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MEETING	EXECUTIVE
DATE	22 SEPTEMBER 2009
PRESENT	COUNCILLORS RUNCIMAN (IN THE CHAIR), AYRE, STEVE GALLOWAY, MOORE, MORLEY AND RUNCIMAN
APOLOGIES	COUNCILLORS WALLER AND REID

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

### **70. DECLARATIONS OF INTEREST**

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

Cllr Runciman declared a personal, non prejudicial interest in agenda item 5 (The Barbican Auditorium), as a patron of the Guildhall Orchestra, which had formerly made use of the Barbican as a venue.

### **71. MINUTES**

RESOLVED: That the minutes of the Executive meeting held on 8 September 2009, and the minutes of the Executive (Calling In) meetings held on 14 July 2009 and 15 September 2009, be approved and signed by the Chair as a correct record.

### **72. PUBLIC PARTICIPATION**

It was reported that there had been two registrations to speak at the meeting under the Council's Public Participation Scheme, both in relation to agenda item 5 (The Barbican Auditorium).

Andy Chase spoke in support of the potential for a community trust to participate in the operation of the Auditorium. He felt that the comments in paragraph 24 of the report were dismissive of this idea and contained inaccuracies. He expressed support for those options that would enable the Barbican to provide a leisure facility of benefit to the local community, rather than those driven purely by commerce.

Chris Wedgewood commented as a local resident and previous user of the sports facilities at the Barbican. He expressed disappointment that the provision of sports facilities had not featured as an option in this report or in previous bids to take over the Barbican and suggested that there were strong financial and social arguments for bringing sport back to this city centre site. He also noted that, given the current recession, it was not a good time to sell the land to a developer.

### 73. EXECUTIVE FORWARD PLAN

Members received and noted details of those items that were currently listed on the Forward Plan for the next two Executive meetings.

### 74. THE BARBICAN AUDITORIUM

Members considered the fourth in a series of update reports which aimed to establish the next steps in a strategy to bring the Barbican Auditorium back into public use.

In response to previous reports, Members had already agreed a series of key points and actions for the way forward, including further structured discussions with interested parties. Discussions had now taken place with two major national theatre operators, one major national conference operator and the developer currently negotiating to buy the neighbouring residential and hotel site. Key issues arising from these discussions were set out in paragraphs 8 to 11 of the report. Although all four expressions of interest were positive, none could be accepted immediately. It was recommended instead that formal marketing be undertaken at this stage, opening up the possibility of further interest and enabling all offers to be assessed against the Council's criteria for re-use of the site. The main options for market testing were:

**Option A** – a 'standard' marketing campaign with no conditions on the operation or use of the Auditorium.

**Option B** – a market testing exercise in line with EU procurement regulations. This was the recommended option, as it would also facilitate offers involving partnership arrangements with the Council.

Members' views were sought on the relative weighting to be given to the award criteria, based upon the objectives set out in paragraph 16 of the report. It was also suggested that Kent Street be included in the marketing exercise, enabling a potentially co-ordinated approach to development of the area. With regard to other matters affecting the Barbican, it was reported that:

- Remedial works to preserve the building were expected to be completed by the end of September
- Officers had worked with events organisers to ensure they had satisfactory alternative arrangements.
- The involvement of community trusts was not considered practicable at this stage, although this would not prevent existing trusts from submitting a bid.

Further details of the implications of the expressions of interest were circulated at the meeting. Officers also responded to the comments made under public participation, explaining that a charitable trust would not be compatible with an organisation run for entertainment purposes and that experience had shown that combining an Auditorium with sports facilities was not financially viable.

Having noted the comments of the Shadow Executive on this item, it was

RESOLVED: (i) That approval be given to carry out formal marketing of the Barbican Auditorium, as set out in Option B and detailed in paragraphs 15-17 of the report.<sup>1</sup>

(ii) That approval be given to the inclusion of the Kent Street Coach Park site, on the basis set out in paragraphs 18 and 19.<sup>2</sup>

(iii) That the following relative weighting be favoured for the criteria set out in paragraph 17:

- Financial impact on Council taxpayers – 50%
- Addressing the City's economic development and planning objectives – 30%
- Provision of entertainment and community facilities – 20%

And that the criteria include a requirement for the early re-opening of the building – by December 2010 at the latest.<sup>3</sup>

(iv) That authority be delegated to the Chief Executive to establish the final criteria and weighting to be used in assessing bids and final tenders, based on the contents of paragraph 16.<sup>4</sup>

REASON: To enable future plans for the Barbican Auditorium to be developed and progressed and to ensure that responsibility for the final criteria and weighting of bids is taken at the highest level.

