

Notice of meeting of

Executive

To:	Councillors Steve Galloway (Chair), Sue Galloway, Jamieson-Ball, Macdonald, Orrell, Reid, Runciman, Sunderland and Waller
Date:	Tuesday, 12 September 2006
Time:	2.00 pm
Venue:	Guildhall

AGENDA

Notice to Members - Calling In:

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

10:00 am on Monday 11 September, if an item is called in *before* a decision is taken, *or*

4:00 pm on Thursday, 14 September, if an item is called in *after* a decision has been taken.

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

1. **Declarations of Interest**

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

2. Exclusion of Press and Public

To consider excluding the press and public from the meeting during consideration of Annex 1 to agenda item 12 (Children's Magic Christmas Tree), Annexes 1 and 2 to agenda item 13 (The Bonding Warehouse) and Annex B to agenda item 14 (51 Bismarck Street), on the grounds that they contain information relating to the financial and 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 amended by the Local Government (Access to Information) (Variation) Order 2006.

3. Public Participation

At this point in the meeting, members of the public who registered their wish to speak regarding an item on the agenda or an issue within the Executive's remit can do so. The deadline for registering is **10:00 am on Monday 11 September 2006.**

4. Executive Forward Plan (Pages 1 - 2)

To receive an update on those items which are currently listed on the Executive Forward Plan.

5. Minutes (Pages 3 - 12)

To approve and sign the minutes of the Executive meeting held on 25 July 2006.

6. Minutes of Young People's Working Group and the Social Inclusion Working Group (Pages 13 - 22)

To receive the draft minutes of the meeting of the Young People's Working Group held on 13 July 2006 and the meeting of the Social Inclusion Working Group held on 26 July 2006.

7. Residual Waste Treatment Procurement (Pages 23 - 62)

This report seeks authority to submit an Outline Business Case to DEFRA for Private Finance Initiative funding, in line with the objectives of the Joint Municipal Waste Management Strategy '*Let's talk less rubbish*' and the Joint Working Agreement with North Yorkshire County Council.

8. Golden Triangle Partnership Homebuy Plus Scheme 2006-2007 (Pages 63 - 70)

This report provides an overview of the proposed Homebuy Plus Scheme to be launched by the Golden Triangle Partnership, seeks approval for the Golden Triangle Home Buyers Plus policy and requests delegation for Leeds City Council to act as bankers for the scheme.

9. Capital Strategy of City of York Council (Pages 71 - 132)

This report asks the Executive to consider a proposed Capital Strategy for the period 2006 to 2011 and a revised CRAM (Capital Resource Allocation Model) process, which aids the allocation of funding in line with the Council's corporate aims.

10. Corporate Risk Management Report 2006/07 (Pages 133 - 148)

This report details the progress made during 2005/06 in deploying risk management arrangements across the Council.

11. Education Scrutiny Committee - Report on the Extended Schools Service in York (Pages 149 - 224)

This report asks the Executive to consider the final report of the Education Scrutiny Committee on the extended schools service in York.

12. Children's Magic Christmas Tree (Pages 225 - 234)*

This report presents proposals to site an innovative "Children's Magic Christmas Tree" over the fountain in Parliament Street for the duration of the festive period, instead of the traditional 'cross street' Christmas lighting.

13. The Bonding Warehouse, Skeldergate (Pages 235 - 248)*

This report asks the Executive to consider what action should be taken to seek a beneficial use for The Bonding Warehouse that will enable the property to be put and remain in a good state of repair.

14. 51 Bismarck Street, Leeman Road (Pages 249 - 258)*

This report explains the process which has been followed concerning the disposal of the former children's home at 51 Bismarck Street and recommends the sale of the property.

15. York Central Area Action Plan (Pages 259 - 266)

This report seeks approval to suspend work on the York Central Area Action Plan (AAP) pending discussions with British Sugar to clarify their intentions for the future use of their site at Plantation Drive, York.

16. Urgent Business

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

Democracy Officer:

Name: Fiona Young

Contact details:

- Telephone – (01904) 551024
- E-mail – fiona.young@york.gov.uk

***Note:**

Parts of items 12, 13 and 14 on the above agenda may be considered in private session, as they contain information classed as exempt under the Local Government Act 1972.

For more information about any of the following please contact the Democracy 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.

Executive Meeting 12 September 2006

EXECUTIVE FORWARD PLAN

Table 1: Other items scheduled on the Forward Plan which should have been submitted to this week's meeting

Report	Author	Current Position	Likely Revised Date
Information Governance Strategy (formerly Information Management Strategy)	Robert Beane	Deferred for further work	19/12/06
Monk Bar Garage – Future Use of Site	John Urwin	Deferred to resolve development issues	24/10/06
Health and Safety Resources	Stephen Forrest	Deferred pending Executive consideration of budget papers.	24/10/06
Local Area Agreement Briefing	Nigel Burchell	Added to Forward Plan in error	N/a

Table 2: Items scheduled on the Forward Plan for the Executive Meeting on 26 September 2006

Report	Author	Current Position	Likely Revised Date
Parking Review	Peter Evely	On schedule	N/a
Report to those charged with Governance	Liz Ackroyd	On schedule	N/a
Minutes of LDF Working Group and EDB	Democratic Services	On schedule	N/a
Local Area Agreement	David Atkinson	On schedule	N/a
Yorkshire Play Funding	Simon Haddock	On schedule	N/a
Response to Recommendations of Scrutiny Board - Sustainable Street Lighting	Paul Thackray	On schedule	N/a
Pothole Report	Damon Copperthwaite	On schedule	N/a
Partnership Agreements on the 'Ftr' – Notice of Motion to Council on 29 June 2006	Julie Hurley	On schedule	N/a
Transfer of the Honour of Freedom of the City to the new Yorkshire Regiment	Elizabeth Ellis	On schedule	N/a
Bus Fare Policy – Notice of Motion to Council	Terry Walker	On schedule	N/a

Table 3: Items scheduled on the Forward Plan for the Executive Meeting on 10 October 2006			
Report	Author	Current Position	Likely Revised Date
3-4 Patrick Pool	David Baren	On schedule	N/a
Progress Report on IT Strategy 2002-2007 (formerly "Revisions to Corporate IT Strategy")	Tracey Carter	On schedule	N/a
First Capital Monitor	Tom Wilkinson	On schedule	N/a
Data Protection Policy	James Drury	On schedule	N/a
Admin Accommodation Project Update Report	Maria Wood	On schedule	N/a
Leisure Facilities Strategy	Neil Hindhaugh	On schedule	N/a

City of York Council

Committee Minutes

MEETING	Executive
DATE	25 July 2006
PRESENT	Councillors Waller (in the Chair), Jamieson-Ball, Macdonald, Orrell, Reid, Runciman, Sunderland and Waller (Chair)
APOLOGIES	Councillors Steve Galloway and Sue Galloway

41. Declarations of Interest

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

Cllrs Jamieson-Ball and Reid each declared a personal and prejudicial interest in agenda items 6 (Relocation of Peasholme Centre – Site Analysis) and 7 (Proposed Development of Manor School), as members of the Planning Committee that would deal with the subsequent planning applications for the respective development sites. Cllr Macdonald also declared a personal and prejudicial interest in agenda item 7, for the same reason. These Members all left the room during consideration of the items in which they had declared an interest, and took no part in the discussion or decisions thereon.

42. Exclusion of Press and Public

RESOLVED: That the press and public be excluded from the meeting during consideration of the following, on the grounds that they contain information relating to the financial and 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 amended by the Local Government (Access to Information) (Variation) Order 2006:

- Annex 7 to agenda item 6 (Relocation of Peasholme Centre)
- Annex 2 to agenda item 10 (Lendal Bridge Sub-Station)
- Annex 2 to agenda item 11 (Clifton Family Centre).

43. Public Participation and Ward Member Comments

It was reported that there had been three registrations to speak at the meeting under the Council's Public Participation Scheme. Each was invited to speak for three minutes, in accordance with the scheme.

Gary Miller spoke in relation to agenda item 6 (Relocation of Peasholme Centre – Site Analysis), as the landlord of the Masons Arms next door to the potential relocation site at 4 Fishergate. He raised questions about the space required for Council office accommodation on the Hungate site and the Council's ability to afford this development and indicated that he had

contacted Hugh Bayley and the Ombudsman with a view to preventing the Centre being relocated to 4 Fishergate.

Allan Hymer also spoke in relation to item 6, on behalf of residents living near to the 4 Fishergate site. He expressed strong opposition to the Peaseholme Centre being relocated to this site, stating that it would attract an undesirable element and have an adverse effect on house values in the area. He criticised the organisation and recording of the public meeting held on 14 July and requested that a further meeting be arranged to which residents be invited by post. He expressed the view that 4 Fishergate had been "earmarked" from the start as the preferred site as the Council did not want the Peasholme Centre on the same site as their new offices.

