

Meeting	Executive
Date	1 October 2020
Present	Councillors Aspden (Chair), Ayre, Craghill, Cuthbertson, D'Agorne, Runciman, Smalley, Waller and Widdowson
In Attendance	Councillor Myers

PART A - MATTERS DEALT WITH UNDER DELEGATED POWERS

32. Declarations of Interest

Members were asked to declare at this point in the meeting any personal interests not included on the Register of Interests, or any prejudicial or disclosable pecuniary interests, that they might have in the business on the agenda.

The Chair declared a personal interest in Agenda Item 7 (Fulford School Phase 2 Expansion), as the Ward Member for Fulford.

33. Minutes

Resolved: That the minutes of the Executive meeting held on 27 August 2020 be approved as a correct record, to be signed by the Chair at a later date.

34. Public Participation

It was reported that there had been one registration to speak at the meeting under the Council's Public Participation Scheme and one request to speak by a Ward Member.

Cllr Webb spoke on Agenda Item 5 (CYC Renewal and Recovery Strategy Update). He welcomed the return of university students to York but warned of the need to be vigilant in order to prevent the spread of Covid-19, especially in the context of part-time working. He urged Members to do all they could to support those self-isolating and to lobby government for improvements to the capacity and speed of test and trace.

John Heawood spoke on Agenda Item 7 (Fulford School Phase 2 Expansion), on behalf of residents of streets in the vicinity of the school. He raised concerns about the impact of ever-increasing school traffic, despite a promise to transfer buses to the south side of the school, and asked that this issue be addressed as a priority.

35. Forward Plan

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

36. City of York Council Recovery and Renewal Strategy - September Update

The Interim Head of Paid Service presented a report which provided an update on activities in response to Covid-19 and work to support recovery and renewal, following previous Executive decisions to approve the Recovery and Renewal Plan.

The report included updates across the three recovery themes; Economy (paragraphs 8-21), Communities (paragraphs 22-26) and Corporate (paragraphs 27-30). These indicated that York's economy had fared comparatively well over the summer and that arrangements were working well in the city's re-opened schools. However, significant concerns remained about the rise in cases in York and surrounding areas and the availability of testing.

The Director of Public Health provided a further update at the meeting on the latest information. She gave an overview of work taking place in the city, highlighting that infection rates in York had risen, but from a low baseline. Data published by PHE was a week behind local data; hence the local 'unvalidated' infection rate was higher, at 61 cases per 100,000. There had been no significant outbreaks in the city, although cases had been reported in 3 care homes and 3 schools. A walk-in testing centre had opened at Wentworth Way and information would be communicated about this in the coming days. Support was available for residents, including students, who tested positive. The council was working with the universities on local contact tracing and continuing to lobby for more testing capacity.

Resolved: That the contents of the report, and the further information provided at the meeting, be noted.

37. **Update on Castle Gateway and Business Case Review**

The Head of Regeneration Programmes presented a report which recommended a revision to the delivery strategy for the regeneration of Castle Gateway, following a comprehensive review of the project and business case in the light of Covid-19.

Officers had proceeded with the procurement for St George's Field and Castle Mills following Executive approval of the phase 1 delivery strategy and associated matters on 21 January 2020 (Minute 80 of that meeting refers). However, in March the council had put all procurement on hold due to the pandemic and instigated a review of all major projects. The review of Castle Gateway had confirmed that the project remained relevant and desirable, but that those elements most significantly affected by Covid-19 should be delayed until there was more certainty.

The review had been taken to the Customer and Corporate Service Scrutiny Management Committee (CCSMC) on 6 September 2020 with the following options, as detailed in paragraphs 35-52 of the report and summarised briefly below:
Option 1 – abandon the project. This had been discounted, as the project principles remained valid.

Option 2 – pause the whole project. Not recommended, as delay could affect investor confidence and result in the loss of funding.

Option 3 – continue with the project as previously approved. Not recommended, as it would require extra borrowing and may mean scaling back the designs if external funding could not be secured.

