-makers in the council.

Within the Cabinet, the Cabinet Member for Culture Leisure Tourism and Social Inclusion will oversee the delivery of the scheme.

They will be supported by the council **Equality Leadership Group**, who will manage the day to day delivery of the scheme, producing quarterly progress reports to be considered by the:

- Cabinet
- Corporate Leadership Group - the group of most senior council officers
- Staff Equalities Reference Group, and
- Equality Advisory Group.

The **Equality Leadership Group** (ELG) is a group of senior council managers. The group is chaired by the Director for Communities and Neighbourhoods who leads on Equality and Diversity issues within the officer body. The aim of ELG is:

- To promote and communicate the importance of fair and inclusive life-enhancing outcomes in the culture of the organisation.
- To oversee the implementation of agreed equality objectives and the council single equality scheme

The **Staff Equality Reference Group** (SERG) is a group of council workers who come from Communities of Identity. The aim of the group is to:

- Act as in-house experts-by-experience, advise and support council managers who are undertake Community Impact Assessments
- Use and share their personal expertise-by-experience with colleagues, to promote knowledge and understanding about equality and inclusion within council services
- To support fellow workers from Community of Identity backgrounds who are facing equality and diversity challenges whilst employed by the council.

## Making sure the scheme works

The **Equality Advisory Group** (EAG) is made up of equality community representatives put forward by Community of Identity groups in York. They will meet regularly with the Cabinet Member and the Council Management Team (or delegated officers) to advise on the equality and diversity aspects of key council projects and initiatives as they are being designed and implemented.

The Equality Advisory Group will get regular progress reports about the scheme and also be one of the main ways through which people from Communities of Identity can raise issues (compliments, concerns, complaints etc) about the scheme.

In addition, EAG will hold regular **“Help us to get it Right”** days (about 3-4 per year). These are days when invited members of York’s Community of Identity groups meet with council officers in an informal way to:

- Consider together the impact of council policies and practices on Communities of Identity in York and
- Find solutions that both the council and the Communities of Identity can implement, to deal with any justifiable adverse effects.

In addition to EAG, the council Overview and Scrutiny Committee will check progress with aspects of the scheme each year.

## Reporting progress

Every June starting with June 2013, council will aim to publish a report telling the public how well we have done with our objectives and targets in the previous financial year (i.e. from April to March).

# Scheme objectives

## Scheme objectives

During the scheme we will focus on the following areas of action;

### **Objective 1 A Fairer York - Narrowing the gaps**

This will focus on:

- Income inequality
- Child Poverty
- Unemployment
- Affordable Childcare
- Fuel Poverty
- Housing and Homelessness
- Affordable and accessible transport
- Health and Wellbeing for all
- Improved access to information and services

### **Objective 2 Respecting and celebrating diversity**

We aim to:

- Foster good relations between different communities living in York
- Promote mutual respect and understanding
- Celebrate our different cultures and histories

### **Objective 3 An enabling, positive, diverse and inclusive council workforce**

We will make sure that:

- People working for the council (both staff and whenever possible contractors) mirror the communities who live in our city
- Our workers (and people who work for us) understand and respect our different communities and support them to influence, design, and even deliver public services where appropriate.

A full and detailed list of objectives what we want to do and how we will do it for each of the areas we will focus on is available from council receptions, libraries as a download from [www.york.gov.uk/community/equality/](http://www.york.gov.uk/community/equality/) or by calling (01904) 551704/07920 781920 or email [evie.chandler@york.gov.uk](mailto:evie.chandler@york.gov.uk)

THE YORK  
**FAIRNESS**  
 COMMISSION

## Fairness Principles

- 1 **Make reducing income inequalities a core value in decision making, for example by paying a living wage.**
- 2 **Build social factors into procurement and contracting** to promote good employment practice, enhance local supply chains, reduce inequalities and heighten opportunities for unemployed people in York.
- 3 Strive for **excellence in York's organisations and the way they work together** so that corporate social responsibility is the norm, services are delivered efficiently and effectively, and the city builds a reputation as a leader in tackling inequalities.
- 4 **Empower and extend opportunities for disadvantaged groups and individuals.**
- 5 **Adopt a long term view and a preventative approach** that acts now to prevent bigger problems in the future.
- 6 Take decisions and run services in an open and transparent manner, **listening to and engaging with communities and customers**, including the most disadvantaged.
- 7 **Embed a creative and 'can do' culture** that strives for new solutions and opportunities, even when there are difficult challenges and limited resources.
- 8 **Exert influence outside York** to address external factors that drive inequalities or restrict local action within the city.
- 9 **Target investments and services to reduce inequalities** and improve life chances in the most disadvantaged areas.
- 10 Promote and prioritise **sustainable economic growth that maximises opportunities and benefits to all people**, including the most disadvantaged (e.g. jobs, wages and wellbeing).

## Council vision for fairness

**The Cabinet and the Council believe that everyone should enjoy the excellent quality of life our city offers.**

This means enjoying long, healthy and fulfilling lives in good housing, with excellent opportunities in work, education, training, self-development and participation in public life, safety and security in family and social life, and the chance to enjoy diverse and inclusive culture and leisure opportunities.

To achieve this vision the City of York council will:

- Provide services that are flexible enough to meet the needs of our different communities,
- Employ, support and develop workers from these communities,
- Use the York Fairness Commission principles (see page 9) to guide what we do and how we do it, and
- Work with our partners to support and inspire our communities to continue to ensure that York is a fair, inclusive and a welcoming city.

Also we shall design our policies and practices to be inclusive from the start. For this to happen we shall:

- Carry out Community Impact Assessments (formerly called Equality Impact Assessments) of council policies, strategies, and services to ensure that no-one is being discriminated against (service users or staff) because of who they are.
- Give staff and councillors the necessary skills and training.
- Develop specific plans with each of the Communities of Identity on how we will work together to meet their needs (known as Community of Identity Plans).
- Encourage and support council partners to contribute to the council equality vision and objectives as set out in this scheme.

The Equality Scheme vision is rooted in the overall vision for the City of York set out in the Strategic Plan and the Council Plan 2011-2015.

York's Strategic Plan 2011-2015  
The Strategy for York sets out a long term vision for the city and a new set of immediate priorities. It is the result of the efforts of those within the Without Walls Partnership and many other individuals and organisations.

The overall vision is set out in the Strategic Plan 'York, a city making history'. Making our mark by:

- Building confident, healthy and inclusive communities
- Being a leading environmentally-friendly city
- Being at the forefront of innovation with a diverse and thriving economy
- Being a world class centre for culture, education and learning for all
- Celebrating our historic past and creating a successful and ambitious future

**The Council Plan 2011-2015**

'Delivering for the People of York excellent and sustainable services accessible to all'

**Our five priorities**





# Equality Legislation and Public Sector Duties

## Equalities Act 2010

The Equalities Act 2010 introduced a public sector Equality Duty requiring public bodies when carrying out their day to day work (from policy to daily practice) to pay 'due regard' to:

- Eliminating unlawful discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act.
- Advancing equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.
- Fostering good relations between persons who share a relevant protected characteristic and persons who do not share it.

The Equality Duty supports good decision making – it encourages public bodies to understand how different people will be affected by their activities, so that they make sure their policies and services are appropriate and accessible to all and meet different people's needs. By understanding the effect of their activities on different people, and how inclusive public services can support and open up people's opportunities, public bodies can be more efficient, effective and most

importantly inclusive.

The legislative framework has two main components: the general duty and the specific duties.

The General Duty of the Act requires us to have due regard to the need to:

- Eliminate unlawful discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it

Specific Duties of the Act require us to:

- Be transparent about how we are responding to the Act and to publish information annually to show how we have met the General Duty
- Prepare and publish one or more equality objectives to meet any aims of the General duty every four years



## Due Regard

The duties require public bodies to pay 'due regard' – which means in practice to prioritise action to address the most significant areas of inequality in their policies and service delivery and focus their efforts where they can have most impact.

The duty of 'due regard' recognises that sometimes as a local authority we have difficult choices to make especially in these times of budget restrictions which may cause disadvantage. However having 'due regard' also means that it is vital that decision makers have all the information about the impact a decision might have on York's Communities of Identity. This scheme ensures that all relevant information is made available through our Community Impact Assessments.



© City of York Council 2012.

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)

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

Bu bilgiyi kendi dilinizde almanız mümkündür. (Turkish)

 01904 551550

**A large text  
version of this  
leaflet is available  
on request**

**Tel: (01904) 551550**

# City of York Council Equality Scheme

## A Fairer York Scheme Objectives

We are committed to fairness and equality in everything we do

**A Fairer York – City of York Council Equality Scheme** is our vision for an equal, inclusive, and welcoming council and city, as well as how we will go about making sure that everyone enjoys the excellent quality of life our city offers.

# Contents

## Contents

### Objective 1:

#### A Fairer York - Narrowing the gaps **1**

Income Inequality	1
Child Poverty	3
Unemployment	4
Affordable Childcare	7
Fuel Poverty	8
Education	9
Housing and Homelessness	10
Transport	12
Health and Wellbeing	13
Access to Information and Services	15

### Objective 2:

#### Respecting and Celebrating Diversity **17**

### Objective 3:

#### An enabling, positive, diverse and inclusive workforce **19**

A positive and diverse workforce	19
An enabling workforce	21

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)

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

Bu bilgiyi kendi dilinizde almanız mümkündür. (Turkish)

 01904 551550

**A large text  
version of this leaflet  
is available on  
request**

**Tel: (01904) 551550**

# Objective 1: A Fairer York – Narrowing the gaps

York's economy and therefore the quality of life of its residents, is relatively strong despite the recession with lower than average unemployment. However there are specific issues which need to be addressed:

## Income Inequality

There is evidence of income inequality in York. Gross average weekly wages in York are £492, just lower than the Great Britain average of £503, with income levels being the lowest in Hull Road and Clifton wards.

Whilst York has a relatively small gap between the groups of people on the highest and lowest incomes it is not a designated 'Living Wage' city.

A Living Wage is a rate that when applied alongside full take-up of benefits, allows people to achieve a minimum socially acceptable standard of living. The Living Wage hourly rate is set at £8.30 in London and £7.20 for the rest of the country, which is above the National Minimum Wage hourly rate of £6.08.

The Welfare Reform Act 2012 ushers in the greatest changes to welfare benefits in some sixty years and has a significant impact on income inequality. The welfare reform changes will have far reaching impacts for benefit claimants, particularly for

vulnerable people and the services which support them.

In April 2013 the new Universal Credit will be introduced, rolling employment support allowances, incapacity allowances, child tax credits and housing benefit into one credit. Universal credit will be subject to much more stringent caps than previously. The maximum amount of credit will be capped at £500 per week for all benefits, including housing benefit.

Exact figures are hard to determine, but just taking into account changes to Housing Benefit and Local Housing Allowance, people in York will be approximately £2.9 million a year worse off. In particular the cumulative effect on disabled people could be significant. Coupled with potential reductions in housing benefit, many disabled people will lose a large percentage of their current income.

Housing Benefit will also only cover the size of property a tenant is judged to need (Pensioners protected from this). Therefore

tenants living in accommodation deemed to be too big for their requirements will either need to move or top up the difference from their income causing financial hardship.

Single people under 35 will also be expected to share a house, and their benefit entitlement will reduce to reflect this. If they wish to remain in their current accommodation they also will have to make the difference up themselves, potentially causing this group of people financial hardship.

The Act also reduces the Local Housing Allowance Rate which also impacts on claimant's disposal income.

### **What we want to do:**

- √ By working with our partners we want to eventually make York a poverty free city but firstly our priority is to work towards our ambition for York to become a 'Living Wage City.'
- √ Reduce the impact of Welfare Reform as much as possible and ensure people claim the benefits they are entitled.
- √ Make sure that those eligible are offered a Personalised Budgets (PB) and for those in receipt of PB increase the numbers receiving direct payments

### **To do this we will:**

- √ Work towards implementing the 'Living Wage' rate for staff employed by City of York Council and encourage partner organisations to do the same.
- √ CYC together with partners will implement the raising awareness campaign for those identified as being affected by the welfare reform changes.
- √ Appoint staff to support those adversely affected by welfare reforms and assist in finance and budget management.

## Child Poverty

Child poverty is defined by Department for Work and Pensions Department for Education (in 'A New Approach to Child Poverty: Tackling the Causes of Disadvantage and Transforming Families' Lives strategy') as being more than just about income; it is also about a lack of opportunity, aspiration and stability for children.

According to 2009 statistics, of the 42,400 children and young people aged 0 – 19 years living in the city, 4,705 are living in poverty. There are five wards in York where child poverty is above the regional and national average: Clifton, Hull Road, Westfield, Guildhall, and Heworth. If only 100 children lived in poverty in York today, 60 would be living in these areas.

Contributing to child poverty is the number of lone parents who are unemployed and the number of children living in workless households.

Child Poverty is an issue which has been recognised nationally and locally and the City of York Council shares the national ambition to eradicate child poverty by 2020 through the implementation of our Child Poverty Strategy.

### What we want to do:

- √ Make Child Poverty everyone's business.
- √ Reduce the proportion of children in Child Poverty and eliminate child poverty by 2020.
- √ Decrease the number of lone parents out of work.
- √ Support 400 workless families to gain employment.
- √ Work with 315 'Troubled Families' over the next 3 years to reduce children absences from school, increase adults working and help reduce anti-social behaviour and youth crime.

### To do this we will:

- √ Undertake an annual comprehensive needs assessment about child poverty and share the findings across the Children and Young People's partnership to inform future planning.
- √ Focus the commissioning of services by publically funded groups on support and preventative support for those children, young people and families struggling against disadvantage and discrimination

- √ Offer through Future Prospects a new type of support to families on working age benefits over the next 3 years to help them on the journey back to work.
- √ Through Future Prospects and partners implement a programme to support workless families to gain employment
- √ Support families where there is persistent poverty through intensive Family Intervention Programmes and the Supporting Families Project.
- √ Target localities with the greatest poverty through the Citizens Advice Bureau 'Small Change Project' on family budgeting.
- √ Offer families most at risk of poverty specific support through YorOK.
- √ Support the registration for, and take-up of, free school meals.

## Unemployment

Youth unemployment (those aged 18-24) is increasing and there are particular concerns around the increase of longer term youth unemployment for those out of work 6 and 12 months plus.

The number of young people (aged 16-18) Not in Education, Employment, or Training (NEET) particularly for disabled young people and those with learning difficulties is also on the rise.

Through the introduction of the governments 'Raising the Participation Age' from 2013 young people will be required to continue in education or training until the end of the academic year in which they turn 17. From 2015, young people will be required to continue until their 18th birthday (unless they achieve a full Level 3 qualification threshold before these milestones are reached).

Full time education in a school or college is not the only option. Young people can also pursue work-based learning (with an Apprenticeship being the preferred model for this pathway) or full-time work with part-time education or training.

To prepare for 'Raising the Participation Age' a plan' has been developed. In addition CYC became one of 35 areas to lead a pilot.



A key focus( since many of NEET young people are not apprenticeship ready) is to develop more work placements opportunities, attached to training to build young people's skills, confidence and attitude to become work ready.

In considering unemployment issues there is also a need to better connect all residents to economic opportunity, in particular York's female claimants (the claim rate is at the highest level for 13 years), lone parents in poverty and the G&T community.

Employment support and employee assistance programmes for people with mental health issues also needs to be strengthened and more flexible opportunities are required so older people , adults with learning difficulties or disabilities can move back into employment on a part time basis.

Analysis has also revealed that BAME communities find it difficult to access employment.

### **What we want to do**

- √ Increase the number of businesses offering apprenticeships.
- √ Provide opportunities to enable young people to become 'work ready'.

√ Increase 16-18 and 19 – 24 Apprenticeship starts.

√ Reduce number of Young People Not in Education, Employment or Training.

√ Reduce proportion of Year 12 young people who are NEET with special educational needs or disabled (SEND).

√ Reduce 18 - 24 year olds JSA claimants.

√ Increase employment of the BAME community and Gypsy and Traveller Community.

√ Reduce the number of women and lone parents who are unemployed.

### **To do this we will:**

√ Develop an action plan to reduce the number of young people 18-24 unemployed in response to the findings of the Learning City and Scrutiny review.