With the consent of the Chair, Cllr D'Agorne addressed the meeting in respect of item 6, as Ward Member for Fishergate ward. He expressed support for the work carried out by the Peasholme Centre but was concerned that the reasons for the proposed relocation had not been made clear to local residents. In particular, the minutes of the Executive meeting on 22 November 2005, when options for the new Council accommodation were discussed, had not been made available at the public meeting. A more suitable relocation site on Piccadilly had already been ruled out for financial reasons during previous discussions on the Arc Light relocation. It was important to the long term success of the Centre to involve local residents in the decision and ensure that community needs were met.

Christopher Hartley spoke regarding agenda item 10 (Lendal Bridge Sub-Station, Wellington Row), as the lessee of a nearby building on Lendal Bridge. He expressed support for the idea of converting the premises for use as a cycle store and suggested that this would also enable the roof space to be let as a separate area.

Note: Cllrs Reid and Jamieson-Ball left the room for the duration of the comments on agenda item 6, returning to hear the comments on agenda item 10..

44. Executive Forward Plan

Members received and noted an updated list of items currently scheduled on the Executive Forward Plan.

45. Minutes

RESOLVED: That the minutes of the Executive meeting held on 11 July 2006 be approved and signed by the Chair as a correct record.

46. Relocation of Peasholme Centre - Site Analysis

Members considered a report which advised of the outcome of consultation on and appraisal of the two possible sites for the relocation of the Peasholme Centre and sought their views on which site should be selected for the relocation.

At their meeting on 30th May, the Executive had agreed that consultation be carried out on the shortlisted sites at 4 Fishergate and Monk Bar Garage and had asked Officers to investigate the possibility of including 14 Jewberry on the shortlist. The owners of 14 Jewberry had now confirmed that they were unable to accommodate the Centre, so that site had not been included. Consultation on the other two sites had included distributing 2,000 information leaflets in the Fishergate and Guildhall wards, an open day at the Peasholme Centre and a public meeting, attended by about 40 people. An information link on the Peasholme Centre had also been set up on the Council's website and residents invited to submit their comments by 25 June.

The main issues raised at the public meeting were summarised in Annex 2 to the report and an analysis of the 28 written responses received was provided in Annex 4. Concerns raised in respect of both sites related mainly to security, personal safety and the archaeological importance of the areas. It was noted that both sites were within the central Area for Archaeological Importance and therefore subject to Policy HE10 in the Local Plan. Results of a professional and technical analysis carried out on both sites by staff from Property Services, Planning, Highways, Finance, Conservation, Housing, Adult Social Services and the Peasholme Charity were set out in paragraphs 22-30 of the report and in Annexes 5 and 6.

In response to the issues raised under Public Participation on this item, Officers confirmed that Annex 2 reflected the key issues raised at the public meeting. It had not been intended to produce minutes or a verbatim record of the meeting. Issues relating to the Hungate development had been reported to Executive on 22 November 2005 and the report and minutes of that meeting were publicly available. There had been no predetermination of the relocation site and 33 sites had been considered before drawing up a shortlist. Local residents would be consulted on the design of the new building, to ensure that it met security and other requirements.

The Chair read out a statement expressing support for the work of the Peasholme Centre and explaining the process that had led to the decision to relocate the Centre, the reasons why it could not practicably be accommodated on the Hungate site and the selection of the two alternative relocation sites. It was noted that the new building would provide purpose-built accommodation that was DDA compliant. The current Centre was considered to be very well run and there had been no complaints associated with it during the past two years.

RESOLVED: That the Executive agrees to release the site at 4 Fishergate for use by the Peasholme Centre, subject to the granting of planning permission, and on terms to be agreed with the Peasholme Charity, which are to be consistent with the arrangements made for the release of land for social housing purposes by the Council in the past.

REASON: 4 Fishergate is considered to be the more suitable of the two sites, given the proximity of Monk Bar Garage to the Bar walls and to the relocated Arc Light Centre.

47. Proposed Development of Manor School

Members considered a report which set out proposals from the Governing Body of Manor School to relocate the school to a new building off Millfield Lane and to increase its capacity from 630 to 900 places. The report summarised the outcome of consultation on these proposals and outlined further proposals for a land transfer and associated capital contribution to allow the relocation to proceed.

The relocation and expansion would support the Council's planned restructuring of education provision on the west side of the City, replace the current unsuitable school building and address the issue of oversubscription at Manor School. Statutory consultation had been carried out on the proposals and no objections had been received. Consultation had also taken place via ward committee meetings in Acomb and Poppleton wards and a public meeting hosted by the school. Again, no objections had been received and responses at the meetings had been supportive of the proposals.

A representative of the York Diocese attended the meeting to show Members plans and artists' impressions of the new school and answer questions on the design process. It was confirmed that the impact of the building on Green Belt land would be minimal and that the school's playing fields and sports hall would be made available for wider community use outside school hours. The report asked Members to agree. The Council's Head of Finance drew attention to the risks associated with the proposal to agree a capital contribution to meet the Governors' statutory liability under the grant funding arrangements, as the planning complexities were not yet known and the availability of the capital was dependent upon sales that were not yet completed. However, agreeing the contribution was the only way in which funding could be secured for provision of the new school.

With regard to the Shadow Executive's request that the British Sugar site be examined as a possible alternative site for the school, it was noted that this site had not yet been released and that the Council did not have the capital to purchase it. Members expressed surprise that this suggestion had been made, given the Council's support for saving jobs at British Sugar.

RESOLVED: (i) That the outcome of the consultation on proposals to expand and relocate Manor School be noted and that it be noted that no objections were received during the four week statutory "representation" period following publication of statutory notices.

(ii) That it be noted that the statutory School Organisation Committee has supported the proposal to increase the size of Manor School to a 900 place school, by increasing its admission number by 56 children – from 124 in 2006 to 180 in September 2009.

(iii) That it be noted that the Governing Body of Manor School intends to submit a planning application seeking permission to relocate the school to the new site off Millfield Lane.

(iv) That the land transfer proposals set out in paragraph 19 of the report be approved, subject to planning permission being secured for the new school.

(v) That £3.5m be committed to support the development of the new Manor School, from capital receipts generated by the disposal of Council assets at the existing Manor and Lowfield sites.

REASON: To enable this project, which provides a vital opportunity to improve educational facilities for young people on the west side of the City by building an up to date, DDA compliant school building with 21st century facilities, to proceed without delay.

48. Organisational Effectiveness Programme

Members considered a report which sought approval for a proposed three year Organisation Effectiveness Programme (OEP), and views on how the Executive might support delivery of the OEP.

The OEP would be key to delivering the four “enabling” priorities contained in the Corporate Strategy recently approved by the Executive, along with other organisational development actions. Taken together, there would deliver tangible improvements to the Council’s organisational effectiveness and culture over the next three years. The full range of benefits and implications of the OEP would be defined by the Chief Executive in conjunction with the four Chief Officers appointed as Organisational Champions and reported to the Executive as part of the first progress update, likely to be in October 2006.

Members agreed that it was essential to continue the cultural change within the Council to ensure best value for money and build on a “can do” ethos which would drive up quality and improve the experience of residents and customers in the City.

RESOLVED: (i) That the contents of the proposed Organisational Effectiveness Programme, attached as Annex A to the report, be noted and approved.

(ii) That the intention of the Chief Executive to lead the programme and provide regular progress reports to the Executive, be noted.

(iii) That all Executive Members discuss with their Directors how they form part of the process to implement the OEP and that this issue be an agenda item for the next

Performance Review with the Corporate Management Team and the Executive in the autumn.

REASON: So that the OEP can be delivered successfully and can bring about improvements to the Council's organisational effectiveness and organisational culture.

49. Final Report of the Sustainable Street Lighting Scrutiny Sub-Committee

Members considered a report which presented the final report of the Environment and Sustainability Scrutiny Board and the Sustainable Street Lighting Sub-Committee on the topic "Street Lighting – Strategic Management & Procurement to Reduce Carbon Dioxide Emissions and Waste".

The final report had been agreed by the Scrutiny Board at their meeting on 21 July and subsequently approved by the Scrutiny Management Committee, on 26 July, for referral to the Executive. Members were asked to consider whether to approve the findings and recommendations set out in the report, which was attached as Annex A.

Members welcomed the report, which accorded with the Council's commitment to improving the efficient use of energy and reducing the City's ecological footprint. However, it did not include an Officer appraisal of the budgetary and resourcing issues relating to the recommendations. It was therefore proposed that the Executive reserve its comments until that information was available. It was suggested that potential EU funding sources for street lighting improvements also be investigated in the meantime.

RESOLVED: (i) That the report be noted.

(ii) That an Officer report be requested from City Strategy and Resources on the implications of the recommendations and that this report be presented to the Executive meeting on 26 September for Members to comment upon each of the outcomes deriving from the recommendations.

REASON: To ensure that Executive Members are fully aware of the implications of the recommendations before making their comments.

50. Lendal Bridge Sub-Station, Wellington Row

Members considered a report which outlined options for the future use of a former sub-station at Wellington Row, adjoining Lendal Bridge.

This Grade II listed building had recently been decommissioned by Northern Electric Distribution Ltd. and had reverted back to the Council. Though in reasonable condition externally, it would require substantial investment to adapt it to a beneficial use. As part of the city's flood

defences, the basic structure must be maintained. Members were asked to consider the following options:

Option A – sell the freehold, in accordance with the budget decisions agreed by Council in March.