Action Required

	PD
1. Arrange formal marketing, in accordance with Option B	CB
2. Include Kent St Coach Park in the marketing exercise	CB
3. Take into account Members' advice when finalising weighting of criteria	CB
4. Establish final criteria and weighting for assessment of bids and tenders	SC

**75. FUTURE OF THE HUNGATE EMPLOYMENT SITE**

Members considered a report which set out the future development options for the Hungate Employment Site and recommended actions to promote the development and / or disposal of the site.

The site, which was wholly owned by the Council, comprised the former Ambulance Station, the Haymarket car park and the former Peaseholme Hostel. Any options for its future would need to comply with the masterplan for the Hungate site as a whole, as well as helping to fund the cost of an alternative site for the new Council Headquarters building,

following withdrawal of the Hungate planning application. Paragraphs 18 to 26 of the report examined a number of potential uses of the site to meet the needs of Council services, partner organisations and / or Central Government. Actions to promote the development / disposal of the site were set out in paragraphs 31 to 36. They included discussing proposals for collaborative development with identified partners, with particular reference to Central Government office relocation, the Primary Care Trust and North Yorkshire Police, as well as a review of all Council service needs and investigation of short-term site uses.

Members were invited to consider the following options for development or disposal of the site:

**Option 1** – offer the site for sale and report back on any significant offers made.

**Option 2** – continue to work with partners to establish a collaborative development solution for the site and encourage complementary interest from the wider market. This was the recommended option, in view of the work done to date.

Having noted the comments of the Shadow Executive on this item, it was

RESOLVED: (i) That the development of the site as a prime location for either Central Government Office relocation or private office development be supported, and that the marketing of the site should reflect this ambition.<sup>1</sup>

(ii) That Officers be requested to ensure that the site is cleared, its archaeology investigated, prepared and in a state of readiness for future development.<sup>2</sup>

(iii) That it be acknowledged that the viability of any future development option should take account of the costs incurred to date in making the site ready for development.<sup>3</sup>

(iv) That, in the event that future development proposals are planned for the medium to long term, the investigation of short term uses for the site be requested.<sup>4</sup>

(v) That Officers be requested to monitor market conditions and report back to the Executive any significant interest in or offers for the site.<sup>5</sup>

(vi) That it be requested that future reports include updates on all recommendations arising from the meeting on 25 August 2009 with the Minister for Yorkshire and the Humber.<sup>6</sup>

REASON: To ensure that all options are considered to maximise the value and development opportunities for this important site in the centre of York.

Action Required

1. Market the site in accordance with Members' advice

SS

2. Ensure that this work is done and the site made ready for development SS  
SS
3. Take into account the costs of preparing the site when considering development options SS
4. Investigate short term uses for the site

## 76. ADMINISTRATIVE ACCOMMODATION PROJECT FINANCIAL UPDATE

*[See also under Part B Minutes]*

Members considered a report which examined the accounting implications of the abortive costs incurred on the Administrative Accommodation project following the decision not to develop the site at Hungate, together with details of the current overall funding position and options for removal of the Land Assembly costs from the project.

Costs identified as 'abortive' could no longer be treated as capital expenditure and must therefore be written off as revenue cost and funded from the Venture Fund Reserve. Actual project costs identified as abortive since 2005/06 totalled £1.092m, of which £520k expenditure incurred in 2008/09 and £572k incurred prior to 2008/09 had been funded by the Venture Fund. This had resulted in an increased call of £0.690m on the Venture Fund reserve and a consequent fall of £1.092m in the overall level of capital funding for the project. A comparison of the current headline funding position with that in July 2008 showed an indirect saving of £0.402m, due to alterations in the timings and sources of funding. Full details of the changes were set out paragraphs 27 to 39 of the report.