√ Work in partnership with Higher Education in York to offer mentoring opportunities to undergraduates and work with them to pilot internships for unemployed graduates.

√ Deliver the 'Raising the Participation Age' delivery plan and continue to expand the

apprenticeship offer in York. Through implementation of the plan support more young people with Special Education Needs and Disability (SEND) into flexible working packages and work with mainstream providers of post education to improve the retention and progression of 16 and 17 year olds.

√ Work with specific Traveller young people 14-19 in danger of becoming NEET.

√ Conduct a study to identify the barriers to BAME and disabled people applying for employment with City of York Council.

√ Secure funding through City Deals to support apprenticeship recruitment activity for 2013-2016 to include working with BAME community

√ Implement the CYC pre apprenticeship and apprenticeship programme.

√ Work with CYC Senior Managers to mentor apprentices and offer work experience placements to care leavers.

√ Continue to build the York Apprenticeship offer for young people with Learning Disabilities.

√ Promote and target education and training opportunities for Gypsies and Travellers.

√ Refresh the Employment,

Learning and Skills Strategy focusing on increasing employment opportunities of women, lone parents, adults with mental health issues and learning difficulties and unemployed people from the Gypsy and Traveller Community.

√ Continue to provide training courses to Traveller women in conjunction with the Travellers Trust, to develop 'employability' skills in literacy, self confidence, and communication skills. '

√ Work with partners to develop progress pathways into employment for those recovering from mental health problems

√ Bring more young people into participation, post 16, by developing secure progression routes which meet learners' needs and those of local businesses.

√ Continue to develop provision for LDD learners post-16 and improve transition arrangements through PME Joint Panel

√ Implement CYC's 3 year Apprenticeship programme for 16-18 year olds and increase the number of apprentices obtaining NVQ L2

√ CYC partnering University of York to offer mentoring to undergraduates

## Affordable Childcare

Early year's provision has a key role to play in enhancing the life chances of children. But there are issues around affordability, flexibility and the extent of provision in more disadvantaged areas.

Notably, one of the lowest levels of take up of free child care is by households with an income of less than £15,000.

Analysis of equality data has highlighted that child care provision needs to address specific needs of audiences, including better availability of affordable, flexible, short term and seasonal childcare and the perceived barriers to childcare for disabled children.

Child care provision is one of the Council Plan priorities and the Council are committed to introducing 1,000 free additional places by 2014 with a 'good' or 'outstanding' childminder, nursery or playgroup for children aged 2 years whose parents are on low incomes.

In terms of the perceived barriers to childcare for disabled children, following consultation with parents of disabled children, CYC implemented its Disabled Children's Access to Childcare (DCATCH) initiative which focused on:

- Workforce development in the out of school club sector (OOSC).
  - Improving information for families through the development of a positive image library and production of information newsletters about choosing childcare.
  - The introduction of a voluntary register for parents of disabled children. The register allows families to receive copies of the newsletter and also information relating to disabled children.
- What we want to do

- √ Increase child care provision and the quality of the provision

### To do this we will:

- √ Develop and implement a quality assurance and improvement framework for all private and voluntary sector locations including child minders and increase the % of organisations who achieve good or outstanding Ofsted inspections.
- √ Implement our Early Year delivery plan to increase the number of additional free childcare places by 1000 for 2 year olds.
- √ Develop protocols in conjunction with planning department and Ofsted for new settings

## Fuel Poverty

Fuel poverty is where a household needs to spend 10% or more of income to meet fuel costs. There is a need to reduce the numbers of households in fuel poverty. In 2008 this was estimated to be at 8% in the City and is likely to have risen sharply due to increases in energy costs. The highest rates of fuel poverty are in Fishergate, Acomb, Westfield and Guildhall and more generally in the private sector. Key to reducing the number of people in fuel poverty is to reduce living costs.

### What we Want to Do

√ Reduce the number of households in fuel poverty by increasing the number of properties benefiting from improved energy efficiency measures

### To do this we will:

√ Deliver the Community Energy Saving Programme (CESP) installing whole house energy efficiency measure in the Hull Ward area (the only ward qualifying for this funding).

√ Implement the City Wide Carbon Reduction Emission Target (CERT) funding efficiency programme to install free loft and cavity wall insulation to 2000 properties.

√ Implement the Green Deal pilot project to reduce fuel poverty in 30 properties by installing solid wall insulation

√ Aim to replace all single-glazed timber windows with UVPC double-glazed windows in council owned properties, except in conservation areas where we have to fit secondary double-glazing instead.

√ Use Government funding to install photovoltaic panels to around 750 council properties. These convert daylight into electricity, helping tenants heat and run their homes for less.

√ Continue to bid for external funding to improve energy efficiency measures in properties

## Education

York performs well on most education and skills indicators, but there are sizeable variations for different areas and groups. Educational attainment pass rates are above national averages, but despite some improvement, gaps in attainment remain. These gaps include children in receipt of free school meals, looked after children, children with special needs, and children from particular ethnic or cultural backgrounds in particular Gypsy and Traveller children .

### What we want to Do

√ Increase the educational attainment for children on free school meals (FSM), Looked after Children, those children with Special Educational Needs (SEN) and Gypsy and Traveller Children.

### To do this we will:

√ Work with schools to develop targeted strategies to accelerate progress of FSM pupils in English and Maths

√ Ensure that looked after children and young people have timely individual Personal Educational Plans developed with the involvement of social care professionals focusing on the young persons educational needs to drive up standards

√ Work with school leaders to ensure they have a clear understanding of the Ofsted framework in relation to SEN pupils so they can use this to assist in developing appropriate strategies to drive up educational attainment.

√ Develop guidance to support schools with the accurate identification of young people with behavioural, emotional and social difficulties to reduce mis-categorisation to ensure support is targeted in a more appropriate way to increase educational attainment.

√ Promote and target education and training opportunities for Gypsy and Traveller children to increase educational attainment in schools and community centres.

√ Work closely with schools and families to address the growing trend towards home education for Gypsy and Traveller children particularly in KS3

## Housing and Homelessness

There is intense competition for housing in York. House prices are high and often well out of the reach of households on average incomes, whilst private sector rents are amongst the highest in the north of England.

Local Authorities across England are finding meeting affordable housing targets challenging. York is no exception. The total number of new homes being built in York is currently less per annum than the number of affordable homes needed.

City of York Council is rising to the challenge and has developed its 'Get York Building programme' in order to increase the number of new homes being built especially the number of affordable homes.

The rapidly growing older population brings challenges particularly the desire for accommodation to meet their future needs to enable them to live at home and remain independent for all long as possible.

The Welfare Reform changes will impact on social housing. For tenants of Social Landlords Housing Benefit will only cover the size of property a tenant is judged to need (pensioners protected from this). This will increase the desire

of people to downsize and place an added burden on the housing waiting list for smaller social housing accommodation

Single people under 35 will be expected to share a house, and their benefit entitlement will reduce to reflect this. This is likely to increase the number of people seeking a house in multiple occupations and reduce the ability of people in this age group to access affordable accommodation.

Most homes in York are in a good condition across the private and social rented sections; however low income households are more likely to live in inappropriate and overcrowded housing conditions that can have a detrimental effect on their health and wellbeing.

The housing needs of the Gypsy and Traveller community are not being met with investment required in existing sites and the need for 36 additional pitches by 2020.

There is also a need to improve house conditions for those people living in houses in Multiple Occupation and housing conditions of BAME communities who can experience poor housing and live in overcrowded conditions.



Increased accommodation is also required for vulnerable groups, particularly those suffering from dementia, people with mental health issues, learning difficulties, teenage parents and those leaving care.

### What we want to Do

- √ Increase the number of new homes built in York particularly increasing the number of affordable homes
- √ Enable older and disabled people to remain in their own homes for as long as possible
- √ Increase the housing provision for those people suffering from dementia
- √ Increase the number of BAME, young people, people with learning disabilities, teenage parents accessing housing accommodation

### To do this we will:

- √ Implement the 'Get York Building Programme to increase the number of new homes built and the number of affordable homes available
- √ Widen CYC Telecare programme to enable elderly and disabled people to remain in their own homes for as long as possible

√ Continue to administer the Disabled Facility Grant to fund adaptations allowing disabled and older people to remain in their own home.

√ Enable the building of two housing schemes to support the housing needs for people with dementia.

√ Review Joseph Rowntree Foundations evaluation of the sub-regional Choice Based Lettings scheme and target improvements to improve access to Council housing for Gypsy and Travellers, customers with mental health issues and learning difficulties.

√ Develop an action plan to address the accommodation needs of Community of Identity in response to JRF findings

√ Provide support to enable people with learning difficulties to access good quality housing.

√ Improve accommodation facilities for Gypsies and Travellers and develop the Traveller Choice investment programme.

√ Explore opportunities with the Homes and Communities Agency for funding for the provision of additional pitches to meet housing needs of the Gypsy and Traveller community.

- √ Develop proposals to provide a supported mental health housing scheme Provide supported housing units for young people and teenage parents at How Hill Hostel.
- √ Implement the Landlord Accreditation Scheme to improve housing conditions in the private sector and houses in multiple occupation.
- √ Develop a business plan which identifies the optimum accommodation arrangements for Care Leavers with complex needs.
- √ Develop a York framework for building the Independent Living Skills of Care Leavers
- √ Develop proposals to use a block of twelve council flats as a supported mental health scheme in Queen Anne's road.
- √ Establish baseline for Communities of Identity re successful bidding/ number of bids /number on waiting list as part of allocations review to evaluate access to service

## Transport

Physical access to services and employment via effective transportation networks is a big issue for the city.

Bus passenger journeys are down, and bus punctuality and waiting times remain an issue - as does, affordability. In particular, young people require affordable transport so that they can travel across the city for education and training

### What we want to Do

- √ Widen the choice of transport that is available, affordable and attractive for people to travel, by providing quality alternatives to the car (public transport, cycling and walking).



## To do this we will

- √ Implement the 'Get on Board' programme and upgrade city centre interchanges to ensure more accessible transport information is available for people with disabilities and visual impairments and implement a programme of bus stop upgrades.
- √ Explore the feasibility of extending Yorzone Card to 18 year olds/leaving school.
- √ Develop and tender the Quality Bus Contract
- √ Develop York's Cycling and pedestrian network
- √ Extend Park and Ride.

## Health and Wellbeing

It is fair to say that York residents generally experience better health and well-being across a range of indicators than is typical of England as a whole. Life expectancy in York for both men and women is higher than the national average at 79.6 years for men (England 78.3) and 83.2 years for women (England 82.3)

However, health is substantially worse in York's deprived areas. Men will die on average 9.9 years earlier than their least deprived counterparts. Similarly, women in the most deprived communities in York will die, on average 3.6 years earlier than those in the least deprived communities.

## What we want to do

- √ Improve support for people with mental health issues living in deprived wards and meet the health needs of 'looked after' children and young people leaving care
- √ Reduce smoking amongst young people, pregnant women and routine and manual occupational groups.
- √ Reduce reliance on drug and alcohol especially in the Gypsy and traveller community, offenders, young parents, young people living in care and people with mental health problems.

- √ Reduce the number of teenage pregnancies.
- √ Improve the health outcomes for BAME and Gypsy and Traveller people.
- √ Increase proportion of people who use social care who have control over their daily life.
- √ Increase the number of carers receiving a needs assessment or review.
- √ Target bespoke work for substance misuse to care leavers and oversee the development of care packages ensuring safe transition to adult services.
- √ Deliver intervention and advice training sessions to health professionals aligned to the National Centre for Smoking Cessation aimed at reducing smoking amongst young people and pregnant women.

### **To do this we will**

- √ Involve Young People and Looked after Children in the You're Welcome health initiative to make health provision more accessible and user friendly to these groups.
- √ Develop Health Passports for Care Leavers.
- √ Continue to operate mental health drop-ins.
- √ Through the Pathways Team provide effective emotional and mental health support to Care Leavers aged 18 and above.
- √ Work with York St John University to develop accredited training package for foster carers around the impact of attachment & trauma
- √ Deliver bespoke training sessions to teams working with young parents to develop their skills in supporting young parents to reduce reliance on drugs and alcohol.
- √ Raise awareness with non health professionals who come into contact with young mums about the signs and symptoms of post natal depression.
- √ Offer a specific family and carer support service delivered alongside generic provision for substance misuse.
- √ Develop programmes and deliver workshops at 'No Wrong Door conference' to enable early identification of young people most at risk of teenage pregnancy.
- √ Undertake bespoke publicity campaigns with the Gypsy and Traveller community promoting drug and alcohol treatments

√ Work with schools and partners to target 'Shine' funding to provide activities for children and young people from low income families.

√ Review Financial Assistance for Carers, target those most in need and develop a consistent assessment process.

## Access to Information and Services

To improve access to information and services City of York Council recently launched its Customer Strategy for 2012-15.

A key priority within the strategy is to reduce the council's office accommodation from 16 building to two (West Offices and Hazel Court) allowing customers to access services more easily.

The new headquarters at West offices will include a purpose built customer centre the focal point of the building allowing quick, simple and easy access to services in one place.

The building is fully accessible and fully compliant with the requirements of the Equality Act 2010. It offers facilities such as 'Changing Places'

### What we want to do

√ Ensure high levels of satisfaction that people accessing our services feel that they have been treated fairly and that their human rights have been respected

√ Give customers greater choice in how they access services using new technologies

√ Ensure services are accessible for customers with disabilities and for those customers who do not speak English.

√ Work with BAME communities to tackle health issues such as diabetes, high blood pressures, high cholesterol and obesity

### **To do this we will**

√ Operate our customer centre at West Offices from Spring 2013.

√ When developing our website or printed information ensure that it is accessible to customers, whatever their background or level of need.

√ Use new digital technology, including mobile applications (apps) and social media, to bring our services into homes and businesses for the convenience of customers.

√ Have one single number to call when contacting CYC by telephone.

√ Work closely with other organisations to provide greater access to web-based services by improving the city-wide network of cabling.

√ Provide free access to the internet from within all our Explore centres/Libraries and at Energise.

√ Expand the number of free Wi-Fi areas within the city and within council-owned buildings.

√ Provide free training and support for residents to get online – part of our Race Online 2012 commitment to make York a digitally inclusive city

## Objective 2: Respecting and Celebrating Diversity

York has a long tradition of social justice and human rights. There are several human rights events in York each year, including Refugee Week, Holocaust Memorial Day, Festival of Ideas, and York Pride Celebration.

York is a diverse city with an increasing BAME population and the cosmopolitan nature of the city is buoyed by significant numbers of overseas students from around the world.

However feedback suggests there is a need to be more tolerant and to respect and celebrate diversity.

Statistics reveal that the majority of hate crime is racially related, although there have been smaller numbers of hate crimes that relate to religion, sexual orientation and disability.

As previously highlighted a key priority is to improve the educational attainment of vulnerable young people. However this must be complemented by ongoing activity to ensure all children feel safe and comfortable in school.

### What we want to do

- √ City of York to achieve Sanctuary status.
- √ City of York to become the first Human Rights City in the UK.
- √ Develop initiatives that celebrate and respect York's Diversity.
- √ Reduce hate crime.
- √ Support victims of domestic violence.
- √ Ensure children feel safe at school.
- √ Ensure students (not from York) feel welcome.

### To do this we will

- √ Support the Interfaith Forum to achieve City Sanctuary Status to ensure York is a place of welcome and safety for people fleeing persecution.
- √ Work with partners across the city to establish the feasibility of York becoming the first Human Rights City in the UK.

- √ Create more opportunities to celebrate through multi cultural and multi faith initiatives including
  - o Support Divali Festival, Festival of Faiths
  - o Stage Holocaust Memorial Day event every year
  - o Support the National Centre for Early Music – World music programme
  - o Provide Support for the YUMI to stage events
- √ Work with York St John University to develop the community conversation approach with international students to improve young people’s perception (especially Students) of feeling welcome and safe, living in the City.
- √ Through Safer York Partnership, work alongside North Yorkshire police to increase ‘reporting centres’ and signposting support for incidences of hate crime victims
- √ Through the Safer York Partnership, develop hate crime awareness training with CYC’s call centre and North Yorkshire Police and implement hate crime awareness training with voluntary and community sector organisations.
- √ Support the Safer York Partnership to implement the relationship building project with; Turkish women’s group
- √ Explore the potential for opening up community facilities as places of worship
- √ Develop an agreed equalities and diversity policy to ensure specialist housing is accessible and welcoming to all types of households
- √ Hold an event with the Islam and muslim communities to further understand the needs of this community

## Objective 3: An enabling, positive, diverse and inclusive workforce

This priority is about ensuring that City of York council's work force is reflective of York's community and understands and respects the communities we serve.