Option B – retain the building and invest capital to convert it for commercial use, with a view to letting it on the open market.

Option C – carry out a feasibility study on converting the building to a secure cycle park, in accordance with the recently re-written Cycling Strategy.

Members noted the comments made under Public Participation on this item and supported the suggestion that the option to rent the roof space be investigated.

RESOLVED: (i) That, subject to Resolution (ii) below, the property be sold for the best sum available on the open market.

REASON: In order to obtain a capital receipt to contribute towards the 2006-09 capital programme.

(ii) That the sale of the property be delayed for approximately three months to allow a study to take place of options for the provision of secure cycle parking in the city centre and that a report back on the options, including this property and complete with a business case, be made jointly with the Director of City Strategy within three months of this decision.

REASON: To determine whether a viable case can be made for retaining the building for this use.

51. Clifton Family Centre, Burton Stone Lane

Members considered a report which recommended demolition of the existing Family Centre on Burton Stone Lane, and subsequent sale of the site, on completion of the new children's centre at Clifton Green Primary School.

The new centre was part of a project to relocate the City's family centres to primary school sites, in order to achieve a more integrated service provision. Alternatives to the recommended option of demolition and site sale were to:

- Retain the property - not recommended, as no alternative use had been identified;
- Sell the property as it stood – not recommended, since re-use of the purpose-built centre was unlikely.

Early demolition and redevelopment would improve site security. Indicative schemes prepared by consultants suggested that the site could accommodate 8 to 12 units.

In response to issues raised by the Shadow Executive on this item, Officers confirmed that the Council's protocol on disposal of assets had been properly followed and that ward members had been contacted on 20

June with details of the proposals and given the opportunity to comment. The Head Teacher of Burton Green Primary School had also been consulted. Any issues raised regarding future development of the site would be dealt with as part of the planning process.

RESOLVED: That the recommended option be approved and that the existing property be demolished on vacation and the site sold at the earliest possible date for redevelopment and a capital receipt.

REASONS: To improve public amenity and safety, attract a new beneficial use for the existing site on relocation of the Family Centre service and raise a capital receipt to support the capital programme, which has included the new Family Centre.

52. LTP Delivery Report

Members received a report which informed them that the Local Transport Plan (LTP) Delivery Report had been prepared and would be issued to the Department of Transport at the end of July.

The Delivery Report identified key achievements against the objectives of the first LTP over the five years from April 2001 to March 2006 and was one of the criteria used to determine government funding for future years. York's key achievements in the main strategy areas had included:

- Launch of the ftr as a new concept in public transport
- Park and Ride spaces increased by 30%
- A shift to more sustainable modes of transport, indicated by reduced numbers in council car parks and increases in bus and rail passengers
- A 75% reduction in car park related crimes
- Reduced traffic volumes in peak periods
- Development of the Traffic Congestion Management System
- A general improvement in air quality across the City
- Significant reductions in the number of people killed and seriously injured on the roads
- Percentage of children cycling to school increased to 11%
- Compliance with all the DfT benchmark standards for good condition of roads
- Percentage of footways needing repair reduced from 35% to 11%.

Members expressed thanks to all the Officers involved for their hard work and dedication in achieving sustained results over the five year plan period.

RESOLVED: That the preparation of the Delivery Report, to be submitted to the Department for Transport at the end of July 2006, be noted.

REASON: For information.

A Waller, Chair

[The meeting started at 2.00 pm and finished at 3.50 pm].

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City of York Council

Committee Minutes

MEETING	YOUNG PEOPLE'S WORKING GROUP
DATE	13 JULY 2006
PRESENT	COUNCILLORS JAMIESON-BALL (CHAIR), ASPDEN, KING, VASSIE AND BLANCHARD (SUBSTITUTING FOR CLLR KIND)
APOLOGIES	COUNCILLORS KIND AND RUNCIMAN

1. INTRODUCTIONS

As this was the first meeting of the new Working Group, the Chair introduced the Officers present who would be supporting the Group's work – Bernie Flanagan, Children's Fund Programme Manager and Carole Pugh, Voice & Influence Co-ordinator. Also in attendance was Sarah Larner, a Young People's Development Worker funded by Connexions, who was working on a number of associated projects, including one aimed at making volunteering more attractive to young people.

2. DECLARATIONS OF INTEREST

The Chair invited Members to declare at this point any personal or prejudicial interests they might have in the business on the agenda. Cllr Blanchard declared a personal, non-prejudicial interest in the business generally, as Chair of Young Enterprise.

3. MINUTES

RESOLVED: That the minutes of the last meeting of the Young People's Advisory Panel, held on 25 April 2006, be approved and signed by the Chair as a correct record.

4. PUBLIC PARTICIPATION

It was reported that nobody had registered to speak at the meeting under the Council's Public Participation Scheme.

5. HEAR BY RIGHT - NEXT STEPS

Members considered a report which summarised the Hear By Right standards for children and young people's involvement, looked at where the Council currently stood against the standards and highlighted some recommended action points.

In 2003, work had begun on developing a corporate policy on young people's involvement, based on the Hear By Right principles. The policy had not been completed, but since then much work had been undertaken around the active involvement of children and young people, with

increasing emphasis on the importance of such involvement in national policy.

Hear By Right had been developed by the National Youth Agency and the Local Government Association and provided a framework against which involvement work could be mapped. It set out 7 Standards against which organisations were asked to evaluate their performance. The standards had been adapted and condensed into a format that could be used to map and plan involvement work across the Council. These revised standards were attached as Annex 1 to the report. If approved, they would be used by the YorOK Children's Trust Involvement Group to undertake a mapping and planning exercise, enabling priorities to be set for the next 12 months.

Members expressed approval of the revised standards, which would be more practical to apply and monitor than the original version. However, some explanation was needed for the lay reader regarding the statements at the top of each page, which represented the opinions expressed by young people nationally. Officers agreed to add an introductory page to the revised document and to circulate copies of the full Hear By Right document and information on Voice and Influence work to those Members who requested it.

RESOLVED: That the adoption of the revised Hear By Right standards, as set out in Annex 1 to the report, be supported.

REASON: In order to take forward voice and influence work with children and young people.

6. **REVIEWING THE CHILDREN AND YOUNG PEOPLE'S CHAMPION SELECTION PROCESS**

Members considered a report which looked at the lessons learned from the selection process for the Children and Young People's Champion this year and proposed actions for designing and undertaking future selection.

The report outlined four options for the future selection process:

Option 1 – full election process run in all schools.

Option 2 – election at the primary / secondary school council conferences.

Option 3- hustings at the school council conferences, followed by a simpler voting process in schools.

Option 4 – “I'm a councillor get me out of here”, a scheme run during democracy week which offers a national web-based approach enabling children and young people to interact with councillors, and vote, on-line. This was quite an expensive process and did not extend the number of children and young people who could be involved.

Option 3 was recommended, on the grounds that it would provide an opportunity for a cross section of children and young people to meet and talk to prospective candidates face to face, in accordance with their preference. It was recommended that elections take place in line with the council elections, rather than annually, as this would enable the election processes to be linked and would allow the Champion longer to build networks and make changes.

In discussing the three options, Members indicated that Option 1 would be their ideal choice, as the aim was to teach young people about the election process. It was therefore important that the process be as authentic as possible and that maximum participation be encouraged. However, it was recognised that this would depend upon the resources available and the willingness and ability of schools to become involved.

RESOLVED: (i) That election rules be set and agreed before the process is run again and that a clear timetable and rules be established and agreed 3 months in advance of the election date.

REASON: To ensure the fair and smooth running of the election process.

(ii) That further exploration regarding the process to be adopted be undertaken with young people and schools, and a report on the outcome brought back to the next meeting of the Working Group.

REASON: So that the Group can be clear about the wishes of young people and the resources that schools are able to offer before making a decision on the process, with a view to ensuring that the chosen option involves the widest possible participation and is run along similar lines to an adult election process.

(iii) That it be agreed that the selection process should be run every 2 years and that the next process should be undertaken in October 2007.

REASON: In order that young people be given as many opportunities as possible to participate in the election process during their time at school.

7. THE REMIT AND FUTURE WORK OF THE YOUNG PEOPLE'S WORKING GROUP

Members considered a report which advised them of the remit for the Young People's Working Group approved by the Executive Members for Children's Services, including arrangements for dealing with the Group's future work plan.

The remit had been considered at a meeting of the Executive Members for Children's Services and Advisory Panel (EMAP) on 8 June 2006, as part of a report entitled "Voice and Influence". The Executive Members had agreed details of the work areas on which the Group should focus its activities, that the Group should have regular Officer support through the Youth Service and that it should meet on a quarterly basis, to allow time for the provision of high quality support. Details of the agreed proposals were set out in paragraph 3 of the report. Draft minutes of the EMAP meeting were attached as Annex 1.

Members discussed and agreed items for the Group's future work plan.

RESOLVED: (i) That the approved remit for the Young People's Working Group be noted.

(ii) That it be noted that the Group will receive future reports setting out a work plan with targets based upon that remit.

REASON: To ensure that the Group can pursue its work within a clear set of parameters.