Option 4 – seek a joint venture partner for Castle Mills. Not recommended, as it would not provide a commercial return to fund the new car park.

Option 5 – proceed with Castle Mills as developer, and delay the multi-storey car park. This was the **recommended** option and was supported by CCSMC.

Option 6 – pause Castle Mills and St George's Field until next summer. Not recommended, as delay to Castle Mills would put the West Yorkshire Transport funding at risk.

Members welcomed the report, endorsing the project as an important part of the city's ongoing recovery and confirming the council's commitment to a replacement car park on the site.

Resolved: (i) That the outcome of the pre-decision scrutiny, recommending Option 5 in the report, be noted.

Reason: To take account of the view of the Customer and Corporate Services Scrutiny Management Committee in deciding how to proceed.

(ii) That approval be given to recommence the paused procurement of a construction contractor to undertake the design and subsequent construction of the proposed apartments, pedestrian / cycle bridge and riverside park at Castle Mills, and that authority be delegated to the Director of Economy and Place (in consultation with the Director of Governance) to take such steps as are necessary to award and enter into the resulting contract.

Reason: To deliver the key public benefits of the first phase of Castle Gateway and allow the council to realise the commercial return to help deliver the wider masterplan.

(iii) That the design and submission of planning applications for a high quality public realm scheme on Castle Car Park and the Eye of York be approved.

Reason: To ensure that the council has shovel-ready public realm proposals of sufficient magnitude to attract potential external funding for the project.

(iv) That it be noted that the decision to procure a construction partner for St George's Field multi-storey car park will be taken in summer 2021.

Reason: To ensure that the proposal remains the best replacement parking solution once the impact of Covid-19 has become clearer.

(v) That it be noted that a decision on the future of 17-21 Piccadilly will be brought back to Executive in summer 2021.

Reason: To allow a decision on whether to develop the site in line with the masterplan or dispose of it on the open market to be made once the impact of Covid-19 on the land market is more certain.

(vi) That the expenditure of £1.5m from previously committed Castle Gateway budgets to deliver the recommendations set out in the report be noted.

Reason: To support the delivery of the Castle Gateway scheme.

38. Fulford School Phase 2 Expansion

The Corporate Director of Children, Education and Communities presented a report which provided an update on the proposed development of the Fulford School expansion scheme and sought approval to allocate funding for phase 2 of the scheme.

The expansion was required to address a significant deficit of secondary school places in the South East York Planning Area. Executive had approved a Basic Need budget of £6m for the scheme on 18 July 2019 and allocation of funding for phase 1 on 7 May 2020 (Minutes 18 and 117 respectively of those meetings refer). Subject to Executive approval and planning consent, it was hoped that work could start on site in June 2021, for completion by September 2022.

In view of the requirements of the climate change policies in the Local Plan, Members were asked to consider the following options for the Phase 2 permanent building, as detailed in paragraphs 31-50 of the report:

Option 1 – Achieve BREEAM ‘Excellent’ status (estimated extra cost - £500k). This would meet requirements, offset capital costs by revenue savings, and have a positive environmental impact.

Option 2 – Achieve BREEAM ‘Very Good’ status (estimated extra cost - £260k). This would partially meet requirements, and be less beneficial in terms of revenue savings and environmental impact.

Option 3 – build in line with current building regulations (no extra cost). This would not meet requirements, risking refusal of planning permission.

With reference to matters raised under Public Participation, the Chair acknowledged the importance of addressing longstanding access issues to the site during the planning process, and keeping local residents updated and involved.

Resolved: (i) That approval be given to allocate £6m from the Basic Need Capital Scheme in the Children, Education and Communities Capital Programme to provide additional accommodation at Fulford School (phase 2).

Reason: To enable the council to meet its statutory responsibility to provide sufficient school places.

(ii) That approval be given to allocate an additional £500k from the Basic Need budget to ensure that the proposed phase 2 expansion of Fulford School meets the council's policies around sustainable buildings, ensuring BREEAM (Building Research Establishment Environmental Assessment Method) Excellent (Option 1).