This also extends to our suppliers and contractors. A responsive workforce will enable the community and the voluntary sector to influence service design and where appropriate to deliver services.

### A positive and diverse workforce

City of York Council has a workforce of around 7,400 people and provides services to around 200,000 people. The workforce is a mature one with over 68% 40 years of age or older with only 3% between the ages of 16 and 24.

The majority of the workforce is female (74%), 71% of whom work part time, half of all Heads of Service are women but just 13% of women are in very senior manager positions. A small number of the workforce is from a black, Asian or minority ethnic background (4%) and 2% are disabled.

City of York Council offers flexible working opportunities to support staff who need to balance their home and work lives, and provides supported employment for over 30 employees with a range of disabilities through the sheltered workshop York Craft. The Council also offers flexible arrangements for those entering into retirement, including phased retirement.

The current climate of economic restraint and major reduction in public sector funding and staffing resource impacts on our ability to grow and diversify our workforce.

However through our enabling role we are committed to develop our female heads of service to enhance their management and leadership potential.

In addition we are working in partnership to develop the work skills of young people particularly between the ages of 16-24 ( this is the highest cohort of unemployed people in York) so they are able to secure onward employment through pre-apprenticeship work placements, apprenticeships and other programmes such as internships and mentoring schemes.



In this time of constant change and transition it is essential that our staff feel appreciated and involved. A key action is to review our Staff Equalities Reference Group (the staff consultative group) to ensure it is representative of the workforce and a wider audience as possible is able to influence the transformation and change programmes that the Council face.

### **What we want to do**

- √ Ensure high levels of staff satisfaction in working for the council.
- √ Ensure staff feel that they are respected and treated fairly.
- √ Diversify the workforce where we can in these times of budget constraints.
- √ Provide opportunities for staff to 'have their' say.
- √ Develop the leadership skills of the female workforce.

### **To do this we will**

- √ Implement the Women's Development Programme, which is a programme to develop the leadership skills of senior women managers working for CYC council.
- √ Launch the 'Dignity at Work' policy and raise awareness with CYC staff to reduce incidents of harassment & bullying in the workforce.
- √ Carry out an equal pay review to ensure fair and consistent practices.
- √ Review the Staff Equalities Reference Group so it becomes more representative of CYC workforce.
- √ Conduct a study to identify the barrier to BAME and disabled applicants applying for employment with CYC
- √ Equality checklists



## An enabling workforce

### 1. Involving and engaging our residents and customers

City of York Council has developed 18 Community Contracts (one for each ward in the city) in partnership with local communities and key delivery partners. The community contracts identify local priorities and action plans to address these priorities within available budgets.

Our ambition is to further strengthen and widen engagement with our Communities of Identity. To this effect we shall work with the Communities to develop Community of Identity ( Col) Plans. The plans will be the main vehicles to engage and empower Cols to act with the council and its partners to deliver agreed city-wide outcomes.

They will be co-produced, co-owned and co-managed by each community of interest/identity in York, the council and its partners. They are expected to empower and support the communities to live productively and harmoniously in the city. They will also help social partners in York to realise their vision for an inclusive city as well as meet the requirements of the Equality Act public sector duty to promote good relations between equality community groups and other groups.

### What we want to Do

- √ Increase satisfaction of Communities of Identity in how well they feel informed about how they can get involved in local decision making and their ability to influence decisions affecting their local areas.
- √ Ensure all residents, especially those from Communities of Identity who are hard to reach and consult, have the opportunity to suggest how council services can be designed and improved.

### To do this we Will

- √ Develop evidence-based Community of Identity Plans by 2015, as agreed with the relevant Communities of Identity.
- √ Develop preferred methods of communication for everyone so they can 'have their say' on CYC services.

## 2. Using procurement and commissioning to promote equality

The Equality Act 2010 requires local authorities to use their buying powers to promote equality.

It is important that equality is embedded into the supply chain and that those contracts and service providers working on our behalf to fully comply with the equality legislation. It is vital the Council not only sets appropriate equality objectives and targets in its contracts and monitors them to ensure that these objectives and targets are achieved but also to heighten opportunities for unemployed people in York to gain employment, addressing issues of low pay and championing a living wage in all service contracts.

York has a wide and active voluntary sector and the Council are committed to developing a mixed economy of delivery, with the Council commissioning services from those who are best placed to deliver them effectively, across all sectors - private sector or community and voluntary sector.

## What we Want to Do

- √ Identify where market capacity may be weak and where new markets may need to be developed in order to deliver against our requirements increasing the number of voluntary and private sector organisations providing goods and services for the council.
- √ Increase the number of voluntary and private sector suppliers of goods and services for CYC.
- √ Explore new models of service delivery and work with communities and suppliers to establish new and innovative procurement approaches.
- √ Have a consistent corporate approach to commissioning and procurement and can demonstrate that commissioned/procured services are supporting our equality objectives.
- √ Use our pay structures, terms and conditions and procurement policies to reduce income differentials encouraging business partners to move towards a 'Living Wage'.

## To do this we Will

- √ Ensure equalities is embedded within CYC's commissioning and procurement framework through the implementation of equality checklists.
- √ Develop mixed markets by ensuring access to tender activities are created and supported by the use of pre-tender market engagement activities. These may take the form of individual meetings or workshops where CYC will discuss our requirements to make sure there are no barriers to suppliers bidding for business.
- √ Strengthen market capacity where it is weak by working with potential suppliers to understand the reasons and create a plan to address the situation.
- √ Require tenderers to demonstrate if awarded the contract how the contract award will benefit Communities of Identity when submitting tender details.
- √ Establish recording mechanisms to identify how many people (Community of Identify) have gained employment through awarding of CYC contracts.
- √ Create a baseline to identifying the number of local, SME and voluntary sector organisations awarded CYC contracts.
- √ Establish an Equality Charter that commits our suppliers to promote equality when delivering services on behalf of the council and when employing people.
- √ Support our suppliers to deliver the Equality Charter commitments.



© City of York Council 2012.

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)

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

Bu bilgiyi kendi dilinizde almanız mümkündür. (Turkish)

 01904 551550

**A large text  
version of this  
leaflet is available  
on request**

**Tel: (01904) 551550**



---

**Cabinet**

**6 November 2012**

**Report of Cabinet Member for Leisure, Culture & Tourism**

**Community Stadium Update**

**Summary**

1. The purpose of this paper is to:
  - Outline the procurement timetable and the stages at which key decisions will need to be made.
  - Set out the need for new Project Management / Governance arrangements.
  - Provide an update on the Business Plan.
  - Consider the updated risk register and the financial impact of potential abortive costs.
  - Consider new interim arrangements for the current Waterworld contract.
  
2. Decisions are required from Cabinet:
  - 1) To note progress on the project to date and the timetable for the procurement and associated decisions, in particular the key issues set out in para 9 relating to the financial challenges facing the future provision of the existing leisure facilities in the City.
  - 2) Agree the key amendments to the business case and note the financial implications.
  - 3) Note the updated risk register, the potential financial impact of any abortive costs.
  - 4) Agree the proposed Governance arrangements for the project.
  - 5) Note the roles, responsibilities and delegated powers of the key individuals and bodies within the governance structure (set out in detail in Annex 1) and in particular the role of the Project Board set out in para 14.
  - 6) Agree Option C set out in para 35 as the new interim contract arrangements for the Huntington Stadium Leisure Complex (Waterworld).

- 7) Note the financial implications of the interim arrangements for the Huntington Stadium Leisure Complex (Waterworld) contract.

## Background

3. The Business Case and budget for the project were noted at Cabinet on 6th March 2012 and approved at Full Council on 30th March 2012. Outline planning permission was granted on the 5th July, following confirmation from the Secretary of State that the decision should be dealt with locally. The 3 month Judicial Review period ended without challenge on the 6th October 2012.
4. At the January meeting of the Cabinet Member for Leisure, Culture & Tourism the outline procurement strategy was agreed for the project. The procurement process has started to Design, Build Operate and Maintain (DBOM) the stadium and operate and maintain the Council's leisure facilities as one single package. An OJEU notice starting the formal procurement activity for the project was posted on the 14th September 2012.
5. A bidder day was held on Friday 28th September which was very successful and attended by representatives from all sections of the construction, design and leisure operations industry.
6. The indicative timeline below outlines the key points in the procurement process:

### Indicative Timetable – Events and Milestones

OJEU Notice	September 2012
PQQ return	October 2012
Invitation to submit Outline Proposals	November 2012
Construction of Retail development begins	October 2012
Evaluation of ISOP bids	January 2013
Commence Dialogue phases	January 2013
Final bids	September 2013
Contract Award	November 2013
Leisure Centre Contract operational	January 2014
Planning Submission	January 2014
Archaeological digs begin on stadium site	February 2014
Construction begins	June 2014
Completion	July 2015

7. The evaluation of the pre-qualification questionnaires commenced at the start of November. The procurement process is an iterative process and dates will move as the project advances.

8. This procurement is being conducted by Competitive Dialogue (CD). It includes the design, build and operation of the stadium as well as the long term operation of the Council's leisure facilities. This will be for a 13 year period with the option for an additional 5 years (total 18 years). Bidders will come forward as consortia made up principally of three main commercial disciplines; Operators, developers and design teams.
9. Bids will be developed by each consortia to build the stadium, invest into the leisure estate and operate them on a financial sustainable basis over the life of the contract. Affordability targets are to be set for a maximum capital value of c.£15M and to be operated at a reduced revenue cost in line with the Council's budget strategy. To achieve this goal and maximise value from this process it is likely that critical decisions may be required regarding the delivery of the project, exploiting commercial opportunity and the future provision of leisure across the City. Members should be aware of the current losses being experienced by GLL the incumbent operator of the Huntington Stadium Complex (set out in para 29 below). Without significant investment this position is likely to worsen and result in the severe pressure on the council's budget. Bidders are asked to come forward with innovative solutions to address these financial pressures within the affordability targets.
10. The CD process is governed by strict EU regulations and is a commercially sensitive and confidential process. Updates can only be provided at key stages within the process and will be bound by confidentiality restrictions. Updates will be provided at stages and direction sought at the following key stages:
  - Prior to the commencement of the dialogue stage (late Jan / early Feb 2013) and possibly during the dialogue stage (March – August 2013).
  - Prior to the final bid stage (September 2013).
  - Prior to the contract award (November 2013).

### **Proposal for new governance arrangements**

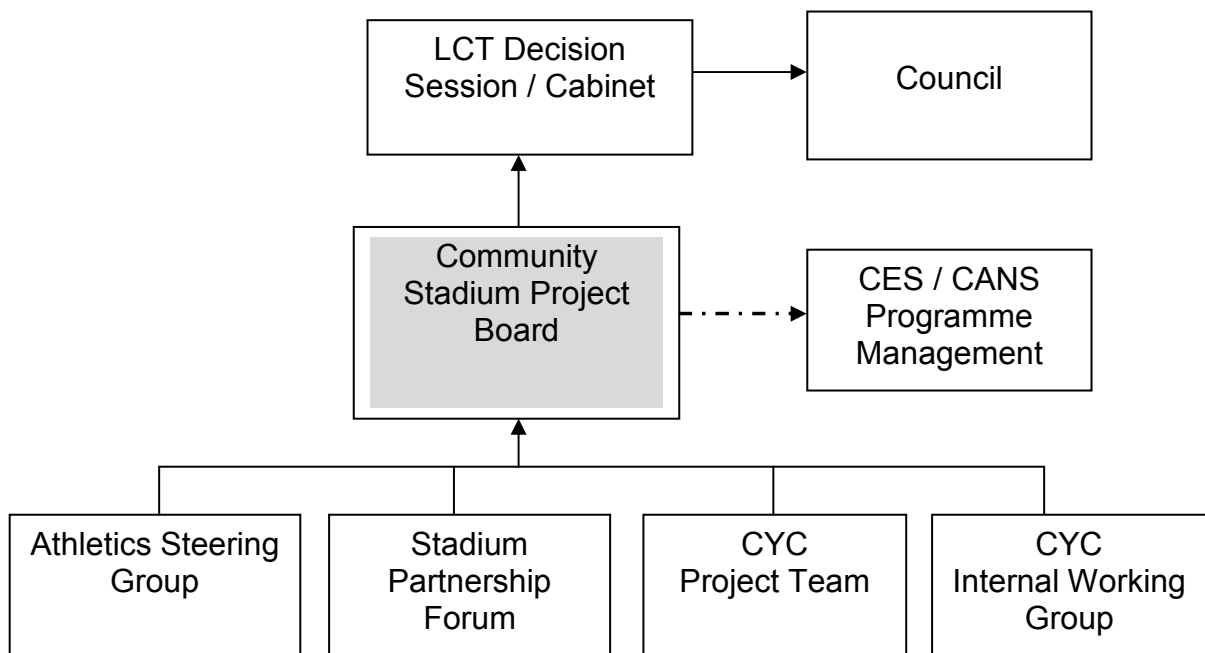
11. The project now moves into a new delivery phase and should be treated like any other major capital project. The Stadium Advisory Group was originally established to provide cross party representation in overseeing the development of the business case and proposals. Now the business case has been approved by Council and Outline Planning Permission granted and the Judicial Review period passed, the need for an extensive Advisory Group to oversee the management of the project is no longer necessary.

12. The flowchart and table below set out the proposed reporting lines and responsibilities for the project's management.
13. It is proposed to create a new Project Board that will deal with all the business of the project. This board will meet monthly and deal with exception reports, updates on the project plan, business case and risk register. Where necessary it will escalate issues to either the Cabinet Member for Leisure, Culture, Tourism's (LCT's) decision making session or Cabinet for decisions.
14. It is essential that this Board has the necessary powers vested in it and its Chair (Project Director) to effectively deliver the project. It is recommended that decisions can be made by that Board (through the authority of the Project Director) providing it is acting within the overall budget headings set by Council, and the parameters set out in the business case. Where key risks are escalated and cannot be mitigated they will be reported back to the appropriate decision making body. Resources can be managed in line with the Director's normal authorities and delegations where needed to support the project.
15. The proposed roles, responsibilities and delegations are set out in the table in Annex 1 with the detailed terms of reference. In particular members attention are drawn the key roles of:
  - Project Sponsor (Cabinet Member for LCT): to be the champion / figurehead for the project, providing leadership on ethics, values, and equalities, clarifies priorities and strategy and engages with stakeholders.
  - Project Director (Corporate Director): Owns the business case and governs risk, makes timely decisions and manages the programme of work with the Project Manager, manages relationships.
16. A Community Stadium Partnership Forum has been established. This will deal with all issues relating to the development of the community aspect of the stadium and also be the formal point of contact between the Project Director, Project Sponsor and the project stakeholders. The minutes and action points from the meeting will be presented to the Project Board and once agreed the minutes will be publicly available.



17. A separate governance structure will be agreed and put in place for the delivery of the athletics facilities. Representatives from the Council and University of York will make up the steering group, supported by key consultative stakeholder groups including City of York Athletic Club. Reports from this group will feed into the Project Board as there is still a critical dependency between the delivery of the athletics facilities and the delivery of the Community Stadium.

18. Proposed Governance/Management Structure:



### Update on the Business Case

19. The financial structure of the business case was last updated in March 2012. As the project has now progressed and the procurement route is a single DBOM the indicative budget headings have now been developed.

20. Table 1 below sets out the capital expenditure headings as approved in the Business Case proposed changes to the expenditure and project costs. The total cost of the project remains unchanged.

Table 1: Total Capital Costs as approved in Business Case March 2012 and Proposed November 2012.