(iii) That the following items be agreed for inclusion on the work plan:

Item	Meeting Date	Notes
Children & Young People's Plan	25 October 2006	
Youth Offer Pilot	25 October 2006	
Volunteering	25 October 2006, then as required.	How this is being addressed by the Young People's Development Worker
Key messages from consultation	Ongoing	Standing item, enabling the Chair to provide verbal updates to the Group
Events Programme	Ongoing	Standing item, informing the Group of key events involving consultation
Hear By Right Update	As required	

C Jamieson-Ball, Chair

[The meeting started at 5.00 pm and finished at 6.30 pm].

MEETING	SOCIAL INCLUSION WORKING GROUP
DATE	26 JULY 2006
PRESENT	COUNCILLORS JAMIESON-BALL (CHAIR), CUTHBERTSON (VICE-CHAIR), FAIRCLOUGH, KING, POTTER AND SCOTT
IN ATTENDANCE	JACK ARCHER (OLDER PEOPLE'S ASSEMBLY) PETER BLACKBURN (LGBT FORUM) LYNN JEFFRIES (DISABLED PEOPLE'S FORUM) SUE LISTER (OLDER PEOPLE'S ASSEMBLY) REV. PAUL WORDSWORTH (CHURCHES TOGETHER IN YORK)
APOLOGIES	COUNCILLOR SUE GALLOWAY

1. **DECLARATIONS OF INTEREST**

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

The following Members declared personal, non-prejudicial interests in the general business of the Working Group and asked that these be noted as standing declarations at each meeting of the Group:

- Cllr King – as a member of the Access Group
- Cllr Potter – as Older People's Champion
- Cllr Scott – as Young People's Champion

2. **PUBLIC PARTICIPATION**

It was reported that Sue Lister, of the York Older People's Assembly, had registered to speak at the meeting under the Council's Public Participation Scheme. She was invited by the Chair to participate in the general discussion at the meeting rather than confining her comments to Public Participation.

3. **DEVELOPING THE SOCIAL INCLUSION WORKING GROUP (SIWG)**

Members considered a report which provided an overview of the purpose of the Social Inclusion Working Group (SIWG) and its relationship to other bodies and invited them to discuss the way forward for effective development of the SIWG. The Chair invited all those representatives of community forums who were present at the meeting to participate in the discussion.

To assist the discussion, the Equalities Officer had produced a "Questions and Answers" document, providing information on the purpose and membership of the Group, the type of issues it would discuss and how it could involve community representatives. Members were advised that, as

a Working Group, their role was to advise the Executive. The Group had no powers to co-opt members or incur expenditure and must comply with the protocol on Councillor Working Groups (pages 369-371 of the Council's Constitution).

During their discussion, Members and representatives raised concerns about the gender and ethnicity balance of the Group. They were strongly in favour of appointing co-opted members, with voting rights, to the Group, although it was recognised that such appointments would have to be made by full Council. The opinion was expressed that if the Constitution did not enable non-statutory co-optees to have voting rights, then it should be revised. To ensure gender balance, there should be two co-optees from each representative group, even if this increased the membership to 20 or more. Meetings should be facilitated by dividing into small "breakout" groups for initial discussions. However, the results of these discussions must be reported back to the full meeting in order to comply with legal requirements for meetings and decisions to be transparent and publicly accessible. It was agreed that further information was needed before deciding which community groups should be invited to nominate representatives / co-optees on behalf of younger people.

RESOLVED: (i) That the Executive be advised that the Group wishes to co-opt two members to represent each of the following equality strands:

- Disability
- Ethnicity
- Older people
- Younger people
- Faith groups
- Sexual orientation.

(ii) That the Equalities Officer write to the following community groups inviting them to nominate representatives to attend future meetings of the Group, with a view to these representatives being appointed by Council as the co-opted members of the Group:

- The Disabled People's Forum (once it has been set up)
- The BME Citizens' Open Forum (ethnicity)
- The Older People's Assembly
- The LGBT Forum (sexual orientation)
- The Inter-Faith Forum (faith groups)

(iii) That the Equalities Officer report back to the Group with suggestions as to which organisations might best represent younger people.

(iv) That, until and unless the nominated representatives can be appointed by Council as co-opted voting members, the following voting procedures be applied:

a) When a proposal has been moved and seconded, the Chair will invite all Members and representatives present to

vote on the proposal, in order to gauge the views of the group as a whole;

b) Group Members will then vote on the proposal and take the decision.

(v) That a report be requested from the Head of Civic, Democratic and Legal Services on how co-opted members can be appointed and involved in the Group's work without breaching the Council's Constitution or legal requirements.

(vi) That the next meeting be preceded by an informal session during which Members and representatives can discuss matters on the agenda, without reaching any decisions, before providing feedback on their discussions to the formal meeting, where decisions will be taken, and that further consideration be given to ways in which the informality of future meetings can be increased, subject to the requirements of the Constitution.

(vii) That consideration be given to the venue for future meetings, which should be both accessible and capable of accommodating a large group of people, and to the format of the minutes, which should also be made as accessible as possible.

(viii) That future meetings of the Group begin at 6pm, subject to review in the light of the wishes of Members and community group representatives.

4. BUDGET

Members considered a report which invited them to consider how the budget allocated to social inclusion issues could most effectively be used.

The budget allocation was £7,240. It was suggested that this could be used to make meetings more accessible and inclusive, support engagement within the wider community, facilitate forum meetings or support initiatives prioritised by the Group. It was explained that, technically, the Group could not make budgetary decisions and the Equalities Officer had control of the budget allocation. However, his decisions would be guided by the Group's advice.

Members discussed the approach they should take to advising on the use of the budget and whether more funds were likely to be needed. It was agreed that a structured approach was needed and that it would not be appropriate to seek further funding until concrete proposals for spending the current allocation had been developed.

RESOLVED: (i) That the Group develop specific proposals, with defined outcomes, for spending the budget allocation.

(ii) That the Equalities Officer, when writing to community groups to invite their nominations, also invite them to bring

suggestions to the next meeting as to how the budget might be used to help them engage effectively in the Group's work.

5. FORWARD PLANNING

Members considered a report which suggested items for discussion at future meetings of the SIWG and invited them to agree a forward plan.

It was suggested that the Group might wish to discuss:

- The Centre for Inclusive Living Feasibility Study
- The Local Development Framework
- The Pride in Our Communities Equality Strategy Update and Review
- York's Changing Black and Minority Ethnic Population
- Inspection Report – Learning Disability Services
- Diversity in the City of York Council's Workforce
- York Central.

Members also considered standard items, to be included on the agenda for every meeting. It was noted that, in order to comply with legal and constitutional requirements on access to information, agenda items should normally be accompanied by written reports.

RESOLVED: (i) That the following items be included on the agenda for the next meeting of the Group, on 20 September 2006:

- **Diversity of the City of York Council's Workforce** – to receive the views and ideas of community representatives and, in the light of these, advise on actions to be included in the Council's Employment Equality Improvement Plans.
- **Voice and Influence Work** – to invite the Voice and Influence Co-ordinator from the Youth Service to attend and provide further information on the work being done to reach out to young people and how this can best link with the Social Inclusion Working Group.
- **Report of the Head of Civic, Democratic and Legal Services** – to explain how co-opted members can be appointed and involved in the Group's work without breaching the Council's Constitution or legal requirements.

(ii) That the following item be included on the agenda for a future meeting:

- **Centre for Integrated Living Feasibility Study** – to receive a presentation from Lynn Jeffries on the methodology and results of this study, consider the findings and advise on the next steps in the development of inclusive living services for disabled people.

(iii) That the following be included as standard items on every agenda:

- **Community Forum Reports and Feedback** – to receive notes or minutes from meetings of those community forums involved in the Group's work.
- **Forward Plan** – to agree items for future meetings of the Group (this should be the last item on the agenda).

C Jamieson-Ball, Chair

[The meeting started at 7.00 pm and finished at 9.15 pm].

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Executive Meeting

12 September 2006

Report of the Director of City Strategy

Residual Waste Treatment Procurement

Executive Summary

1. This report requests the authority to submit an Outline Business Case (OBC) to DEFRA for PFI funding in line with the objectives of the Joint Municipal Waste Management Strategy 'Lets talk less rubbish' (JMWMS) as agreed by Full Council on 29 June 2006 and Joint Working Agreement (JWA) with NYCC (as agreed at the Executive on 25 October 2005).
2. The key features of the OBC are: -
 - a) The business case has considered a wide range of options, including a range of residual waste treatment technologies that will achieve the objectives of the JMWMS. However it is recognised that new technologies are developing and the ultimate solution may well not be one of the options considered in the OBC. Following risk assessment of a number of options, a reference project has been identified for the purposes of demonstrating a deliverable cost effective solution. At this stage no decisions have been made or are being recommended in relation to the technology to be employed.
 - b) The reference project covers all Waste Management Services except waste collection; the reference case (for which PFI funding is sought) is residual waste treatment services. The remaining waste services (transfer, recycling, composting and landfill) will be procured separately by NYCC and CYC.
 - c) The procurement process will determine the technology to be procured. The market will be invited to put forward any options that satisfy the JMWMS. At a recently held bidders day, a large number and range of technology providers attended with potential solutions (examples included MBT with inert residue and In-vessel composting). The bidders attending were keen to participate in the procurement.
 - d) In accordance with Treasury Taskforce Guidance, the reference project offers value for money,
 - e) The Councils will face an increasing 'affordability gap' between the current levels of service and the 'reference project' cost. They will commit to finding the additional resources to make the project affordable.