The reasons for the recommendation to remove the Land Assembly costs from the project budget of £43.804m was explained in paragraphs 42 to 45 of the report. Briefly, these costs, amounting to £3.54m, contributed specifically to the Hungate site and not to the project in its current form. The following options were presented for funding the Land Assembly costs if this recommendation was accepted:

**Option A** – fund the land assembly costs from sale of the Hungate site in the current market environment, receive a lower capital receipt than expected and fund the difference from long term prudential borrowing.

**Option B** – fund the land assembly costs from sale of the Hungate site when the property market recovers, receive the expected capital receipt and cover the interim shortfall by prudential borrowing.

**Option C** – use the Hungate site for a future Council development and fund the land assembly costs from alternative identified funding.

Having noted the comments of the Shadow Executive on this item, it was

RESOLVED: (i) That it be noted that the abortive costs of £1.092m included in the overall Administrative Accommodation budget of £43.804m have been written off directly to the Income and Expenditure Account and funded from reserves as part of the preparation of the 2008/09 Statement of Accounts, but will remain within the total budget allocation of £43.804m.

(ii) That the overall funding of the Administrative Accommodation project, which is estimated to use a combination of capital receipts, reserves and borrowing as the sources of funding used to support the £43.804m budget, be noted.

(ii) That it be noted that the overall funding position will continue to fluctuate in relation to the timing and value of capital receipts and will impact upon borrowing accordingly, and that the project remains viable in accordance with the affordability indicators, with the NPV savings remaining positive and the Venture Fund revenue reserve being sufficient to cover the early years revenue deficit and the abortive costs paid to date (paragraphs 25-27 of the report refer).

(iii) That it be noted:

- that the £2.2m costs of relocating the Peasholme Hostel include the costs of betterment at £710k;
- that this element should not be accounted for as part of the Hungate land assembly costs;
- that, therefore, a capital scheme will be included in the capital programme for £2.83m, which is the cost of clearing the Hungate site, plus the relocation of Peasholme Hostel on a like for like basis;
- that a second scheme will be included in the capital programme for the £0.710k costs relating to the 'betterment' of the Peasholme Hostel.

(iv) That Officers be requested to table a statement indicating both the revenue and capital implications of this improvement in Social Services provision.<sup>1</sup>

REASON: To ensure that Members are kept informed of the funding position on this major project and to ensure that the accounting position is correctly recorded.

Action Required

1. Table a statement indicating revenue and capital implications, as requested

SA

**77. CYCLING CITY PROGRAMME - PROGRESS REPORT 2**

Members considered a report which provided a second update on the progress of the Cycling City programme, including work completed over the last six months and successes accomplished so far. Further updated information on growth in cycling had been circulated to Members before

the meeting (*this is now attached to the agenda on the Council's website as an additional annex to the report*).

Since the start of this period, governance structures had been agreed and a Steering Group had been formed, chaired by Cllr Steve Galloway and comprising key Council Officers and stakeholders. Stakeholder project groups had been meeting on a regular basis and the first full Stakeholder meeting had taken place in June. The programme would focus upon revenue works, improving the existing cycle infrastructure and creating new infrastructure. A communications strategy had been developed to ensure more effective and proactive communication with stakeholders and the public, using the results of the city-wide consultation carried out in the spring.

The report highlighted a number of successful events and actions over the past few months, including a Biking Viking event in April, involving 70 school children, events during Bike Week, development and delivery of York's first Festival of Cycling and completion and distribution of a new York cycle map. Progress with the Schools Group and participation, work place and public initiatives was detailed in paragraphs 26 to 39. The programme now had a 'Bike It' officer and would shortly have the services of a new co-ordinator, funded by CTC and Cycling England (CE). Progress on the cycle infrastructure, detailed in paragraphs 41 to 49, included completion of the Clifton Bridge scheme and the Beckfield Lane to Manor School scheme. Following a second CE meeting for the Cycling Towns / Cities, Officers had agreed to form a working partnership between York and Cambridge cycling programmes.

Having noted the comments of the Shadow Executive on this item, it was

RESOLVED: (i) That the progress made on the Cycling City York programme be noted and that the aims and achievements of the programme continue to be supported.