Component	Approved March 2012 (£000s)	Proposed Nov 2012 (£000s)
<b>On site facilities (sub-total)</b>	<b>15,700</b>	<b>15,250</b>
Stadium	11,000	10,650
External works	1,500	1,450
Community floor space	3,000	2,950
3G Floodlit Games Court	200	200
<b>Off site facilities (sub-total)</b>	<b>2750</b>	<b>2750</b>
Athletics Facilities	2,000	2,000
Community sport & interim costs	750	750
Project Costs	750	1,200
<b>Total</b>	<b>19,200</b>	<b>19,200</b>

21. The funding streams to deliver the project were agreed as part of the Business Case these are set out in Table 2 below. The position has not changed.

Table 2: Project Costs

Component	Capital Cost (£000s)	Comment
S106 Contribution	14,850	S106 agreement dated 5 <sup>th</sup> July 2012
CYC Capital	4,000	Council approved capital programme
YCFC Capital	350	Minimum contribution from Bootham Crescent disposal
External Funding		Zero assumed
<b>Total</b>	<b>19,200</b>	
<b>Expenditure Profile</b>		
2011/12	136	
2012/13	2,514	
2013/14	2,550	
2014/15	7,000	
2015/16	7,000	
<b>Total</b>	<b>19,200</b>	

22. Due to the procurement strategy of using a DBOM there will be a number of bidders developing the design of the scheme through the dialogue process. To ensure CYC maintain a reasonable level of control and that bidders have the comfort that they are not being asked to commit to an unreasonable level of fee exposure, it is proposed that the Council put in place a programme of support works. This will include surveys, feasibility and where appropriate enabling works. Bidders will not need to separately procure or fund this information that will be common to all parties. For example ARUPs have already been commissioned to bring forward a package of enabling works for the site, that could be jointly commissioned with the retail scheme John Lewis, Marks & Spenser etc). Decisions regarding sewerage, water mains and other services could provide considerable savings if investment decisions are taken in advance and infrastructure put in place ahead of the stadium development.
23. An example of this would be the provision of a foul water sewer upgrade. If the work is undertaken with the retail park development, it would offer in the region of 60% savings. However, there would be an upfront cost of c.£300K to provide the improvements. Although these are part of the capital works allowance, they will need to be funded ahead of the main building contract. Such investment decisions can be only made when there is reasonable certainty that the S106 funding is in place and the Council does not bear unreasonable financial risk. Under the proposed governance arrangements such matters will be dealt with by the Project Board and only referred on, if the risks are not clearly manageable.
24. Consideration also needs to be given to the actual project costs in running the procurement exercise. When the budget was agreed, there was no provision for the inclusion of the leisure service in the exercise. It is now being managed as one procurement under the stadium budget, resulting in a higher fee allowance for a number of headings (legal, commercial and property). More project management resources will be needed during the first 18 months of the project, to manage the complex dialogue phase and ensure that all the survey, legal and enabling works are delivered to programme. The growing number of partners involved in the project requires considerable co-ordinated as part of the process.

25. Overall, the fees and costs in delivering this project need to be structured in a different way to that initially set out. A higher degree of costs will be directly incurred in the first stages of the procurement. However, these will be balanced out over the life of the project. The percentage of total fees may be slightly greater, but this will be balanced against the opportunity to achieve greater risk transfer to the bidders and the future operator. This should result in a more cost effective package for the future management of the stadium and the City's leisure facilities. It will also reduce the risk to the Council of managing and co-ordinating three separate procurement processes. The estimated increase in directly incurred project costs are set out in Table 3, these will be offset by savings achieved in the schemes delivery.
26. An option does exist to pass these costs on to the bidders in the initial design phase, but this may deter consortia from bidding and would create a much higher degree of risk that would likely undermine confidence in the process and take away control from the council as the client. The existing and proposed cost headings are set out below in confidential annex 3.

### **Interim Arrangements for Waterworld contract**

27. The Cabinet paper (6 March 2012) outlined the proposed business plan for the new community stadium. In particular, it highlighted a risk to the Council in relation to the existing lease arrangements for Huntington Stadium (Waterworld, Courtney's and the Stadium) being surrendered by the current operator Greenwich Leisure Ltd (GLL).
28. The current lease with GLL is for the term 1 April 2011 to 31 March 2016, but allows both parties an option to terminate giving 6 months notice from 1 October 2012. The lease is based on a rental fee paid from GLL to the Council of £268,079 per annum.
29. Officers have worked with GLL directors to understand the current operation as part of the business planning stages for the new community stadium and understand that GLL are making a loss on the contract. The sum can be seen in confidential annex 3. GLL are a social enterprise who cannot support these levels of losses in the current market place.
30. On the 1 October 2012, GLL have written to the Council to advise that they will be terminating the lease, giving six months notice. This

means from 1 April 2013 the Council will no longer have an operator.

31. The current procurement timetable to select a new operator for the stadium and existing leisure facilities (Energise and Yearsley) is due to be completed by December 2013 and including a period of slippage it could be up to 30 June 2014.
32. There are a number of options open to the council now that GLL have served notice:

Option A – Close the facility

33. This has significant issues for the current procurement exercise both in terms of message to the market and a new operator having to build the business from scratch. The cost to decommission the building and put in security arrangements (as experienced with the Barbican £120k pa), on top of losing the rental income would be a significant cost implication. Therefore this option is rejected.

Option B – Accept keys back from GLL and the Council operate

34. The cost and risk to the Council would be significantly more than option A and C. The Council would incur considerable set up costs, TUPE issues and other operational risks making it commercially unviable.

Option C – Agree new terms with GLL to secure them as operators until the end of the procurement exercise.

35. Negotiations with GLL have resulted in a proposal to (i) reduce their financial exposure by offering a rental discount period from 1 April 2013 to 31 March 2014 (ii) Agreement to continue to operate for a further 3 months, up to 30 June 2014 if required, but the Council would have to underwrite any losses during the last 3 months. GLL would provide open book accounting. A deed of variation would be required to the existing lease to secure GLL as operators until 30 June 2014 and terms will state only the Council will be able to terminate the contract during this new lease period. See confidential annex C for the discounted sum.

If the council wishes to secure the continuity of the service at the Huntington Stadium complex (including the provision of athletics,

rugby league games and swimming at Waterworld) Option C is the recommended option. All other options would either place the Council under considerable operational and financial risk, or require the cessation of the service.

36. A number of service reductions have been discussed with GLL but no significant savings could be projected to offset option C.
37. It would not be viable to run even a mini procurement to source a new operator for such a restricted contract of under 12 months.

## **Implications**

### **Financial**

38. Stadium Budget – The overall budget is not changed. The project fees have risen due to the procurement route now taken and the inclusion of a leisure operator in the stadium procurement. However, it will provide bidders more security through the process and enable a more consistent and transparent bidding process with the potential to transfer some risk to the bidders in this high value capital project.
39. GLL lease extension – The council is paying to secure continuity of the service to ensure there is no cessation in provision. At present the incumbent operator could serve 6 months notice and stop operation. This may have a greater financial impact on the council and would threaten the interim operation until the new contract was in place.
40. The potential loss of income (rent) from the lease discussed in paragraphs 29 – 37 will require additional revenue funding. This will be included as part of the budget proposals currently being considered for 2013/14 and 2014/15.
41. Human Resources (HR) – none
42. Equalities: A Community Impact Assessment was undertaken in 2011 as part of the development of the business case. This work will be further developed as procurement process progresses.

- 43. Legal – none
- 44. Crime and Disorder – none
- 45. Information Technology (IT) – none
- 46. Property – awaiting comments
- 47. Other – none

### **Risk Management**

- 48. The updated Project Risk Register is provided in confidential annex 2. It is redacted in full as it contains commercially sensitive information relating to the procurement process that cannot be disclosed. Below the key & high scoring risks have been summarised. It must be emphasised that these are taken from risk register and presented as potential risks i.e. issues that may arise or are yet to be resolved and may require mitigating action. They are not predictions or statements of actions that will occur.
- 49. **Risk 4 Capital Overspend:** This is a medium risk as the procurement process has set affordability targets. A limit for the capital expenditure is set and all bidders are aware of this. If it becomes apparent that the full specification is unlikely to be met, the option exists to engineer down the specification or seek alternative funding sources. A decision can be sought from Cabinet on this issue prior to the contract being awarded.
- 50. **Risks 7 & 10 Delay or failure to make the S106 contribution from the retail development.** This is a high risk. The council has no direct control on the delivery of the retail scheme. Detailed planning permission has been granted and agreements signed with 3 key tenants by Oakgate Monks Cross. The S106 agreement sets out the funding arrangements with the provision of an on-demand bond. However, this bond cannot be called upon until development has started. Until this point is reached, the costs of the project remain at the Council's risk. The ongoing fees, and project management costs will continue to be absorbed by the Council's capital allocation. If the retail scheme fails to progress, these will be non recoverable abortive costs to the Council.
- 51. These risks can be mitigated by the phasing of any feasibility or enabling works. Ensuring that only necessary work is undertaken

until certainty regarding the S106 funding is in place. All bidders in the procurement process are responsible for their own costs. Prior to the ITCD stage (Feb / March 2013) the Council will need to provide a detailed position statement on funding. This process can be delayed or stopped if necessary.

52. **Risk 22 Insufficient funds to adequately resource the delivery of the project:** Failure to properly resource the project through the procurement process may result in the lack of bidder interest and / or bidders withdrawing from the process. It is also essential that a fair balance of risk is maintained through the process to ensure that bidders' costs do not become too great. The process must be professionally controlled and specialist input sourced as required. This can be mitigated by the introduction of the new proposed governance arrangements and project resource costs. It also requires a flexible resource plan actively managed by the Project Board.
53. **Risk 24 & 25 Failure to agree terms with the UoY and the potential for costs escalation:** Conditions of the outline planning consent require arrangements for the replacement athletics facilities to be in place and agreed prior to the demolition of the stadium. Until those proposals are finalised this remains a high risk. These risks can be mitigated by a range of measures including the identification of alternative sites, seeking of additional funding from project partners and external funding agencies and the options of specification reduction.
54. **Risk 35 Failure to establish an effective project governance structure for the delivery of the project:** This is a high value and complex development project. It is essential that effective and reactive arrangements are in place to manage the project. This paper sets out a new structure with clear roles and responsibilities for the key individuals and Project Board. Failure to implement new arrangements will threaten the successful delivery of the project.
55. **Risk 36 Failure to agree Terms with GLL for interim operation of Huntington stadium Complex:** These proposals provide assurance of the continuity of the service. Although there is an additional financial cost to the council, the alternative may result in the cessation of the service or considerable additional expense.



## Recommendations

56. Members are asked to:

1. Note progress on the project to date and the timetable for the procurement and associated decisions, in particular the key issues set out in para 9 relating to the financial challenges facing the future provision of the existing leisure facilities in the City.
2. Agree the key amendments to the business case and note the financial implications.
3. Note the updated risk register, the potential financial impact of any abortive costs.
4. Agree the proposed Governance arrangements for the project.
5. Note the roles, responsibilities and delegated powers of the key individuals and bodies within the governance structure (set out in detail in Annex 1) and in particular the role of the Project Board set out in para 14.
6. Agree Option C set out in para 35 as the new interim contract arrangements for the Huntington Stadium Leisure Complex (Waterworld).
7. Note the financial implications of the interim arrangements for the Huntington Stadium Leisure Complex (Waterworld) contract.

Reason: To update Cabinet on this scheme, agree key amendments and new arrangements for Waterworld in order to progress the project.

## Contact details

<b>Authors:</b>	<b>Cabinet Member and Chief Officer Responsible for the report:</b>
Tim Atkins Community Stadium Project Manager X1421	Cllr Sonja Crisp Cabinet Member for Leisure, Culture & Tourism
Andrew Laslett Service Manager Communities&	Neil Taylor Director City & Environmental Services

	<b>Report Approved</b>	√	<b>Date</b>	25 October 2012
	Sally Burns Director Communities & Neighbourhoods			
	<b>Report Approved</b>	√	<b>Date</b>	25 October 2012
<b>Specialist Implications Officer(s)</b>				
<b>Wards Affected:</b> <i>List wards or tick box to indicate all</i>				<b>All</b> <input type="checkbox"/> <i>tick</i> <input type="checkbox"/>
<b>For further information please contact the author of the report</b>				

### Supporting Annexes

- **Annex 1:** Roles responsibilities and delegations of the new governance arrangements
- **Annex 2:** Confidential Redacted Risk Register for Community Stadium Project.
- **Annex 3:** Confidential Redacted items from the report

### Background papers

- Paper 6<sup>th</sup> March 2012: Community Stadium Business Case  
<http://democracy.york.gov.uk/ieListDocuments.aspx?CId=733&MId=6681&Ver=4>
- Decision Session of the Cabinet Member for Leisure, Culture & Tourism. 10th January 2012: The Community Stadium and Council Leisure Facilities: Procurement of Operator Arrangements  
<http://democracy.york.gov.uk/ieListDocuments.aspx?CId=736&MId=6691&Ver=4>

## Annex 1:Community Stadium Governance Structure - Roles & Responsibilities

	<b>Purpose</b>	<b>Membership</b>	<b>Authority/ Delegation</b>	<b>Escalation Routes/ Reporting</b>	<b>Reporting Frequency</b>
<b>Council</b>	Sets budget for Capital Programme. Approves CYC Contribution to scheme.	All council members	£4M capital expenditure agreed March 2012.	Would approve any changes to CYC capital contribution.	Ad hoc
<b>Cabinet</b>	Approved Business case March 2012. Sets project framework and key decisions within the terms of the CYC constitution.	Cabinet members	Authorises changes to scope and business case.  Ad hoc decisions as required	Receives update reports from Project Board. Approves significant adjustments to the project scope within financial constraints. Approves mitigation measures to address catastrophic risks.	Ad hoc
<b>Councillor Decision Session</b>	Make decisions that do not require Cabinet approval.	Cabinet Member Leisure Culture & Tourism (LCT)	Ad hoc decisions as required	Decision making as required. Escalates to Cabinet	Ad hoc
<b>Project Board (PB)</b>	To receive reports on progress of project, make decisions through delegated authority of PD, escalate key issues, risks and budget matters.	Chair Project Director Reports from Project Manager and other corporate officers to the Project Sponsor. Attended by the Cabinet Member	Refers decisions to appropriate delegated body (PD & Director's Delegations), or Cabinet member decisions / Cabinet etc.	Receives update reports from the Project Manager. Escalates risk items which have been raised to catastrophic level pre-mitigation. Agrees variations to budget within delegated authority.	Bi-Monthly

## Annex 1:Community Stadium Governance Structure - Roles & Responsibilities

	Purpose	Membership	Authority/ Delegation	Escalation Routes/ Reporting	Reporting Frequency
		for Transport, Planning and Sustainability			
<b>Project Sponsor (PS)</b>	Project Champion /figurehead for the Council.	Cabinet Member for LCT	None. Decision making through the LCT decision making sessions where appropriate.	Project Board / PD	NA
<b>Project Director (PD)</b>	Owns business case & risks, manages resources and directs project	Corporate Director	Authority in line with Director's delegations and decisions made in relation to the project's delivery.	Cabinet Member for LCT, Cabinet and Council.	NA
<b>Project Manager</b>	Delivers work packages, manages project resources reports to project board	Senior Council Officer	In line with officers delegations set by PD business of PB and other relevant decision making bodies.	PD & Project Board.	Supervision with PD
<b>Community Stadium Partnership Forum</b>	Provides forum for the development of the community aspect of the project and stakeholder involvement.	Representatives of key partner organisations Chaired by the Project Sponsor and attended by Project Manager and the Director of CAN's	No delegated powers	Forms part of the project brief for the tender process.	Monthly Ad Hoc

## Annex 1:Community Stadium Governance Structure - Roles & Responsibilities

	Purpose	Membership	Authority/ Delegation	Escalation Routes/ Reporting	Reporting Frequency
<b>Officer Working Group</b>	Project Management, Design and delivery of work packages Identification and management of risk and project reporting.	Project Executive Project Team Corporate Officers	No delegated powers	Identifies & escalates items which vary the layout from the approved outline design, the scope of the project, the programme duration or sequence or anticipated cost. Escalates risk items which have been varied to moderate level post mitigation.	Fortnightly
<b>Project Team</b>	To deliver the project within the delegations set by Cabinet & work packages set by the Project Board	Project Executive Project Managers / Officers	Within delegations set cabinet, director and Project Board	Identifies issues, risk and progress reports for the Project Board.	Bi Weekly

### Detailed role of Project Sponsor & project director

#### Project Sponsor

The responsibilities for which the sponsor is accountable to the board are:

- Provides leadership on culture and values
- Provides leadership on ethics and equalities

## **Annex 1:Community Stadium Governance Structure - Roles & Responsibilities**

- Provides acts as the figurehead for the project
- Keeps project aligned with organisation's strategy and portfolio direction
- Leads on all project communications
- Works with other sponsors
- Focuses on realisation of benefits
- Recommends opportunities to optimise benefits
- Ensures continuity of sponsorship
- Provides assurance
- Provides feedback and lessons learnt

The governance activities that take place between the sponsor and the project manager are:

- Clarifies business priorities and strategy
- Communicates key issues
- Engenders trust
- Manages relationships
- Promotes ethical working

In addition to these activities the following activities take place between the sponsor and other stakeholders:

- Engages stakeholders
- Governs stakeholder communications
- Directs stakeholder relationships
- Ensures governance and ethics of suppliers
- Arbitrates between stakeholders

## Annex 1:Community Stadium Governance Structure - Roles & Responsibilities

### Project Director

The role of **Project Director**, usually the senior member of the project board and often the chair. The project director will be a senior officer in the authority who is responsible to CMT for the success of the project.