- f) Both Councils' officers are identifying potential suitable sites, and work on planning is to be pursued as soon as possible. From the work done to date it is very unlikely that these will be located within the CYC boundary.
- g) Yorwaste will be requested not to participate in the PFI residual waste treatment contract
- h) Delivery standards for waste collection services will need to be achieved.

Purpose of Report

- 3. To request the authority to submit an Outline Business Case (OBC) to DEFRA to bid for PFI funding to provide the necessary technologies to deal with the increasing problems of waste disposal. The key issues for consideration are discussed below: -
 - i) Procurement strategy
 - ii) Value for money and affordability of the project
 - iii) Sites and planning issues
 - iv) The role of Yorwaste
 - v) Partnership arrangements

Background

- 4. The Council approved its current Waste Strategy in November 2004; this was specific to York. In addition the Council supported the Joint Municipal Waste Management Strategy (JMWMS) in July 2006; this revised JMWMS is a high level strategy with key objectives and targets for the partnership (NYCC, NYCC districts & boroughs and CYC). The strategy focuses on waste minimisation, increased re-use, recycling and diversion from landfill. Central to delivery of the strategy is the need to treat residual waste. The partnership/each Local Authority has specific action plans to deliver their contribution to the strategy.
- 5. City of York Council is working on action plans on minimisation, re-use and recycling. This procurement project will deal with waste only after waste minimisation activities have taken place and re-use and recycling have been maximised. It is assumed that some waste will continue to be put into landfill (ensuring that we don't exceed the landfill allowances allocated).
- 6. As part of its current strategy the Council has agreed to work in partnership with NYCC to deliver the residual waste treatment element of the strategy. It was originally anticipated that this would involve letting a single 'semi-integrated' service contract for recycling, transport and treatment of waste. However, recent changes to the criteria for award of PFI projects has required a review of the procurement strategy which has concluded that services should now be disaggregated, with joint procurement limited to treatment of residual waste only. Both Councils have signed a joint working agreement setting out how the Councils' will work together, share responsibilities and costs (Executive 25 October 2005).

7. DEFRA have indicated that some £65m of PFI credits are available subject to Treasury approval of the scheme.
8. This report considers the Business Plan for the waste treatment part of the strategy in the form of an Outline Business Case (OBC). The capital investment needed to deliver the strategy requires a commitment to long-term finance and service provision. The Business Plan proposes a request for PFI funding in support of the project on the basis that PFI provides the only available source of external revenue support at this time. The latest draft Executive Summary is attached at Appendix 1, the key issues are set out below. A copy of the non-confidential parts of the OBC will be made available on request.

Procurement Strategy

9. (1) Scope of the contract

The two Councils, NYCC and CYC, had been considering a semi-integrated approach to waste treatment (i.e. a single long term contract for all waste management services except waste collection). DEFRA will now only support PFI projects focussing on residual waste treatment services. Evaluation work on packaging options and funding approaches was carried out by the Officer Project Group and its financial and technical advisors with support from the Strategic Project Board comprising NYCC and CYC Chief Executives' and Operational and Financial Directors. This concluded that a disaggregated approach offers Best Value with a) the residual waste treatment services and facilities procured through PFI and b) waste handling, recycling and composting services procured using internal resources separately; packaged as each Council believes appropriate. The Councils are therefore seeking PFI credits to support only the residual waste treatment services contract.

One of the major issues in adopting a disaggregated approach (which will mean that the overall delivery is covered by a number of different contracts) is the potential increased number of interfaces between contractors. However it is felt that the disaggregated approach will attract more market interest, and thus competition, which should reduce bid prices. In addition the Government has indicated they will only provide PFI support for disaggregated waste contracts. Significant market interest, for this form of contract packaging from a wide range of differing technology providers, was shown at a recent soft market-testing (bidders) day held in York on 26 July.

- (2) Options Appraisal

There are a range of technology options that could deliver the waste treatment project, taking into account waste strategy objectives, the results of the Best Practical Environmental Option (BPEO) analysis and the results of public consultation. The Councils proposed approach to procurement is to use the Public Private Partnerships Programme (4Ps) model documentation including an output specification, payment mechanism and project agreement.

The output specification enables bidders to put forward a range of proposals that will deliver the objectives of the waste strategy. This means that the Councils will not be determining the technology used but will be specifying through the evaluation criteria how the service will be delivered. The Councils recognise that the eventual choice of technology will be in response to market proposals on how to deliver output targets, and that no one option is more or less likely to deliver a particular technology.

It is therefore important that evaluation criteria are weighted appropriately to ensure the selected bid achieves the objectives of the project. Examples of criteria will be the cost (and therefore affordability) and the environmental impact of the final proposal chosen.

For the purposes of considering the value for money, affordability and delivery of the project it is necessary to identify and cost specific options. Detailed options appraisal work was undertaken to identify a 'reference project' that delivered the objectives identified using evidence from BPEO, public consultation, costings and risk assessments. A summary of this work and conclusions is set out in the Executive Summary.

The **reference project** identified consists of

- Treatment of residual waste (the reference case)
- Transfer and recycling services
- Composting services
- Landfill disposal services

The **reference case**, for the purposes of Outline Business Case (OBC) is: -

- 1 (Mechanical Biological treatment plant) MBT from 2010 in York area.
- 1 (Energy from waste plant) EFW from 2013 in County Council area.
- SRF (Solid Residual Fuel) from the MBT plant, sent to EFW to produce energy.
- In the years between 2010 and 2013 until the EFW is built, it is assumed the SRF will go to landfill.

The 'reference project' has been compared to the 'status quo' situation to ensure the project offers value for money, and to budget projections to check the affordability of the project. This will be considered later in the report.

As explained above, the procurement process will determine the final solution, which may reflect the reference case, but may reflect technologies still developing at this time.

(3) Funding Options

In addition to looking at technology options, risk assessments were undertaken in relation to funding opportunities. Private Funding (PFI), Public Private Partnerships (PPP) and prudential borrowing were all considered as options for the reference project. It was felt that the net impact of receiving additional PFI grant funding outweighed the additional procurement requirements and costs for the residual waste treatment services contract, because of the significant capital investment required. In addition a complex procurement involves significant risks and a PFI or PPP approach enables the transfer of those risks to the private sector. Early soft market testing with potential funders on 25 July 2006 gave a positive response to the proposed procurement methodology.

Timescales

10. The key dates in the procurement timetable as set out at table 1.8 in the Executive Summary, are

	Stage	Date
1	Submission of OBC to DEFRA	September 2006
2	OBC approval	January 2007
3	OJEU notice published	February 2007
4	Information Pack and PQQ issued	March 2007
5	Issue Invitation to Participate in Dialogue	July 2007
7	Call for Final Tenders	November 2007
8	Tender evaluation	December 2007 to May 2008
9	Announce Preferred Bidder	June 2008
10	Due diligence	September 2008 to November 2008
11	Contract sign off	November 2008
12	Commencement of contract	December 2008

LATS Strategy

11. The reference project is based on waste flow projections using 2003/04 data. Because of the complexity of the costing and financial modelling it has not been possible to update to more recent data. However, the implications of basing the reference project on 2003/04 data have been tested and have been shown to be relatively immaterial over the life of the project, although the implications are significant to short term LATS demand. A report was submitted to the Environment and Sustainability EMAP setting out the CYC LATS (landfill allowances) position in November 2005; this showed that by 2008/09 the Council would be landfilling more waste than it had been allocated in Landfill Allowances. As such, CYC would be subject to LATS penalties unless additional actions such as recycling were undertaken. Further work is ongoing and it is intended to report to the Executive in Autumn 2006 on the LATS position and strategy for York.

12. The OBC assumes that the Councils will be in deficit for LATS from 2008/2009 to 2012/13.

Competitive Dialogue

13. DEFRA are anticipating that the competitive dialogue process, recently introduced, will be used for the PFI procurement. The impact of this is that the 'dialogue' will take place earlier in the process than under traditional PFI contracts, thus causing additional bidding costs for potential contractors. Further discussions are being held prior to making a final decision on the use of this process.