(ii) That a further update report be received in March 2010, at the end of the second year.<sup>1</sup>

REASON: To ensure that the programme stays on track and delivers the measures necessary to increase levels of cycling, and to ensure that funding is allocated to schemes most likely to deliver the programme's aim and thus strengthen the case for future years' funding and the benefits that brings, including reducing congestion and air pollution and having a healthy population.

#### Action Required

1. Schedule update report on Executive Forward Plan for March 2010 SS

## 78. INTRODUCTION OF A 'TAXI-CARD' FOR DISABLED YORK RESIDENTS

Members considered a report which responded to the Executive's request at their meeting on 20 January 2009 to explore the possibility of introducing an electronic, stored valued taxi-card to replace the national transport tokens issued to entitled, disabled residents.

Members noted that there was a need to consult more widely with the potential users of the taxi-card and it was therefore

RESOLVED: That consideration of this report be deferred to a future meeting.<sup>1</sup>

REASON: To enable further consultation and an Equalities Impact Assessment to be carried out in respect of the proposal.

### Action Required

1. Carry out EIA and schedule item on Forward Plan for a future Executive meeting SS

## 79. RESULTS OF THE PLACE SURVEY

Members considered a report which presented the outcome of the first Place Survey and sought their views on options for next year.

In 2008/09, the Place Survey had replaced the annual Residents Opinions Survey and the statutory planning, library and benefits surveys. It sought residents' views on their local area rather than just their local authority and focused more on outcomes than processes. A postal survey had been sent to a random sample of 3,145 residents during September 2008, with a 40% response rate. The results, as set out in Annex A to the report, showed that York's performance was above average in 13 of the 18 National Performance Indicators (NPIs) and in the top quartile in 10 of these NPIs, comparing well against 55 similar local authorities. An equalities analysis of the results, detailed at Annex B to the report, showed little difference in satisfaction with the Council within the equalities groups, with the exception of age. 36% of residents aged 35-54 were 'satisfied', compared to 62% of those aged 75+.

The Place Survey must be conducted every other year. Previously, the Council had conducted a Residents' Survey annually, regardless of statutory requirements. Members were invited to consider the following options:

**Option 1** – conduct the Place Survey every year.

**Option 2** – conduct the Place Survey every other year, with more specific research (eg with focus groups) in the intervening year. It was recommended that the 2009/10 budget be spent on looking at the reasons for 2008/9 results, which would be a cost neutral option.

**Option 3** – conduct the Place Survey every other year, with more specific research (eg with focus groups) later in the same year.



**Option 4** – do not conduct any surveys in 2009/10, thus saving the £8k budget.

Having noted the comments of the Shadow Executive on this item, it was

RESOLVED: (i) That the contents of the Place Survey, and the analysis included in the annexes to the report, be noted.

(ii) That approval be given to spend the Place Survey budget in the ‘fallow’ year of 2009/10 on assessing the root causes of the 2008/09 results rather than conducting a full survey, in accordance with Option 2 and Officers’ recommendations.<sup>1</sup>

(iii) That, in view of the Council’s financial position, the sample size remain the same in the next Place Survey.<sup>2</sup>

REASON: To ensure that time is set aside to gauge customers’ attitudes to public services and combat ‘consultation fatigue’.

Action Required

- |  |    |
|--|----|
| 1. Make arrangements to spend the 2009/10 Place Survey budget on assessing causes of the 2008/09 results | SA |
| 2. Ensure that the same sample size is used for the next Place Survey                                    | SA |

**80. FIRST PERFORMANCE AND FINANCIAL MONITOR FOR 2009/10**

Members considered a report which provided details of matters arising from the first performance monitor of 2009/10, covering the period from 1 April to 30 June 2009.

The report covered the Council’s service and corporate budgets, general performance against indicators at corporate and directorate level, and progress against corporate priorities. The following key points were highlighted:

- A net overspend of £2.3m was currently projected, following the identification of in year savings totalling £1.8m. Further action would be needed to bring expenditure in line with the budget.
- 54% of National Performance Indicators (NPIs) were improving, with 56% on track to meet their 2009/10 target. Equivalent figures for the LAA targets were 60% and 64% respectively.
- 6 of the 54 milestone actions in the Corporate Strategy had been completed and over three quarters were on track to meet agreed deadlines. Action was being taken to address the remainder.