The responsibilities for which the project director is accountable to the board are:

- Owns the business case
- Governs project risk
- Works with the sponsor
- Is responsible for the realisation of benefits
- Recommends opportunities to optimise cost/benefits
- Provides feedback and lessons learnt

The governance activities that take place between the director and the project manager are:

- Provides timely decisions
- Clarifies decision making framework
- Clarifies business priorities and strategy
- Provides resources
- Manages relationships
- Supports the project managers role

This page is intentionally left blank



Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank



---

**Cabinet**

6 November, 2012

## **Report of the Cabinet Member for Leisure, Culture and Tourism**

### **Refurbishing Newgate Market**

#### **Introduction**

1. This report proposes £1.5m capital investment into Newgate Market from the Economic Infrastructure Fund (a total bid value of £1.614m).

#### **Background**

2. York has had a Market for centuries, held in various City Centre locations. It was moved from Parliament Street into Newgate in 1964. It consists of 85 permanently fixed stalls, 6 lock up Meat & Fish units, some open space pitches and a number of take-away food units. It operates 7 days per week all year round. Since 1964 the site has only been refurbished once, back in 1991. It is now beginning to look tired although it has still been achieving its income targets of around £0.5m p.a. and is generally deemed to be successful with occupancy rates of around 75%.
3. The purpose of the proposed investment is to reinvigorate the markets as a platform for enterprise and opportunity, creating a destination market with a clear brand and the potential to increase footfall and spend. It will aim to deliver a step change in the city's profile as a visitor and retail destination contributing to a wider drive to enhance the overall attractiveness and competitiveness of the city centre.
4. A scheme is needed to uplift the appearance of the existing market place, making more imaginative uses of the space, increasing the visibility of the market gateways, improving the flow of footfall throughout the whole site, diversifying the trader offer, and bringing stronger activity to previously weak places. The aim will be for shoppers to visit more frequently, stay longer and spend more.

## **Consultation**

5. An initial consultation was conducted with shoppers and traders in week commencing 22 October in order to:
  - Raise awareness about the proposal for a £1.5m capital investment
  - Ask whether the public and traders support investment in principle
  - Ask what their priorities would be for investment at around the level proposed
  - Test out some of the initial concepts
6. The results of this consultation will be reported at the meeting.
7. A Newgate Market Scrutiny Review took place between 2009 and 2010. The aim was to investigate possible ways of improving the market and its surrounding area as a contribution to the Renaissance Team's work, enabling them to recommend new designs and roles for Newgate Market and the associated public realm.
8. The committee's recommendations included improving the market's general cleanliness, the entranceways, layout and lighting. It was also recommended that a programme of reinvestment in the marketplace should be undertaken and this proposal fits with that recommendation.
9. If the Cabinet approve this investment in principle more detailed consultation will be undertaken including the establishment of a steering group including representatives of market traders and the City Team.

## **Key Deliverables**

10. Initial feasibility work has identified the following key deliverables that would result from a £1.5m capital investment:
  - A market that continues to provide a retail offer for local residents (especially high quality fresh food) whilst at the same time becoming a destination for visitors
  - A market that is popular with existing traders whilst stimulating new business start ups and attracts new traders to enhance the quality of the offer

- Extended trading hours contributing to the evening economy including through evening markets
- Increased footfall, potentially leading to an additional spend in the local economy of £2.3m p.a.
- Contribution to the visitor economy through increased visitor stays with a potential economic impact of £1m
- An additional 171 jobs created indirectly across the local economy through increased retail spend
- At least 10 jobs to be created in the market itself
- An increase in rental income to the Council of around £250k p.a. (initially to be used to repay the investment)
- An increase in business investment from traders
- Sustained improvement in the market environment through the employment of a market porter – to be funded through the business plan
- Improved sustainability through use of appropriate technologies and waste management systems
- Improved linkages with the surrounding businesses such as Marks and Spencer and the Shambles properties
- Initiatives to assist the traders and support business start-ups: Working with partners (Future Prospects, FE/HE sector, Retailers Forum, Visit York, etc)
- Transitional support to ensure that businesses created are sustainable and expandable with potential to move onto the high street

11. The overarching aim of any scheme will be to create a strong trading environment throughout the market where currently trade is only strong in the (congested) Jubbergate area and along the edges of the main market area. Initial consultation and feasibility work suggest that the key physical interventions are likely to be:

- Opening up the spaces with a central avenue
- Using high quality paving and infra-structure to draw customers through
- Creating visible gateways that draw the eye in
- Diversifying the business opportunities for traders with a variety of new unit types

## **The Business Case**

12. The investment will aim to build on the success of the existing market whilst learning from the successful features of investment at other markets that the project team have visited during the feasibility stage. The market will work with and complement the specialist markets that are run in Parliament Street throughout the year. The aim will be to increase footfall by at least 1% per annum through the central shopping area.
13. A major study of all London markets undertaken in 2009 found that customers spend on average £17.23 per visit and that their total spend in all shops was £30.15. Whilst these figures cannot translate directly to York, they provide some confidence for using the current York figure for average day spend of £33, given that only £9.37 of this figure is attributable to retail spend. Based on this, the economic impact of a 1% uplift in footfall would be an additional spend in the local economy of £2.3m p.a. In addition, by improving the quality of the market and its offer, the average visitor spend may also increase.
14. A further aim of the business plan will be to contribute to the evening economy through extended trading hours, evening markets, and an improved ambience with entertainment. If 0.1% of current day visitors could be converted into staying visitors through this extended offer, the economic impact of this would be an additional spend in the local economy of £1m.
15. This total economic impact of £3.3m could be expected to lead to an additional 171 jobs across the local economy. In addition, a minimum of 10 jobs are likely to be created in the market itself through increased turnover and trading hours.
16. A trading strategy for the new market will be developed through the proposed steering group that identifies both the key trading propositions of the Newgate Market and that places it in the context of a wider market strategy for the city centre and the suburbs.
17. The proposed rental strategy for traders will guarantee that rents will be pegged for the first 3 years with no increases above inflation. From year 4 it is intended that there should be a sufficiently improved trading environment to project rent increases at 5% above inflation and from year 5, 11% above inflation. This modest increase in rent should be far outweighed for traders by increased turnover.



18. This increased rent level combined with improved occupancy should provide increased revenue to the Council. Over 10 years it is projected that this could generate over £750k which can be used to repay 50% of the investment. After that time it would be recommended that the income was used for further refurbishment. See Annex 1 for detail.
19. A key element of the business plan concerns business support. The City Team will offer an assisted start-up facility to enable entrepreneurs of the future to test their product in a low-risk, high aim, controlled environment. This will be supported by a series of steps taken to ensure that the businesses that are created by this venture are expandable, sustainable and are given every chance to provide the entrepreneur with a future income, leading to the creation of new jobs and a potential move on to the high street. The intention is to create a pipeline from market stall start, to flexible commercial premises opportunity, to something more permanent – working with landlords to free up untapped potential commercial premises as possible.
20. Business support will be coordinated through the Council's Economic Development Team, working with the Markets Team, to ensure opportunities for developing and strengthening the business concept for new entrepreneurs. The potential is unlimited as has been proven by such high profile companies as Marks and Spencer, who started on a market stall in Leeds, Red or Dead, and our own Sarah Coggles – now an international trading brand based in London.
21. The work that the City Centre and Markets Team have already done working with the Future Prospects employment and learning advice service and the social enterprise Blueberry Academy is testament to the potential for markets to bridge the gap between starting up and making the move to viable business proposition ready for commercial premises. Other partners that will be drawn in include Visit York, the two universities and York College.
22. The Made in York proposal that was developed in response to the Mary Portas Review will action many of the recommendations within the Mary Portas Review, specifically:
  - Recommendation 1: A Town Team to lead a vision, strategy for and management of the city centre.

- Recommendation 28: Using markets as a step on the business ladder
23. The introduction of new traders with new commodities, coupled with modern day technology would transform a 20th century Market into a 21st century exciting, vibrant “fit for the purpose” retail experience that competes effectively with the less personal and less interactive experience of typical high street stores and certainly with the out of town retail experience.
  24. New market entrepreneurs could be grouped together at either a dedicated area on certain day(s) or in Parliament Street. An evening entrepreneurial market could be introduced once a week, after the regular daytime market had finished, with specialist and bespoke goods, supported by some form of entertainment and enhance lighting to create new atmosphere and vibrancy. A cross section of ‘taster stalls’, strategically positioned in the lead up to the entrepreneurial markets, would help to promote the initiative in advance.

### **Options**

25. A reduced scheme could be delivered at £1m. This would have the same key features. It would, however, omit the repaving and resurfacing work proposed in the full scheme. As such, it would lack the visual impact and high quality feel and would not draw customers in through the attractive nature and visual clues that the paving will create. It would not deliver the same economic impact, nor will it deliver the step change required in the market to create a truly destination offer.
26. A small scheme could be taken forward, for example, by developing only Areas A and B. This would not, however, have any transformational effect or economic impact.
27. A bigger scheme could be delivered. A multi-million pound investment could create a covered market. This possibility has been raised in initial consultation. This level of investment would not, however, achieve a significantly increased economic impact and would not, therefore, represent value for money.
28. None of the above options is recommended.

## Analysis

29. The proposal for £1.5m of capital investment in Newgate Market is a critical element of the city centre action and investment plan being developed to reinvigorate and rethink the future of York's city centre – as a dynamic and diverse destination for enterprise, visitors and residents. By creating a distinctive, confident and coherent market with a clear USP of quality and fresh, dynamic local enterprise, the renaissance of our markets will serve not only to generate a platform of opportunity for local entrepreneurship, but also as a catalyst for further investment – both through visitor spend and the indirect generation of further business investment – first from retail and leisure investors, for whom footfall is a key indicator for investment, and secondarily from other industries for whom the quality offer of the amenities of a city is a key indicator for investment.
30. The scheme will demonstrate that the face to face, interactive retail experience of the markets cannot be replicated in either a website or a big box retail unit on the outskirts of the city – instead the proposition gives new life to an industry that is facing challenges but has great potential.

## Implications

31. **Finance:** The table attached as Annex 1 shows that the funding required from the EIF will be as follows:

Capital	£1.5m to pay for the infrastructure works
Revenue	£114k to cover the loss of income in the first year caused by the temporary relocation of the market
32. The total funding required from the EIF is therefore £1.614m.
33. The total EIF fund is £28.5m, of which £9.905m is allocated to date. If approved this would take the total allocations from the EIF to £11.405m. It should be noted that available EIF funding in 2012/13 is £3.3M. Allocations approved, taking into account this £1.614m now total £4.030m; however, there is flexibility to bring forward budget provision from 13/14 and 14/15, and also it is expected that there will be an element of slippage on the approved commitments for 12/13.
34. The business plan projects additional rental income rising to £659k p.a. Part of this will be used to contribute to funding:

- Improved ongoing maintenance of the market
  - A market porter service
  - Improved marketing of Newgate Market
35. The intention is to complete the refurbishment during the summer months and during this period some income will be lost due to lack of space available for markets. This is projected to result in a revenue loss of £114k. During the following 4 years there will be sufficient additional income to repay the lost revenue income.
36. The remainder over the 10 year period will be used to fund repayment of 50% of the capital investment.
37. **Equalities:** The initial Community Impact Assessment shows that key issues to address during the development of the scheme will centre on ensuring that:
- The design of the market provides excellent accessibility for all
  - Business and employment opportunities are improved especially for those currently least able to access opportunity
  - The retail offer provides access to high quality goods that meet the needs of everyone including the economically disadvantaged

Action plans, supported by consultation, will be developed to address these key issues.

### **Next Steps**

38. Key stages will be:
- November – December: Further consultation with traders and user groups, National Market Traders Federation, Visit York, Retailers Forum, The City Team, market users, EAG, surrounding properties, and other stakeholders
  - January – March 2013: Design work
  - Summer 2013 – transfer of traders on a phased basis to a temporary location in Parliament Street during refurbishment

### **Council Plan Priorities**

39. The project supports Council Plan priorities for creating Jobs, Growing the Economy and supporting Ambition 4 in the York Economic Strategy, that of a world class place.

## Risk Management

40. The main risks that have been identified in this report are those which could lead to the inability to meet business objectives and to deliver services, leading to financial loss, damage to the Council's image and reputation and failure to meet stakeholders' expectations. Measured in terms of impact and likelihood, the risk score all risks has been assessed at less than 16, This means that at this point the risks need only to be monitored as they do not provide a real threat to the achievement of the objectives of this report.

## Recommendations

41. Cabinet is asked to approve a £1.614m investment from the EIF in Newgate Market, phased over the following periods: £100k (2012/13), £1.4m (2013/14), and to agree a further £114k revenue funding in 2013/14 from the EIF to cover the lost income during refurbishment with a repayment profile as set out in Annex 1.

Reason: To position Newgate Market as a unique and high performing asset for the city centre.

## Annexes:

1. Repayment schedule
2. Consultation visuals for illustrative purposes

## Contact Details

<b>Author:</b>	<b>Cabinet Member:</b>		
Charlie Croft, Assistant Director (Culture, Communities and Public Realm)	Cllr. S. Crisp Cabinet Member for Leisure, Culture and Social Inclusion		
<b>Report Approved</b>	✓	<b>Date</b>	<b>26.10.12.</b>
<b>Wards Affected:</b>	<b>All</b>		✓
<b>For further information please contact the author of the report</b>			

This page is intentionally left blank

## ANNEX 1

## Repayment Schedule

Funding requirement	£114k Revenue		£1.5m Capital	
	Projected Income £000	Additional Revenue Exp £000	Additional income to repay revenue £000	Additional income to repay capital £000
2012/13	-500			
Year 1	-433	34	-114	0
Year 2	-565	34	19	0
Year 3	-565	34	19	0
Year 4 (5% uplift)	-593	34	47	0
Year 5 (11% uplift)	-659	20	29	96
Year 6	-659	15		131
Year 7	-659	15		131
Year 8	-659	15		131
Year 9	-659	15		131
Year 10	-659	15		131
Total available to fund 50% capital repayment			0	751

## Assumptions

- Net additional income target = current £500k plus 2.5% = £512.5k
- Project will start in April 2013 and will be completed in the Autumn
- In Year 1 there is £50k loss of income from temporary relocation of market to Parliament St and consequently £50k lost of Parliament St income  
Year 1 is (50% existing market income + 50% new market income)
- Additional revenue includes: Marketing, maintenance, utilities, contribution to a market porter service
- Fees in Year 4 will increase by 5% above inflation.....this will be 2.5 years after opening
- Fees in Year 5 will increase by 11% above inflation

This page is intentionally left blank



# 01

## Newgate Market

Newgate Market is already an important and successful part of the city centre. But we believe that, with some careful investment, it could become even more successful, creating a step change in the city's profile as a visitor and retail destination.