Value for Money/Affordability

14. As set out above, the OBC compares the cost of 'status quo' – ie continuing with the existing service provision and accepting landfill tax, LATS penalties, and the 'reference project' as described above. Both capital and revenue costs have been taken into account and a net present cost calculated. A significant number of assumptions have been built into the financial modelling, including assumptions on LATS penalties and the trading value of LATS. Costs are compared using procurement through a conventional approach Public Sector Comparator, (PSC) and PFI funding. In accordance with Treasury Taskforce guidance a qualitative and quantitative assessment is required. In addition sensitivity analysis is required by the Treasury to ensure the assumptions and business case are robust. The results of the analysis are set out in the Executive Summary.
15. The cost of the Reference Project has been established as £195M lower than that of the status quo over the life of the Project. This calculation illustrates that the Reference Project offers value for money as part of the options appraisal.
16. The OBC also compares the cost of the reference project and assumed PFI support to projected budgets in order to determine the 'affordability gap'. All options including the status quo will cost considerably more than the Council now pays for dealing with the City's waste. The latest estimate of the 'affordability gap' is set out at table 6.7 in the Executive Summary. The table identifies the 'gap' for the whole project and for Years 1 to 6 that the two Councils will share, should the costs envisaged in the model be the true costs of the contract and the other local methods of dealing with waste. The table shows a significant increase in costs in 2008/09 and further increases each year until there is a further very significant increase in 2013/14 as the main facilities for residual waste treatment are projected to come on stream.
17. Both Councils will seek to profile the increased costs and to 'smooth' the increases required year on year to ensure they can be contained within annual overall Council Tax increases. The impact on City of York Council budgets will be very significant and a significant reprioritisation of budgets and spending towards waste management and away from other services will be necessary.
18. The conclusion as stated in Section 1.6 of the Executive Summary, is that the Councils recognise the necessity to allocate resources sufficient to make the project affordable over the life of the contracts, subject to any further obligations and financial parameters as directed by DEFRA or any other Government department. This is on the basis that the projected costs of the project are

considerably less than the costs of doing nothing. However, in providing this commitment it should be noted that the reference project does not represent the least cost option, but has been proposed as the 'best' option of those evaluated, having regard to all the issues including cost.

Sites and Planning

19. This is the issue seen by DEFRA as the most critical in the delivery of waste PFI projects. The Councils are working together to identify potential suitable sites and to ensure they are considered as part of the emerging Local Development Frameworks. An initial site search has identified a number of potentially suitable sites for the range of infrastructure requirements across the County. These are being reviewed with a view to NYCC securing sites sufficient to deliver the project. These sites can then be made available to all bidders on an equal basis thereby increasing the likely number of bidders.
20. Work on developing planning applications for transfer stations and other front-end services will begin as soon as sites are secured. It is currently proposed that planning applications for treatment plant will be delayed until after appointment of a preferred bidder although significant pre-planning assessments will be conducted in order to give bidders greater comfort that a successful planning application is possible. However, it is proposed to ensure that a minimum of 2 strategically located sites, suitable for development as treatment plants, are secured and made available to all PFI bidders. It is unlikely that any suitable sites will be identified within the City of York boundary. The project officers are maintaining close contact with the Councils' planning teams to ensure a high degree of co-ordination is achieved in relation to the Local Development Frameworks. Updates on sites and planning issues will be brought to the Executive in due course.

The Role of Yorwaste

21. The Councils' jointly own the Local Authority Waste Disposal Company (LAWDC) Yorwaste. Yorwaste owns or controls a number of strategically placed sites and is the main waste management contractor for both NYCC and CYC. Yorwaste also provides services to other Local Authorities within North Yorkshire and the Region.
22. Following extensive evaluation, it has been concluded that it is not in the Councils' interests for Yorwaste to bid for the PFI residual waste treatment contract. This is due to a range of issues but primarily because of the likely impact Yorwaste's involvement will have on competition and the potential for prejudicing the award of PFI credits (due to a lack of risk transfer and impact on competition). However, it is anticipated that Yorwaste will participate in the competition for waste handling and recycling services subject to normal competitive procurement processes.

Partnership Arrangements

23. There is already a joint working agreement (JWA), in place between NYCC and CYC with regards the PFI procurement. In addition both Councils (and the NY district & borough Councils) have all approved the JMWMS. NYCC and the NYCC districts & boroughs have a 'statement of agreed principles', which is being developed into Service Level Agreements (SLA's). These will result in

guarantees of recycling performance, agreed collection methodology, agreed delivery points (transfer stations), waste analyses being undertaken and joint waste minimisation initiatives. As a collection authority, CYC will need to ensure it has similar delivery standards for its collection arrangements.

24. NYCC will be the lead authority in the procurement and CYC and NYCC will agree a financial allocation mechanism to ensure an equitable allocation of financial and legal obligations under the PFI contract. Initial work has taken place on this and will be concluded as part of the contractual arrangements.

Corporate Priorities

25. The Council has recently agreed Improvement Statements, as part of the Council Plan. IS1 is 'to decrease the tonnage of biodegradable waste and recyclable products going to landfill'. This project addresses the action 'to undertake a review and audit of the amount of waste generated and disposal methods, of waste from Council activities'.

Implications

26. The following implications apply.

- **Financial**

27. There are extremely significant financial implications for this project. External financial advisors have been employed to ensure appropriate advice is received. In addition the Director of Resources is on the Strategic Project Board. The CYC waste disposal budget is made up as follows: -

	2005/06 £000	2006/07 £000
HWRC management and disposal	629	553
HWRC transfer and processing costs	375	226
Residual waste disposal	1,087	1,258
Landfill tax	1,661	1,751
Recycling credits	459	459
Annual waste disposal budget	4,211	4,247
Budget not available for reference project	N/A	-459
Available budget for reference project	N/A	3,788

28. The net budget assumed as available for delivery of the Reference Project is therefore £3,788k. North Yorkshire County Council have similarly identified an existing budget of £12,671k. These figures have been inflated by 2.5% year on year (thereby ignoring the effect of waste growth, LATS and landfill tax increases) and form the basis of the available budget for comparison with the projected costs of the reference project. It should be noted that landfill tax is budgeted at £21/tonne in 2006/07 and will rise by £3/tonne annually until it reaches £35/tonne in 2011/12.
29. The net impact of the Reference Project on the budget for CYC alone is identified in the Table below (based on the 2003/04 waste flow projections,

rather than updated projections at this stage). This assumes a split between NYCC and CYC on the basis of assumed waste tonnages, which will require further analysis. The figures set out below included LATS.¹

	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14
	£000	£000	£000	£000	£000	£000	£000	£000
Total Reference Project cost	3,788	3,883	7,919	9,468	11,004	11,718	12,650	13,256
Budget PFI Credits	-3,788	-3,883	-3,980	-4,079	-4,181	-4,286 -566	-4,393 -566	-4,503 -1,303
Budget Gap	0	0	3,940	5,389	6,823	6,867	7,692	7,451
Council Tax Increase	0%	0%	6.2%	2.1%	2.6%	0.1%	1.4%	-0.6

(It should be noted that the significant increase in costs in 2008/09 occur as recycling and transfer infrastructure are brought on- stream).

30. Both Councils will seek to profile the increased costs and to 'smooth' the increases required year on year to try to ensure they can be contained within annual overall Council Tax increases. As identified in the table above the impact on City of York Council budgets will be considerable and a significant prioritisation of budgets and spending towards waste management and away from other services will be necessary.
31. As stated earlier in the report there are a significant number of assumptions. One of the key assumptions is the trading value of LATS permits. These are as follows: -

Years	Landfill allowance trading price (£/t)
2005/06 – 2007/08	30
2008/09 – 2009/10	70
2010/11 – 2012/13	120
2013/14 – 2018/19	100
2019/20 – 2024/25	75
2026/27 – 2032/33	50

32. LATS penalties will be at £150/t for each tonne of biodegradable waste the Council landfills in excess of allowances held (after leasing, borrowing or trading). If CYC landfills 10,000 tonnes in excess of its allowances in 2009/10 will cost £1.5m.

- **Human Resources (HR)** – there are no HR implications.

¹ The decrease in estimated costs in 2013/14 relates to the assumption that there will be surplus LATS allowances. If this does not prove to be the case there will be a significant increase in cost in that year.

- **Equalities** – there are no equalities implications.
 - **Legal & Procurement Implications**
33. The PFI process is a complex legal and procurement exercise. As such legal advisors have been employed to advise the project team. In addition the Head of Civic Democratic & Legal Services attends the Internal Waste Board and is involved in the project as needed. The standard 4Ps procurement pack is being followed to ensure appropriate procedures are followed, and the corporate procurement team is kept up to date with ongoing developments.
- **Crime and Disorder** - there are no crime and disorder implications.
 - **Information Technology (IT)** – there are no IT implications.
 - **Property** – there are no Property implications.
 - **Other** - there are no other implications.

Risk Management

34. There are clearly significant risks in a project of this magnitude and complexity. As a result, specialist risk management consultants have been identified and will be engaged as part of the project procurement team. In addition this project is ranked as a high risk on the strategic risk register. Detailed risk analyses have been carried out as part of the options appraisals work, as set out in the Executive Summary. At this stage, any commitment to submit the Outline Business Case does not in itself present significant risk. A more detailed assessment of the risks of the project will, however, be brought to the Executive when DEFRA have responded to the Outline Business Case.

Way forward

35. (a) The OBC sets out NYCC and CYC's business case for the procurement of residual waste treatment. The revised procurement strategy is based on: -
- Joint procurement of residual waste treatment only, funded through PFI funding (the technology to be determined through the procurement process).
 - Each Council will procure other front-end services and landfill services separately and independently.
 - In the event of PFI funding not being available, joint procurement to be pursued using alternative funding (PPP or prudential borrowing).
- (b) The OBC offers value for money in accordance with Treasury Task Force guidance and the Councils need to be committed to finding the additional resources to fund this project.
- (c) To advise Yorwaste shareholders that Yorwaste be requested not participate in the residual waste treatment contract.