With reference to the comments of the Shadow Executive on this item, Members noted that the projected revenue budget deficit was in fact lower than in some previous years and amounted to less than 1% of the Council’s gross budget.

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

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

(ii) That the finance issues identified in the report be noted, in particular:

- a) The significant pressures arising due to the economic recession and social care costs;
- b) The work already undertaken within directorates to reduce the potential overspend;
- c) The need for further work to bring expenditure in line with the budget;
- d) The longer term need for growth in some budgets, which will require compensating efficiencies and service transformation across the Council.

REASON: So that corrective action can be taken to bring the Council's expenditure within budget.

(iii) That the appropriate Scrutiny committees be requested to review the reasons for, and possible options for offsetting, the increases in the number of looked-after children,<sup>1</sup> together with the demand levels for adult community care packages and care packages,<sup>2</sup> which are both having an impact on the Council's budget.

REASON: To ensure that there are appropriate levels of intervention and support available to the community.

(iv) That Officers be requested to update the Executive on lobbying to gain for York a fair grant based on the government formula for the City, the reimbursement of the actual costs of concessionary fares, and recycling of landfill tax money to councils like York which have exceeded government targets for recycling.<sup>3</sup>

REASON: To help ensure that York receives its fair share of government grant.

#### Action Required

1. Refer this matter to the Learning and Culture Overview & Scrutiny Committee MC
2. Refer this matter to the Health Overview & Scrutiny Committee TW
3. Schedule an update report on lobbying for a fair grant on Executive Forward Plan SA

## PART B - MATTERS REFERRED TO COUNCIL

### 81. ADMINISTRATIVE ACCOMMODATION PROJECT FINANCIAL UPDATE

*[See also under Part A Minutes]*

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Costs identified as 'abortive' could no longer be treated as capital expenditure and must therefore be written off as revenue cost and funded from the Venture Fund Reserve. Actual project costs identified as abortive since 2005/06 totalled £1.092m, of which £520k expenditure incurred in 2008/09 and £572k incurred prior to 2008/09 had been funded by the Venture Fund. This had resulted in an increased call of £0.690m on the Venture Fund reserve and a consequent fall of £1.092m in the overall level of capital funding for the project. A comparison of the current headline funding position with that in July 2008 showed an indirect saving of £0.402m, due to alterations in the timings and sources of funding. Full details of the changes were set out paragraphs 27 to 39 of the report.

The reasons for the recommendation to remove the Land Assembly costs from the project budget of £43.804m was explained in paragraphs 42 to 45 of the report. Briefly, these costs, amounting to £3.54m, contributed specifically to the Hungate site and not to the project in its current form. The following options were presented for funding the Land Assembly costs if this recommendation was accepted:

**Option A** – fund the land assembly costs from sale of the Hungate site in the current market environment, receive a lower capital receipt than expected and fund the difference from long term prudential borrowing.

**Option B** – fund the land assembly costs from sale of the Hungate site when the property market recovers, receive the expected capital receipt and cover the interim shortfall by prudential borrowing.

**Option C** – use the Hungate site for a future Council development and fund the land assembly costs from alternative identified funding.

Having noted the comments of the Shadow Executive on this item, it was

RECOMMENDED: (i) That Council approve the increased use of the Venture Fund revenue reserve by £0.69m (to £2.784m) to support the early years revenue deficit, whilst noting that in the future the Administrative Accommodation project will replenish the Venture Fund reserve with the amount used, as outlined in paragraphs 17-20 and 27-30 of the report.

(ii) That Council approve the removal of the land assembly costs of £3.54m (which creates a viable asset – the development land at Hungate) from the Administrative Accommodation project budget of

£43.804m into two separate capital programme schemes:

- a capital scheme of £2.83m to include the clearance of the Hungate site and the relocation of the Peasholme Hostel on a like for like basis and
- a second capital scheme for the £0.710k costs relating to the 'betterment' of the Peasholme Hostel,

the funding to be realised from the sale of the Hungate site at the most opportune time, in accordance with Option B at paragraph 8.

REASON: To enable the effective management and monitoring of the Council's capital programme and to ensure the continuation of a balanced capital programme, as required by the Local Government Act 2003.

A Waller, Chair

[The meeting started at 2.00 pm and finished at 3.05 pm].