## Aims

Our aim is to have a destination market with a strong brand and the potential to:

1. Increase customer *FOOTFALL*.
2. Continue to provide a retail offer for *LOCAL RESIDENTS* whilst becoming a *DESTINATION* for visitors.
3. Contribute to the *EVENING ECONOMY* through evening markets and extended trading hours.
4. Create *ADDITIONAL JOBS*.
5. Assist *EXISTING* traders and support *NEW BUSINESS START-UPS*.

## Objectives

We want to:

1. Improve the *APPEARANCE* of the existing market place.
2. Make *IMAGINATIVE* uses of the space.
3. Increase the *VISIBILITY* of the market gateways.
4. Enhance the flow of *FOOTFALL* throughout the *WHOLE* Market.
5. *DIVERSIFY* the *TRADER OFFER* to create a stronger trading environment throughout the market.

# 02

## Vision

We think that the key changes might be:

1. Opening up the spaces with a *CENTRAL AVENUE* to draw customers through the whole market.
2. Creating visible and attractive *GATEWAYS* that draws attention to the market and invites people to enter.
3. Diversifying the business opportunities for traders with a variety of *NEW UNIT STALL TYPES*.
4. Install *NEW PAVING* and other attractive infrastructure that entices customers in.

## Finances

The Council estimates that this would cost approximately £1.5m and is considering making this investment available.

## Your Views

We have done some preliminary work on display here, but before we take this any further we would like to hear your views.

**OVER TO YOU**  
**Consultation Questions.**

- Do you support the investment in Newgate Market to achieve the vision we have set out? Y/N
- What would be your priorities for investment in the Markets with about £1.5m to spend?
- Please rate the 4 possible areas in terms of their importance (where 10 is "vitally important" and 1 is "not at all important"):

i. Opening up the spaces with a central avenue to draw customers through the market	
ii. Creating visible and attractive gateways that draw the eye in and make people want to enter the market	
iii. Diversifying the business opportunities for traders with a variety of new unit types	
iv. Introducing paving and other features that are attractive and draws customers in	


- Do you have any other comments? **PTO**
- Are you currently a trader (**Y/N**); Shopper/Visitor (**Y/N**).

**Alternatively please:**

**EMAIL:** york-markets@york.gov.uk

**TWEET:** YORK-MARKETS2012 OR @YORKMARKETS12

**WRITE/CONTACT:** DARREN LOVATT  
SENIOR MARKETS OFFICER  
5 SILVER STREET  
YORK  
YO1 8RY

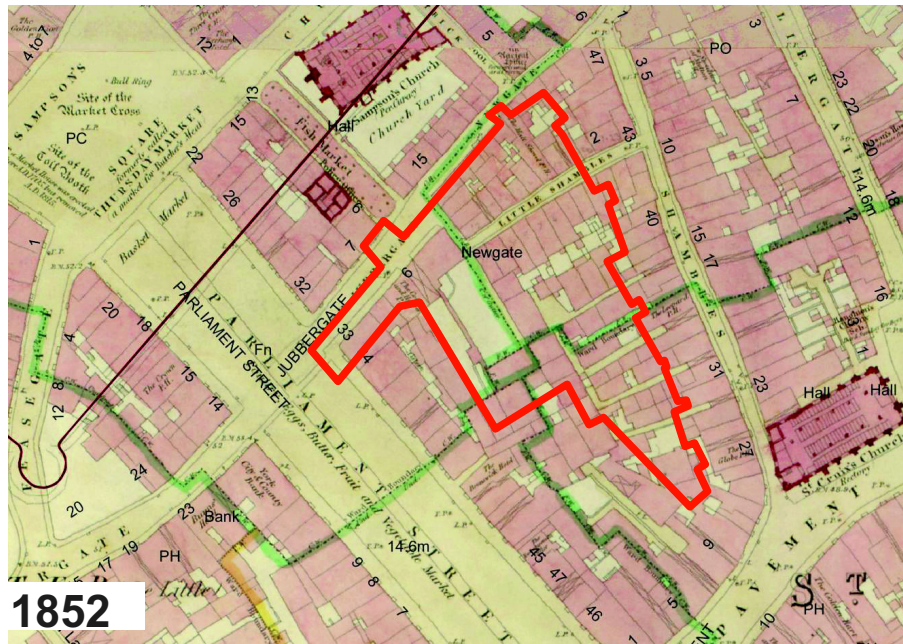




# 03

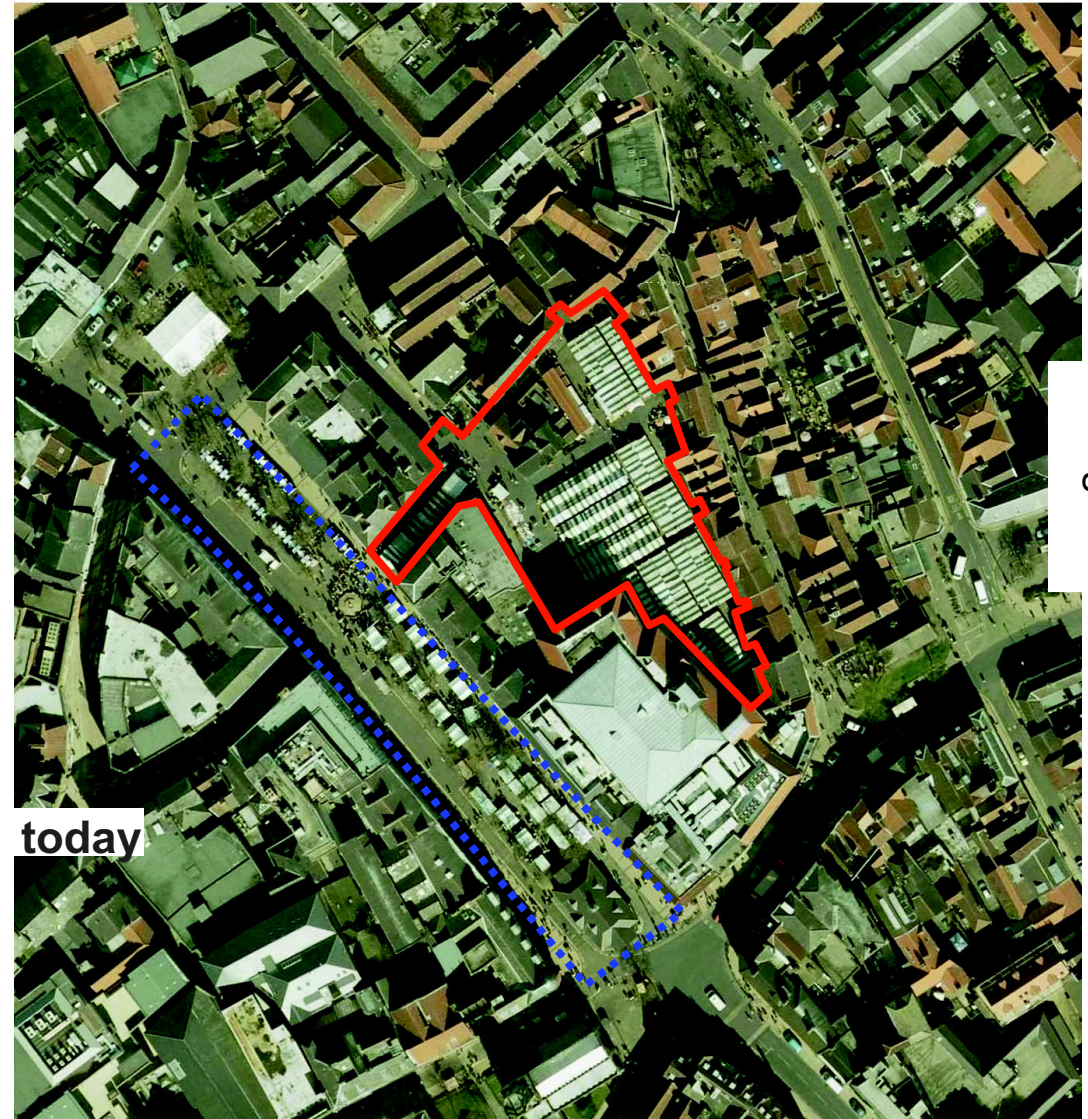
## Brief History of Newgate Market

- An Act of Parliament (1833) granted the city clearance of an area now known as Parliament Street (laid out 1835-1840)
- The market moved from Pavement into Parliament Street in 1837.
- The market moved from Parliament Street 127 years later in 1964 into the area known as Newgate, when a Compulsory Purchase Order cleared a lot of properties to the rear of the Shambles
- Since then the market has been refurbished once in 1991



- Newgate Market is currently open 7 days a week all year
- During the summer period Newgate Market moves to Parliament St on Mondays to allow cleaning and maintenance of the normal market area
- Specialist and event markets on Parliament Street complement Newgate Market and are open approximately 95 days of the year

- Newgate Market
- ..... Parliament St Market





# 04

## Before You Get To the Market: What Could Be Improved?

### Gateways

1 Congested stalls prevent through footfall; fountain causes more congestion; can't see the main market beyond; some complain that the sign is too high; market hidden from angled approaches.

2 The market appears distant; waste bins and shabby environment of Silver Street; main view is the distant ugly end wall of M&S; market stalls tucked out of sight.

3 Generally ok, but a narrow Street and the market appears distant.

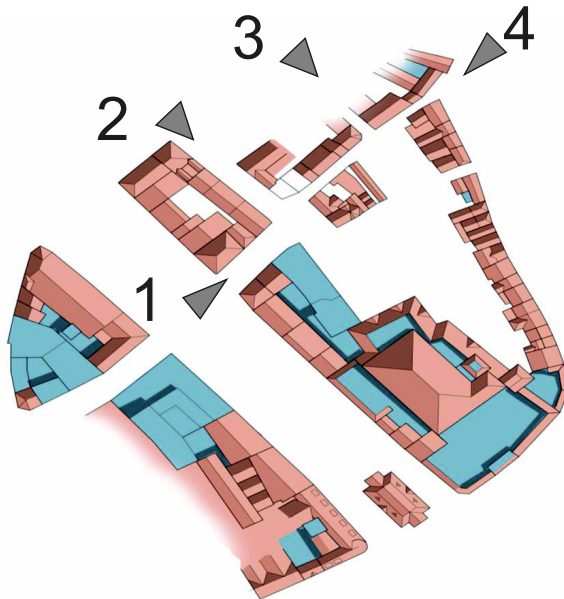
4 There is no indication that a market is just around the corner.



Jubbergate approach from Parliament St.



Silver St approach from Church St.



Patrick Pool approach from Church St.



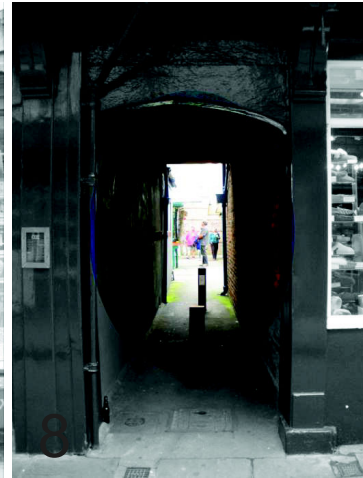
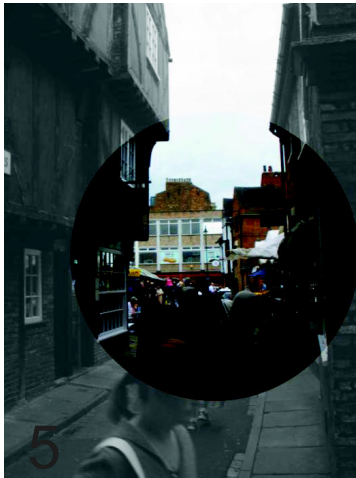
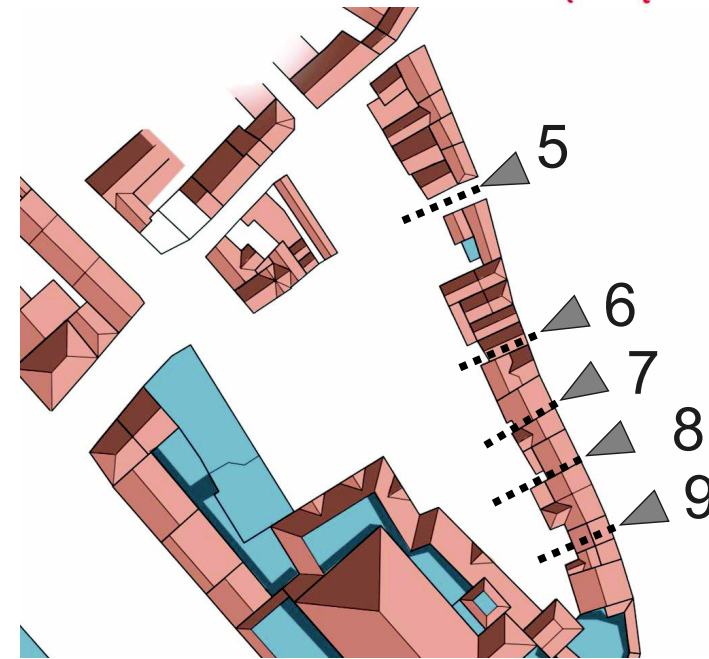
Newgate approach from King's Square.

# 05

## Before You Get To the Market: What Could Be Improved?

### Gateways

- 5 Little Shambles is a busy approach but bins are often left outside Gert & Henrys building lower the quality of the market environment.
- 6-8 Narrow passageways are unappealing; lighting poor; sometimes partially obstructed; just not pleasant places; appear to lead no where; actually lead to the poorly performing, often empty, end of the market.
- 9 A wider passageway here but very little incentive to venture in because there is nothing happening beyond and no indication that this is a gateway to an attractive market.



Snickleway approaches from the Shambles



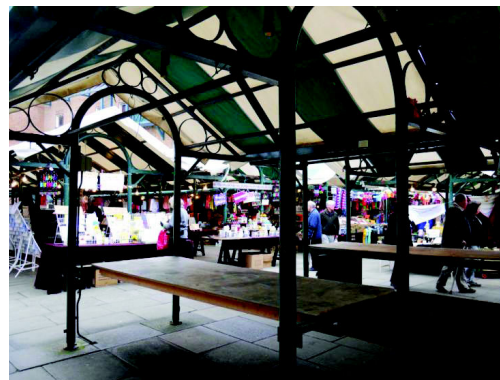
# 06

## When You Get To the Market: What Could Be Improved?

The market is a fantastic asset bringing in about £500,000 income per year but is currently not maximising its physical potential. Improving this would in turn drive much improved *revenue*.

Main Issues:

- **Footfall** is only popular in certain places, leaving much of the space under utilised.
- **Empty stalls** give the appearance that the market is in decline or closing.
- The market area is in poor physical condition. There are **Some tired stalls & surrounding buildings** that look unattractive.
- **Poor quality paving surfaces**.
- The market **layout is unclear in places** and this lowers the appeal to shop beyond its main edges.
- **Congestion** hinders movement in places.
- Areas lacking appeal to traders lead to **lower rents matched** by unappealing **low value displays**. This has a ripple effect- traders don't want to be near the unappealing areas.
- **Tall blank walls of M&S cast a shadow** in the market.
- The **large space used for deliveries is mostly unoccupied** for the bulk of the day.