Recommendations

36. The Executive is requested to
- a. Approve the delegation of submission of the Outline Business Case to DEFRA as a bid for PFI funding to the Director of City Strategy based on the attached Draft Executive Summary of the OBC.
 - b. Confirm that the Council recognises the necessity to allocate resources sufficient to make the project affordable over the life of the contracts, subject to any further obligations and financial parameters as directed by DEFRA or any other Government department.
 - c. Confirm the residual waste treatment project offers value for money to the City of York Council.
 - d. Confirm that Yorwaste be requested not to participate in the PFI residual waste treatment contract.
 - e. Note and support the approach to sites and planning issues.
 - f. Note that delivery standards for CYC collection services will need to be achieved to interface with the PFI contract.

Contact Details

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Chief Officer Responsible for the report:

Bill Woolley
 Director of City Strategy

Report Approved **Date** 31 August 2006

Andy Hudson
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 No. 01904 551814

Simon Wiles
 Director of Resources

Report Approved **Date** 31 August 2006

Wards Affected:

All

For further information please contact the author of the report

Annexes:

Annex 1 – York & North Yorkshire Waste Management Partnership, Waste PFI Outline Business Case Executive Summary – September 2006.
 Annex 2 – Total Waste 2005/6 diagram

Background Papers:

York and North Yorkshire Waste Management Partnership Waste PFI Project Outline Business Case

Previous reports to Executive:

- Joint Waste Management Strategy Report
- Legal Agreement with NYCC

Glossary of Terms

JMWMS	Joint Municipal Waste Management Strategy
OBC	Outline Business Case
NYCC	North Yorkshire County Council
CYC	City of York Council
JWA	Joint Working Agreement
PFI	Private Finance Initiative
DEFRA	Department of Environment, Fisheries and Rural Affairs
BPEO	Best Practical and Environmental Option
4Ps	Public Private Partnership Programme
MBT	Mechanical Biological Treatment
EFW	Energy From Waste
PPP	Public Private Partnership
SRF	Solid Residual Fuel
LATS	Landfill Allowance Trading Scheme
PSC	Public Sector Comparator
SLA	Service Level Agreement
LAWDC	Local Authority Waste Disposal Company
WCA	Waste Collection Authority
WDA	Waste Disposal Authority
HWRC	Household Waste Recycling Centre
SOAP	Statement of Agreed Principles

York and North Yorkshire Waste Management Partnership

Waste PFI Project Outline Business Case

September 2006



Ernst & Young LLP statement

In accordance with our Agreement dated 15 December 2004, we have collated and assisted in the preparation of an Outline Business Case in support of North Yorkshire County Council and City of York Council's ("the Councils") application for Private Finance Initiative credits.

Purpose of our report and restrictions on its use

This Outline Business Case has been collated and prepared solely for the purpose of submission to the Department for Environment, Food and Rural Affairs ("Defra") and should not be relied upon for any other purpose. In carrying out our work and collating the report, we have worked solely on the instructions of the Councils.

Scope of our work

The scope of our work has been to collate and assist in the preparation of an Outline Business Case to support the preferred option for submission to Defra. This has included:

- The development of a PFI Tariff model to forecast the costs of the project to the Councils under a private sector funded solution;
- Performing value for money analysis to compare the private sector funded solution against the Public Sector Comparator;
- An assessment of the PFI Credit for the project and related Revenue Support Grant; and
- An initial accounting treatment assessment for the project.

Ernst & Young is responsible only for these elements and shall have no responsibility for the other aspects of the Outline Business Case. In preparing these aspects of the Outline Business case, we have relied on cost and waste data provided by the Councils. We have not sought to verify the accuracy of this data or the information and explanations provided by the Councils nor has Ernst & Young carried out any audit on this information included in the Outline Business Case. Accordingly, Ernst & Young LLP accepts no responsibility or liability to you in relation to the report (other than for those elements referred to above).

In addition, the report may not have considered issues relevant to any third parties. Accordingly, any use any such third party may choose to make of the report is entirely at their own risk and we accept no responsibility to liability to any such third parties for any such use.

Abbreviations

The following abbreviations are used in this report:

4ps	Public Private Partnerships Programme
AD	Anaerobic Digestion
BMW	Biodegradable Municipal Waste
BPEO	Best Practicable Environmental Option
BC	Borough Council
BVPIs	Best Value Performance Indicators
Capex	Capital Expenditure
CCT	Compulsory Competitive Tendering
CFT	Call for Final Tenders
CHP	Combined Heat and Power
City Council	City of York Council
CNEA	Clean Neighbourhoods and Environmental Act
Councils	North Yorkshire County Council and City of York Council
County Council	North Yorkshire County Council
CPI	Consumer Price Index
DCLG	Department for Communities and Local Government
Defra	Department for Environment, Food and Rural Affairs
DBFO	Design, Build, Finance and Operate
DC	District Council
DPD	Development Plan Document
DLO	Direct Labour Organisation
DSO	Direct Service Organisation
EIA	Environmental Impact Assessment
EiP	Examination in public
EA	Environment Agency
EfW	Energy from Waste
Enviros	Enviros Consulting Limited

Abbreviations

Eoi	Expression of Interest
EPA	Environmental Protection Act 1990
EU	European Union
EWG	Environmental Waste Controls Ltd
FBC	Full Business Case
Guidance	HM Treasury Value for Money Assessment Guidance
HWMS	Household Waste Management Strategy
HWRC	Household Waste Recycling Centres
IAA	Inter Authority Agreement
IRR	Internal Rate of Return
ISDS	Invitation to Submit of Detailed Solutions
ISOS	Invitation to Submit Outline Solution
ITPD	Invitation Participate in Dialogue
JMEMDAG	Joint Members Decision and Advisory Group
JMWMS	Joint Municipal Waste Management Strategy
JWA	Joint Working Agreement
KPI	Key Performance Indicator
IVC	In-Vessel Composting
LATS	Landfill Allowance Trading Scheme
LAWDC	Local Authority Waste Disposal Company
LDF	Local Development Frameworks
LDS	Local Development Scheme
LG(C)A	Local Government (Contracts) Act 1997
LGA	Local Government Act 1997
LPSA	Local Public Service Agreement
MEL	Management Evaluation Learning Research Limited
MCC	Market Capacity Constraint
MBT	Mechanical Biological Treatment

Abbreviations

MEMJAG	Members Joint Advisory Group
MMC	Market Capacity Constraint
MoU	Memorandum of Understanding
MRF	Materials Recovery Facility
MSW	Municipal Solid Waste
MTFS	Medium Term Financial Strategy
MWMF	Municipal Waste Management Framework
MWMS	Municipal Waste Management Strategy
NWC	National Waste Composition
NPC	Net Present Cost
NYMWDF	North Yorkshire Minerals and Waste Development Framework
OBC	Outline Business Case
ODPM	Office of the Deputy Prime Minister
OGC	Office of Government Commerce
OJEU	Official Journal of the European Union
Opex	Operating Expenditure
Partnership	York and North Yorkshire Waste Management Partnership
PFI	Private Finance Initiative
PPP	Public Private Partnership
PPS	Planning Policy Statement
PQQ	Pre-Qualification Questionnaire
PRG	Project Review Group
PSC	Public Sector Comparator
RDF	Refuse Derived Fuel
Reference Case	The residual waste treatment services which are proposed to be procured using the PFI
Reference Project	Transfer, recycling, composting, the treatment of residual waste and landfill disposal services.
ROCs	Renewable Obligation Certificates

Abbreviations

RSG	Revenue Support Grant
SDP	Service Delivery Plan
SLA	Service Level Agreement
SOAP	Statement Of Agreed Principles
SoPC 3	Standardisation of PFI Contract version 3
SPV	Special Purpose Vehicle
SRF	Solid Recovered Fuel
SSSI	Site of Special Scientific Interest
SU2003	The Strategy Unit Report 2003
tpa	tonnes per annum
Treasury model	PFI Value for Money Quantitative Assessment generic model
TUPE	Transfer of Undertakings (Protection of Employment) Regulations 1981
UA	Unitary Authority
VfM	Value for Money
WCA	Waste Collection Authority
WDA	Waste Disposal Authority
WET Act	Waste and Emissions Trading Act
WLP	Waste Local Plan
WREN	Waste Recycling Environmental Trust
WRG	Waste Recycling Group
WS 2000	Waste Strategy 2000
Yorwaste	Yorwaste Ltd

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1.1 Introduction

This document presents the North Yorkshire County Council (“the County Council”) and City of York Council (“the City Council”) (together “the Councils”) Outline Business Case (“OBC”) for investment in waste management services in North Yorkshire, on behalf of the York and North Yorkshire WMP (“the Partnership”). Whilst this is a joint procurement between the Councils, the contracting and decision-making arrangements have been clearly defined, with North Yorkshire County Council acting as the lead authority, and hence single contracting entity, for the procurement.