Reason: To enable the council to meet the policies set out in the National Planning Policy Framework.

39. 2020/21 Finance and Performance Monitor 1

The Corporate Finance & Commercial Procurement Manager presented a report which set out the council's overall finance and performance position for the period 1 April to 30 June 2020.

The report highlighted the significant impact of the Covid-19 pandemic, which had led to £10m additional costs and £8m loss of income, as well as diverting attention from the usual budget management activity. Government grant of £11m had been awarded to date and the new Income Compensation Scheme could potentially provide £4m more, but it was clear that further government funding would be needed this year and next. Efforts to lobby the government to 'Back York', in view of the city's potential for a strong economic recovery, were ongoing.

The gross financial pressures facing the council were projected at £7.6m. After mitigation and further action, as outlined in the report and detailed in Annex 1, it was considered that this could be brought down to a net position of £2.7m. The council had £7.4m general reserves to call upon should the outturn not be within the approved budget.

York continued to delivery priority services to high standards, in particular its key statutory services. Performance against the core indicators in the Council Plan was set out in paragraphs 24-31 of the report and in Annex 2. Some of these indicators were already showing a direct adverse effect from Covid-19 and significant changes were likely to be seen in future reports as new data became available.

Members welcomed the report, in particular the Back York campaign and the council's continued delivery of services in difficult circumstances.

Resolved: (i) That the finance and performance information, and the actions needed to manage the financial position, be noted.

(ii) That the use of £425k of HRA balances to offset additional Covid-19 expenditure, as outlined in Annex 1 to the report, be noted.

Reason: To ensure expenditure is kept within the approved budget.

40. Capital Programme Monitor 1, 2020/21

[See also under Part B Minutes]

The Corporate Finance & Commercial Procurement Manager presented a report which set out the projected out-turn position for the 2020/21 financial year, along with requests to re-profile budgets to and from current and future years.

A decrease of £12.827m on the current approved programme was reported, resulting in a revised programme for 2020/21 of £181.221m. Variances against each portfolio area were set out in Table 1 at paragraph 15 of the report and detailed in paragraphs 16-59. In relation to the Wi-Fi procurement detailed in paragraph 59, an amendment to the recommendation was

made due to further advice received after publication of the report.

In the light of the Covid-19 pandemic, a review of the current programme had been carried out to ensure that planned investment was consistent with the recovery plan. This had concluded that most projects could continue as planned, subject to close monitoring and back up plans where appropriate.

Members welcomed the report, highlighting key achievements in the programme and thanking officers for their work on the review.

Resolved: (i) That the 2020/21 revised budget of £181.221m, as set out in Table 1 at paragraph 15 of the report, be noted.

(ii) That the re-stated capital programme for 2020/21-2024/25, as set out in Table 2 at paragraph 60, be noted.

(iii) That it be noted that work is ongoing in respect of the Managed Services Agreement (MSA) and West Offices WiFi replacement and that a further update will be included in the Monitor 2 report to Executive in November.

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

41. Chair's Comments

The Chair noted that Sharon Houlden, the Corporate Director of Health, Housing and Adult Social Care, would soon be leaving the council to take up a position in London. On behalf of the Executive, he thanked Sharon for her work at York and wished her all the best in her new post.

PART B - MATTERS REFERRED TO COUNCIL

42. Capital Programme - Monitor 1, 2020/21

[See also under Part A Minutes]

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In the light of the Covid-19 pandemic, a review of the current programme had been carried out to ensure that planned investment was consistent with the recovery plan. This had concluded that most projects could continue as planned, subject to close monitoring and back up plans where appropriate.

Members welcomed the report, highlighting key achievements in the programme and thanking officers for their work on the review.

Recommended: That Council approve the adjustments resulting in a decrease of £12.827m in the 2020/21 budget, as detailed in the report and contained in Annex A.

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

Cllr K Aspden, Chair
[The meeting started at 5.34 pm and finished at 7.00 pm].

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