# 07

## When You Get To the Market: What Could Be Improved?

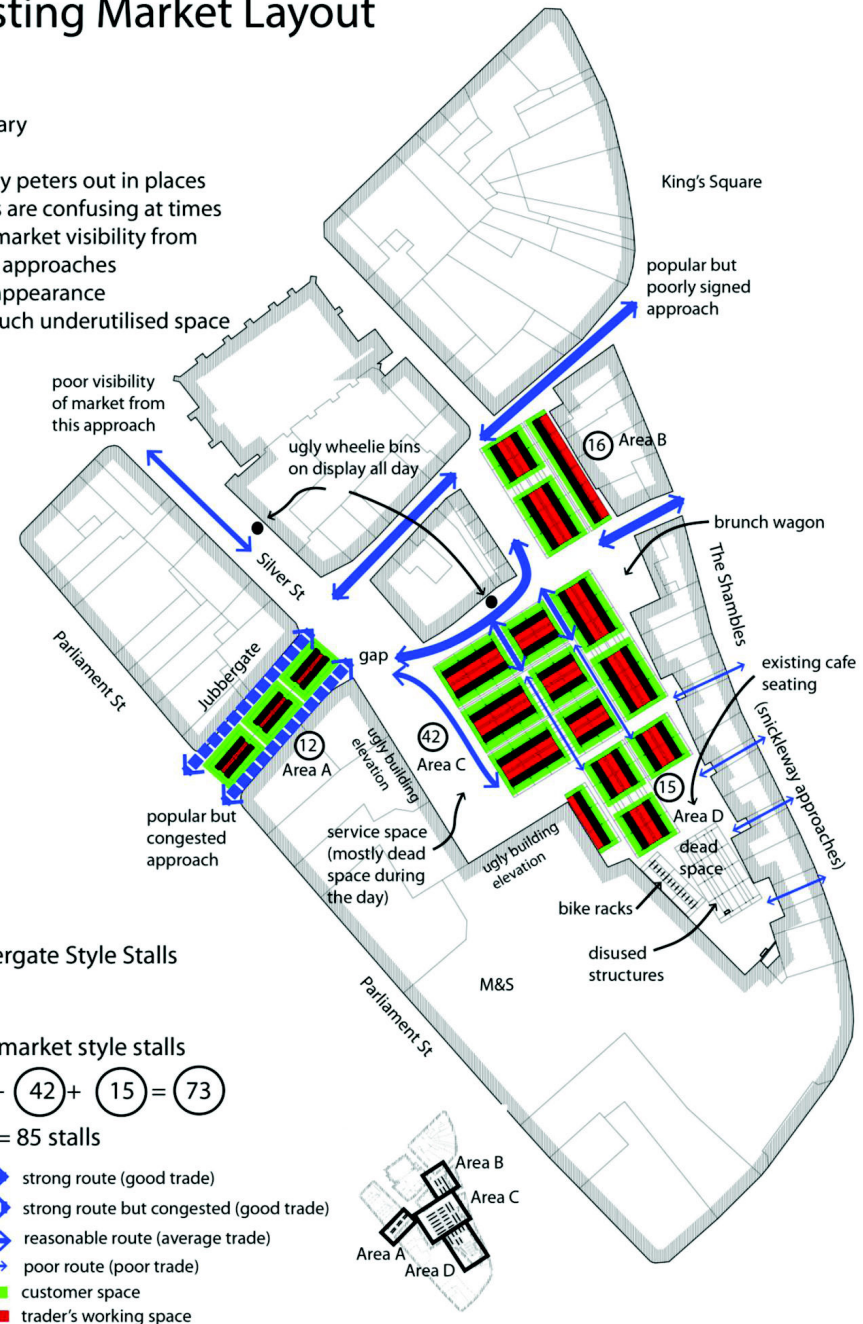
Main Issues: continued...

- There are **Few places to sit and rest.**
- There is a need to **diversify the trading formats**- such as mixing more lock up style pitches with traditional market stalls.
- The market needs a **stronger brand** identity.
- Uneven paving causes some **mobility problems.**
- **Market traders pack up early** in anticipation of when they can bring vans in.
- There is **No dedicated market porter** to take responsibility (and pride) for cleaning. **Bins often visible.**
- Market stalls stay in place at night- **reducing the flexibility** to have other activities taking place at different times.
- The area is not used at night. This has led to **crime and unwanted activities.**

### Existing Market Layout

#### Summary

- activity peters out in places
- routes are confusing at times
- poor market visibility from many approaches
- tired appearance
- too much underutilised space





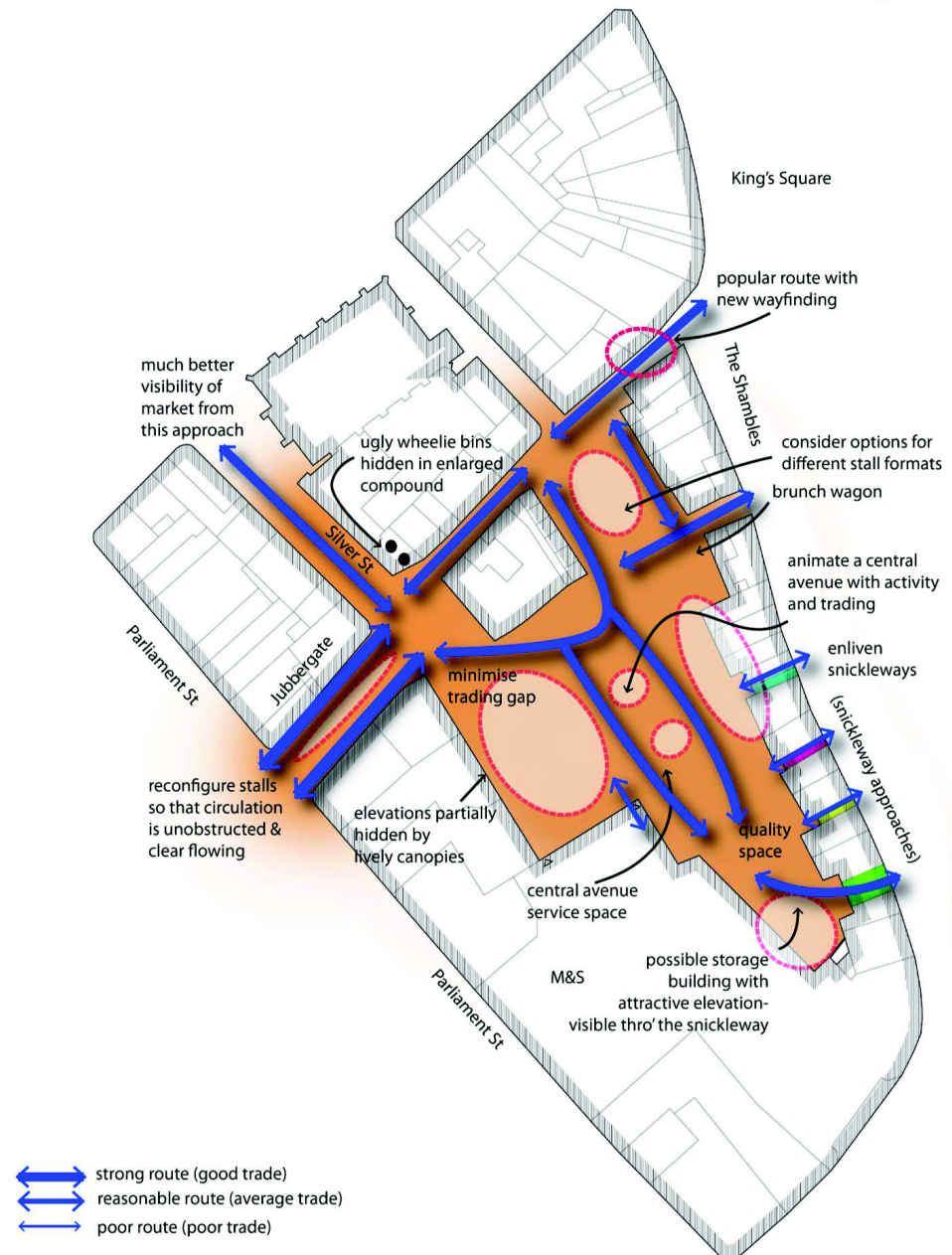
# 08

## Initial Ideas: Market Layout

The existing market layout has been reviewed and a series of ideas have been developed that could significantly improve the way the market currently functions. The diagram opposite starts to describe these potential changes.

Market layout Improvement aims:

- **Stronger activity and footfall** in places that are currently unpopular.
- Make **more intensive use** out of the whole of the market.
- **Increase the visual presence** of the market from gateway approaches.
- **To raise the quality** of the whole market environment including significant repaving.
- Provide a **clear and uncluttered** arrangement of stalls.
- **Diversify the business opportunities** for traders to widen the appeal of market space.
- Create a **strong appealing market brand**.
- Reflect changing retail trends and provide a market that will **thrive into the future**.
- **Improve ease of access** for mobility impaired visitors.
- **Maintenance and sense of market ownership/pride** will be improved through a dedicated porter/odd job person role.

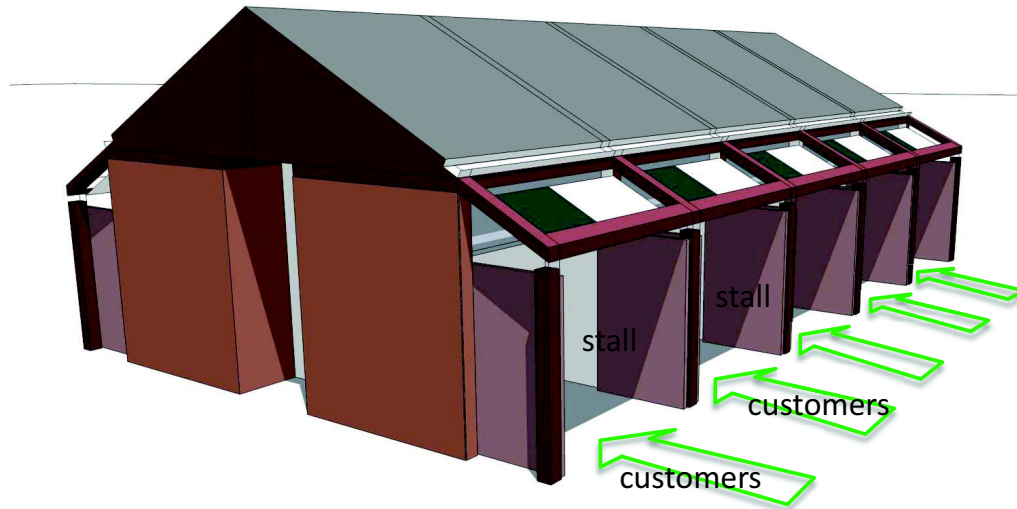




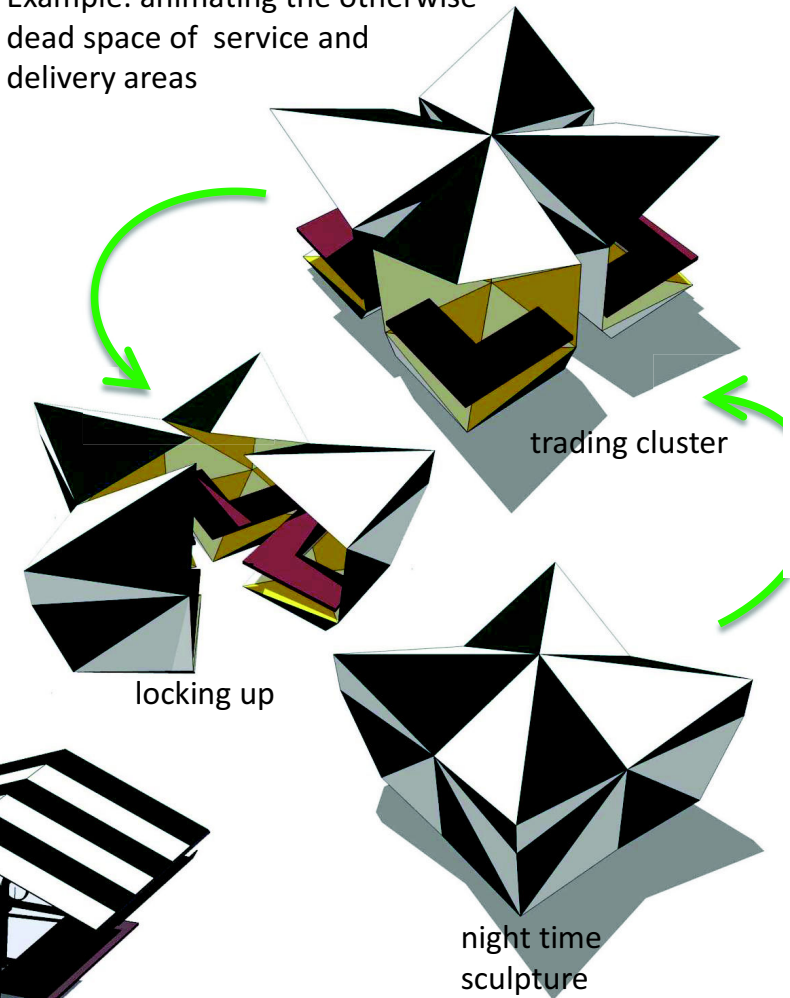
# 09

## Initial Ideas: Exploring Diversified Stall Formats

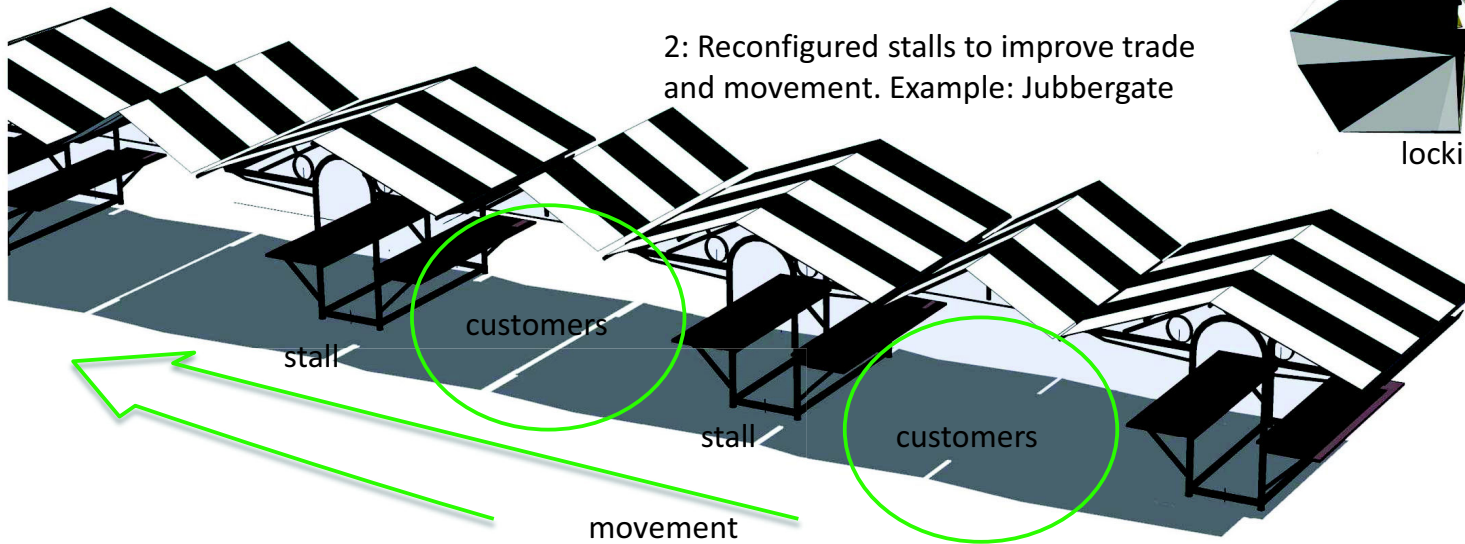
1: Fixed lock-up stalls. Example: configured into a new single storey building



3: Movable lock-up stalls. Example: animating the otherwise dead space of service and delivery areas



2: Reconfigured stalls to improve trade and movement. Example: Jubbergate



This page is intentionally left blank



---

**Cabinet**

**6<sup>th</sup> November 2012**

**Report of the Monitoring Officer**

**Statutory Report of the Monitoring Officer**

**Summary**

1. The Local Government Ombudsman has made a finding of maladministration in respect of the way the Council managed the housing allocation process for a resident. The Monitoring Officer is obliged under section 5 of the Local Government and Housing Act 1989 to report this finding to Cabinet.

**Background**

2. The report of the Local Government Ombudsman appears at Annex One to this report. In summary the Ombudsman has found that the Council placed the complainant and his family in a property which was too small for them. As a result the family lived in overcrowded conditions for over two years. The Council was not meeting its legal duties and delayed in recognising that this was the case. The family suffered significant distress as a result of the Council's failings.
3. The family have since been housed in a suitable property. The Council has agreed to pay compensation of £2000, to review its guidance and to give training to relevant Officers. The Ombudsman recommended this as an appropriate remedy.
4. Under section 5 of the Local Government and Housing Act 1989 the Monitoring Officer is under a duty to present a report to the Cabinet in the event of a finding of maladministration in respect of an executive function and the Cabinet is under a duty to consider that report. This report discharges that duty.
5. Under section 5A the Cabinet is obliged to consider the report and prepare a report which specifies:-

- (a) what action (if any) the executive has taken in response to the report;
  - (b) what action if (any) the executive proposes to take and when;
  - (c) the reasons for taking the action or, as the case may be, for taking no action.
6. As soon as practicable after the preparation of such a report, it must be sent to each member of the authority and the Monitoring Officer.
7. In addition to these requirements section 31 of the Local Government Act 1974 provides that where the Ombudsman reports that there has been maladministration, the report shall be laid before the authority concerned and that it shall be the duty of that authority to consider the report and within 3 months of the date of receipt of the report to notify the Ombudsman of the action which the authority has taken or which it proposes to take.

### **Consultation**

8. *As required by the Act, the Chief Executive as Head of Paid Service and the Director of Customer and Business Support Services as s.151 officer have been consulted in the preparation of this report.*

### **Options**

9. Cabinet may accept the recommendations in whole or in part and may agree additional actions

### **Analysis**

10. The steps which have already been taken have been identified by the Local Government Ombudsman as representing an appropriate remedy.

### **Implications**

11. Legal implications are contained within the body of the report. There are no other specific implications which need to be identified.

### **Risk Management**

12. There are no additional risks associated with the recommendation.

## Recommendations

13. Cabinet are asked to:

- 1) Note the Local Government Ombudsman's findings and recommendations and to endorse the steps already taken by Officers by way of offering a remedy.

*Reason:* To satisfy the legal requirement to consider the report and to confirm the appropriateness of the remedy recommended by the Ombudsman

- 2) Take no further action in relation to the matters set out in this report

*Reason:* The steps already taken have been accepted by the Ombudsman as representing an appropriate remedy

- 3) Adopt this report as the Council's formal response under section 5A of the Local Government and Housing Act 1989 and section 31 of the Local Government Act 1974 and arrange for it to be sent to every member of the Council and the Ombudsman.

*Reason:* To comply with legal requirements

## Contact Details

**Author:**

**Andy Docherty**  
Monitoring Officer  
Tel No. 01904 551004

**Chief Officer Responsible for the report:**

**Andy Docherty**  
Monitoring Officer  
Tel No. 01904 551004

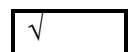
**Report  
Approved**



**Date** 29/10/12

**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 1 -Report of Local Government Ombudsman

Annex 2 – Service response (to follow)

*[This annex was published on 6 November 2012]*

# Report

on an investigation into  
complaint no 11 018 683 against  
City of York Council

16 October 2012

## **Investigation into complaint no 11 018 683 against City of York Council**

<b>Table of Contents</b>	<b>Page</b>
Report summary	1
Introduction	3
Legal and administrative background	3
Investigation	4
Conclusions	8
Finding	9

The Local Government Act 1974, section 30(3) generally requires me to report without naming or identifying the complainant or other individuals. The names used in this report are therefore not the real names.

### **Key to names used**

Mr Green

The complainant



## **Report summary**

### **Housing allocations**

Mr Green complains that the Council insisted he accept a property with a bedroom that was too small by law for his two daughters and has since then failed to give him adequate priority on the housing register to enable him to move to a bigger property within a reasonable period of time.

The Ombudsman finds that the Council did not comply with the law by placing Mr Green in a property which was too small for him and his family. She expects the Council to be aware of the law in this respect and carry out basic checks on the properties it lets to ensure it complies with its statutory obligations.

She also finds that while the family continue to live in the property, the Council is in breach of the law and could be prosecuted for the offence.

This maladministration has caused Mr Green and his family a serious injustice. They have been forced to live in overcrowded conditions for over two years and the two daughters, now aged 11 and 12, have had to share a bedroom barely big enough for two single beds.

### **Finding**

Maladministration causing injustice, remedy agreed.

### **Agreed remedy**

The Council had already placed Mr Green in Gold band from the date he accepted the tenancy of his current property. The Ombudsman recommended the Council elevate his priority to the highest category (Emergency band) to ensure he was re-housed as quickly as possible. While the Council considered this request, Mr Green successfully bid on a three bedroom property of his choice.

The Council has agreed to:

1. pay Mr Green £2000 compensation for the significant distress, frustration, time and trouble he and his family have been caused in having to live in unsuitable accommodation for 2 years longer than was necessary; and,
2. review its guidance to housing officers on the Council's duties under overcrowding legislation and government guidance and arrange refresher training for all housing officers involved in making offers of accommodation to ensure their knowledge and practice in this area is up to date.

## Introduction

3. Mr Green complained that the Council insisted he accept a property with a bedroom that was too small (by law) for his two daughters and has since then failed to give him adequate priority on the housing register to enable him to move to a bigger property within a reasonable period of time.
4. My investigator has considered the complaint and the documents provided by Mr Green and his MP, discussed the issues with him, made enquiries of the Council and considered the comments and documents it provided.

## Legal and administrative background

5. My powers are defined by the Local Government Act 1974 as amended by the Local Government and Public Involvement in Health Act 2007.

### Part X Housing Act 1985 Overcrowding

6. Section 324 of the Housing Act 1985 states a property is overcrowded by law when the number of people sleeping in a dwelling contravenes either the room standard or the space standard.
7. Section 325 says the room standard is contravened when the number of rooms available in the property means that two people of the opposite sex who are not living together as husband and wife must sleep in the same room. Children under the age of ten are left out of the calculation.
8. A room is available for sleeping accommodation if it is normally used as a bedroom or as a living room. Since October 1998 guidance from the Health and Safety Executive states that a room cannot be used as sleeping accommodation if it contains a gas fire, gas space heater or a gas water heater including a gas boiler.
9. Section 326 states that the space standard is contravened when the number of people living in the property exceeds the 'permitted number', taking into account the number and floor area of rooms available as sleeping accommodation. Children under ten years old count as half a person. In the case of a two bedroom house (with one bedroom measuring between 6.5m<sup>2</sup> and 8.3m<sup>2</sup>) the permitted number of people is three.
10. Section 331 says the landlord of a dwelling commits a summary offence if he causes or permits it to be overcrowded and, if convicted, is liable to a maximum fine of £500 plus one tenth of that amount for every day after conviction that the overcrowding continues.
11. Section 339 says that if the local authority is the landlord, permission to prosecute must be sought from the Attorney General.

### **Council's Housing Allocations Policy**

12. The Council's allocations policy prior to June 2011 stated that a young person was classed as a child until the age of 16 for the purposes of deciding what size of accommodation was suitable. Anyone over 16 needed their own bedroom. A family with two children of the same sex would be eligible for a two bedroom flat, maisonette or house.
13. The policy after June 2011 states that single adults aged 21 or over require their own bedroom and a person aged between 9 and 20 years will require a separate bedroom if they would otherwise have to share with the opposite sex. It states that staff can exercise discretion to adjust the number of bedrooms if they are particularly large or small.
14. The new policy says applicants will be prioritised according to housing need and placed in one of four bands: Emergency, Gold, Silver and Bronze.

### **Investigation**

15. In March 2010 Mr Green, his wife and two daughters, then aged 9 and 10, applied to the Council for accommodation on the ground they were homeless. The Council accepted it had a duty to house them and placed them in temporary accommodation. It awarded them Band A priority as a homeless family, in accordance with its allocations policy at the time. The Council's policy also stated that the Council would only make one suitable offer of accommodation to homeless applicants.
16. The Council sent Mr Green a letter dated 7 May 2010 making an offer of Property B. It had two bedrooms one of which measured only 7.7 metres<sup>2</sup>. The living room contained a gas fire and back boiler.
17. The letter stated the offer was a final one, as only one offer of suitable permanent accommodation would be made. It set out his right to request a review if he considered the property was unsuitable.
18. Mr Green did not receive the offer letter. He says he could not receive post directly at the temporary accommodation he was occupying and had to go to the housing office to collect post. He recalled a member of staff asking him to go to the office one morning and his caseworker told him she had good news as the Council was offering him a two bedroom property. After being told of the offer, Mr Green asked if he could refuse the property. He was told if he did, he would not be offered another one. He signed the tenancy and the family moved into the property.
19. The family was burgled just before Christmas 2010 and lost a significant amount of their possessions including all the childrens' Christmas presents.

20. In January 2012 Mr Green made a complaint to the Council via his local MP. He said his family had been forced to live in a house that was too small in an unsuitable area and asked to be moved to larger accommodation in a different area. The Council replied on 31 January 2012. It said it had dealt with the case in accordance with the homelessness legislation and the Council's allocations policy. It said the family was adequately housed in two bedroom accommodation and that the second bedroom was classed as big enough for two children of the same sex. But it did accept the bedroom was small and so awarded Mr Green additional priority (in Silver band) for a transfer on the basis that he was short of one bedroom.
21. Mr Green complained further on 5 February 2012 but the Council replied on 15 February 2012 upholding its previous response. Mr Green then complained to me on 27 February 2012.
22. My investigator made enquiries of the Council on 19 March 2012. It replied on 29 March 2012 saying that the second bedroom was 7.7m<sup>2</sup> and as such was large enough to accommodate two children of the same sex. The council said it had written to Mr Green on 7 May 2010 explaining his right of review if he felt the property was unsuitable and it had no reason to believe Mr Green did not receive that letter.
23. On 5 April 2012 the investigator made further enquiries asking for evidence that the Council had considered the size of the bedroom when offering the property, in accordance with section 324 – 326 of the Housing Act 1985.
24. The Council replied on 17 April 2012 saying that Mr Green's two daughters were 9 and 10 at the time the offer was made. It said the offer of the property, at that time and now, would be on the basis that it was a two bedroom home for rent and council tax purposes so would be classed as suitable for applicants with two children of the same sex under 21.
25. My investigator made further enquiries on the same day querying how the offer complied with the law, given that Mr Green's daughters, at the time of the offer, counted as 1.5 people under the relevant legislation (and within less than 12 months would count as 2 people). A room of 7.7 m<sup>2</sup> was only big enough for one person. Regardless of whether or not Mr Green was aware that he could ask for a review of the suitability of the accommodation she questioned how the Council could justify offering a property to an applicant that would be legally overcrowded as soon as the family moved in. By accepting the unsuitable property Mr Green had lost his Band A priority under the old scheme and would now have to wait several years to successfully bid for a larger property. She asked the Council to increase his priority to Gold band under the new scheme, backdated to the date he accepted the property.
26. The Council replied on 11 May 2012. It stated that Mr Green's household did not breach section 325 of the Act (the room standard) because no two people

of the opposite sex (who were not living together as husband and wife) were sharing a room. In respect of section 326 it said this was not breached because the number of available rooms included the living room. It offered to increase Mr Green's priority to Gold band from the date of the letter.

27. Mr Green then submitted further information to me highlighting the Health and Safety Guidance stating that living rooms with a gas fire or boiler could not be counted as sleeping accommodation.
28. On 11 June 2012 a Council inspector visited Mr Green to check whether he had a gas fire in the living room. Mr Green said the inspector told him he already knew the house had a gas fire in the living room as it was stated on the records for the property. He advised the family not to use the living room as sleeping accommodation.
29. Later that day the Council confirmed to my investigator that Mr Green's living room had a gas fire and a back boiler and so could not be used as a bedroom. It said it had believed the appliance was an electric fire and apologised to Mr Green for any further upset this misunderstanding had caused. It agreed to backdate Mr Green's Gold status to the date he accepted the property.

## Conclusions

30. When Mr Green and his family moved into their property their household was 3.5 people in terms of sections 324 -326 Housing Act 1985. But, given the size of the second bedroom, the house was overcrowded by .5 of a person from the moment they moved in.
31. Regardless of whether Mr Green received the letter of 7 May 2010 which told him of his right of review, it was maladministration for the Council to have offered Mr Green the property at all as it was not big enough for his needs. I expect the Council to be aware of the law in this respect and carry out basic checks on the properties it lets to ensure it complies with its statutory obligations. I find it unlikely that the Council was not aware there was a gas fire in the living room, and even if it was not clear, this detail should have been checked before the offer was made.
32. While the family remain in the property, the Council was in breach of the law and could be prosecuted for the offence. This is further maladministration.
33. This maladministration has caused Mr Green and his family a serious injustice. They have been forced to live in overcrowded conditions for over two years and the two daughters, now aged 11 and 12, have had to share a bedroom barely big enough for two single beds.
34. The seriousness of the situation is made worse by the fact that even when this matter was brought to the attention of the Council by Mr Green, his MP and my

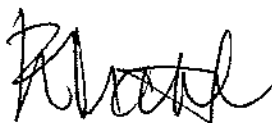
office, the Council still insisted it had acted within the law, thus prolonging the family's unsuitable housing conditions for a further six months.

## Finding

35. Maladministration causing injustice, remedy agreed.

## Remedy

36. The Council had already placed Mr Green in Gold band from the date he accepted the tenancy of his current property. I recommended the Council elevate his priority to the highest category (Emergency band) to ensure he was re-housed as quickly as possible. While the Council considered this request, I am pleased to note Mr Green successfully bid on a three bedroom property of his choice.
37. I also recommended the Council:
- a. pay Mr Green £2000 compensation for the significant distress, frustration time and trouble he and his family have been caused in having to live in unsuitable accommodation for 2 years longer than was necessary; and,
  - b. review its guidance to housing officers on the council's duties under overcrowding legislation and government guidance and arrange refresher training for all housing officers involved in making offers of accommodation to ensure their knowledge and practice in this area is up to date.
38. I am pleased to say the Council agreed to both these recommendations.



**Dr Jane Martin**  
**Local Government Ombudsman**  
**The Oaks No 2**  
**Westwood Way**  
**Westwood Business Park**  
**Coventry**  
**CV4 8JB**

**16 October 2012**

## **Housing Services – Response to Ombudsman finding**

Housing Services accepts the Ombudsman's findings that the property offered to Mr Green and his family was too small as set out in legislative requirements for bedroom sizes and as such Mr Green and his family were statutorily overcrowded. This occurred as a result of our property record in relation to the size of the second bedroom been incorrect.

### **Background to the case**

Mr Green and his family approached the council in March 2010 presenting as homeless from out of area. Mr Green and his family were placed in temporary accommodation whilst the council carried out a homeless investigation, the outcome of which was that Mr Green was homeless, in priority need, not intentionally homeless but did not have a local connection to York. However following investigation it was deemed that it was not safe for him to return to where he did have a local connection, the council therefore accepted a full duty under the homeless legislation to secure suitable accommodation.

Council policy for allocation of homes where someone is deemed homeless is to make one reasonable offer of accommodation; if that offer is refused by the applicant then the council discharge its duty under the legislation. Mr Green would have had this explained to him.

Whilst Mr Green was in temporary accommodation an offer of a 2 bedroom house was made to Mr Green by letter. This letter set out the offer and that if Mr Green felt that the offer was not a reasonable one that he could request a review of that decision. Mr Green states that he did not receive this letter and was therefore unaware of his right to request a review. However, Mr Green signed the offer form on the 27<sup>th</sup> May 2010 which clearly stated that he understood that if he believed that the offer that was made to him was unsuitable he had the right to a review regardless of whether he moved in or not. The form also set out that what would happen if a review was requested. The form sets out potential reasons for refusal, one of which is size.

Whilst the ombudsman has found that the size of the second bedroom was not sufficient for two children, and we agree this point, we do not agree with the ombudsman's view that Mr Green was unaware of his

right to request a review of the suitability of the offer of accommodation. However, as already accepted, the offer was not suitable in that the second bedroom only measured 7.7m<sup>2</sup> and as such did not meet the minimum requirement of 8.4m<sup>2</sup>.

### **Agreed Remedy**

The council placed Mr Green in Gold Band and back dated this application to the date of his original application. Mr Green subsequently bid on a 3 bedroom house and was re-housed whilst discussions with the Ombudsman were ongoing.

The council has made arrangements to pay the £2k compensation and a letter of apology has been sent to Mr Green from the Assistant Director.

No previous or subsequent cases of this nature have come to light, however to ensure no future cases arise, procedures have been put in place where all bedroom sizes are measured and checked against the data held prior to the offer of any accommodation.

Steve Waddington

Assistant Director – Housing & Community Safety.