The Reference Project

The Reference Project encompasses the services associated with managing municipal waste including transfer, recycling, composting, the treatment of residual waste (recovery) and landfill disposal, but not collection, and will be procured and delivered through a number of separate service contracts. Waste collection is to remain the responsibility of District Councils and the City Council. The Reference Project is a solution which satisfies the aims and objectives of the JMWMS, rather than a specification for future delivery of the service and is not necessarily the solution which will be delivered by the procurement.

The strategic aims and objectives of the Reference Project are to:

- Meet waste reduction targets across the Partnership area;
- Meet/exceed recycling and composting targets;
- Reduce the amount of waste sent to landfill (i.e. meet diversion targets);
- Show preference for the treatment of residual waste using a combination of thermal and biological processes;
- Realise the value of waste as a natural resource; and
- Secure capacity for dealing with the projected waste levels.

These aims and objectives complement the objectives and targets of the Joint Municipal Waste Management Strategy (“JMWMS”). The Partnership consider these strategic aims and objectives are specific, measurable, agreed, realistic and timely, and may be implemented within the proposed timetable. The project objectives fit with the outcomes of Best Value and Strategic service reviews.

Whilst this OBC covers the ability of the Reference Project to achieve the JMWMS, the document sets out the Councils’ application for Private Finance Initiative (“PFI”) credits for the joint procurement of the Recovery Contract (‘Reference Case’) that is proposed to be awarded under the PFI. The Reference Case infrastructure comprises a Mechanical Biological Treatment (“MBT”) facility and an Energy from Waste (“EFW”) facility.

The proposed Reference Project has been fully consulted on, is consistent with the objectives set out in the JMWMS and is ultimately designed to exceed the Councils’ known statutory obligations for recycling, and diversion under the Landfill Allowance Trading Scheme (“LATS”). A summary of projected performance under the Reference Project compared to national and local targets is given below:

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Table 1.1 Reference Project performance compared with JMWMS and Waste Strategy 2000 targets

	2009/10	2014/15	2019/20
Recycling and Composting			
Reference Project (using 2005/06 data and National Waste Composition analysis)	35.6%	46.3%	46.3%
JMWMS	40%	45%	50%
Waste Strategy 2000 targets	30%	33%	33%
BMW Landfill Diversion			
Reference Project (using 2005/06 data and National Waste Composition analysis)	34.0%	76.6%	76.6%
JMWMS	-	75%	75%

Waste composition is clearly an important factor in the deliverability of future targets and obligations. Table 1.1 indicates the recycling and BMW landfill diversion rates which the Reference Project could achieve if the Council's latest 'actual' waste composition figures for 2005/06 were combined with the National Waste Composition ("NWC"), which compare favourably with both the JMWMS and Waste Strategy 2000 targets.

Indications are that the outcome of the waste analysis previously undertaken on waste within York and North Yorkshire (which was used for the Reference Project) underestimates the proportion of waste available for recycling and composting. The Partnership therefore believes that the waste composition data analysis currently being undertaken will provide evidence that an overall recycling rate of 50% by 2020, in line with the JMWMS, is achievable.

Further options and actions will be pursued by the Partnership to improve performance against joint targets. These include:

- Recycle greater amounts of bottom ash - the Reference Project currently assumes that 0% of bottom ash will be recycled. Increasing this amount to 100% will improve the overall proportion of waste diverted to 83.3% (using 2005/6 and NWC analysis data); and

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- Increase and properly account for, the role of the community and voluntary sector in recycling and composting – charities and community groups currently recycle or compost approximately 2,222 tonnes per annum of household waste. The JMWMS identifies the importance of increasing the role of this sector although the relevant increase in performance has not been accounted for within the waste flow model. Recycling and composting within the community and voluntary sectors will provide a key opportunity to the Partnership to improve overall performance and achieve its long term targets.

The Reference Project model has provided a projection of the Councils' LATS position from 2008, over a 25-year period. Whilst the Reference Project is projected to meet the longer-term LATS targets, the realistic timeframe adopted for the Reference Case infrastructure becoming operational is critical because it results in the Councils not meeting their LATS obligations prior to 2013. In view of this, the Councils have developed a LATS strategy which includes a range of measures to mitigate the impact of its LATS exposure including:

- Managing waste volumes by improved waste minimisation;
- Commercial waste minimisation and preferential pricing mechanisms to encourage schemes that facilitate bio-diversion from landfill;
- Trading (buying) allowances;
- Bringing forward recycling plans; and
- Considering and implementing interim bio-diversion/treatment proposals.

The project will place a significant financial burden on the Councils, requiring investment in new infrastructure and ongoing increases in operating expenditure. PFI Credits of £65m are required to assist in mitigating this impact. The project has the full support of the Partnership, which comprises the City Council (a Unitary Authority), the County Council as the Waste Disposal Authority ("WDA") and the District and Borough Councils as the Waste Collection Authorities ("WCAs").

1.2 Strategic context

1.2.1 North Yorkshire

North Yorkshire is England's largest County and is home to around 576,000 people in an area covering about 2 million acres. The population is rapidly growing – it increased by 0.5 per cent per year between 1991 and 2001. At only 0.7 persons per hectare, the County is one of the most sparsely populated areas in England. The County Council was responsible for the management of 384,620 tonnes of municipal waste in 2005/06, achieving a recycling rate of 31.2%. The County Council area is two tier with 5 Districts – Craven, Hambleton, Richmondshire, Ryedale and Selby, and 2 Boroughs – Harrogate and Scarborough, who are responsible for the collection of the majority of Municipal Solid Waste ("MSW").

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1.2.2 City of York

The City Council is a Unitary Authority (“UA”) in the north of England covering approximately 27,200 hectares with a population of around 185,000 (expected to rise by 4.2% between 2001 – 2011). Population density in York averages 670 people per square mile compared to an average of 323 in the region and 380 for England. The majority of the population resides within the urban area, the remaining being located in the numerous villages surrounding the City. The City is divided into 22 administrative Wards. The City Council as a UA, has responsibility for both the collection and disposal of waste, and in 2005/06 managed 120,870 tonnes of municipal waste and achieved 24.1% recycling, providing services to 81,217 households in the City of York area.

1.2.3 York and North Yorkshire Waste Partnership

The County Council, its 7 District and Borough councils and the City Council have worked together to develop waste management services across North Yorkshire since the Partnership was formed in 1999. The Partnership has a track record of achievement, including the development and adoption of a JMWMS in 2002. This partnering arrangement is engendered through a Statement of Agreed Principles (“SOAP”), which is being further strengthened through the joint development of Service Level Agreements (“SLAs”) between the County Council and each WCA. The WCAs fully support the proposed procurement and are represented at Project Team meetings.

1.2.4 Joint Municipal Waste Management Strategy

The JMWMS between the Partnership was agreed and adopted in 2002. However, the Partnership recognised the need to ensure that the existing Strategy reflected the increasing integration of waste management services across the County and impending legislation. In view of this, a revised Joint Strategy has been developed which was informed by a Best Practical Environmental Option (“BPEO”) analysis, together with consultation and stakeholder dialogue, to produce a common set of objectives and targets for the period to 2020 as set out in Section 1.1. The revised JMWMS was adopted in July 2006.

1.2.5 Public consultation

The Councils have undertaken a number of consultations with stakeholders to provide information and seek feedback on its proposals for the development of waste management services across North Yorkshire. The County Council carried out an extensive consultation in 2004, through a Citizen’s panel, to confirm the Partnership’s vision and objectives. The City Council has also undertaken consultations at a local level for the same purpose. Additionally, consultation was undertaken by both the Councils on the revised JMWMS with the public. The results of this exercise indicated strong agreement with the proposed JMWMS and the proposed approach to managing waste within North Yorkshire. In addition, there was a majority support for the Reference Case adoption of combined technologies for the treatment of residual waste.

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1.3 Analysis of existing service provision**1.3.1 Analysis of waste arisings**

In 2005/06, around 426,000 tonnes of household waste was produced in North Yorkshire. The annual percentage increase in waste growth peaked in 2001/02, as shown in table 1.2 below.

Table 1.2 Growth of household waste¹ in North Yorkshire

Description	Authority	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Total amount of household waste (tonnes)	City Council	93,020	96,860	98,870	98,610	100,670	97,560
	County Council	311,942	327,537	327,821	327,448	335,911	328,750
	TOTAL	404,962	424,397	426,691	426,058	436,581	426,310
Combined Growth Rates %		3.17	4.8	0.54	(0.15)	2.47	(3.59)

From this it can be seen that waste growth for North Yorkshire and the City of York between 2000 and 2005 was *circa 1% per annum*. Although the figure for 2005/06 shows negative waste growth, the Councils do not view this as being sustainable, particularly given the Councils prudent assessment of population growth, and have therefore incorporated a reducing scale of waste growth (2% to 2008, 1% to 2012 and 0% from 2013) into their models for future waste services. This allows for the anticipated growth in population. However, the reduction in waste arisings demonstrates the success to date which the Councils have achieved in reducing the waste as a result of the initiatives undertaken. Based on these trends, future planned waste minimisation campaigns, coupled with the work which will be required of the recycling, composting and recovery contractors; it is considered that growth rates will decrease over the contract period to 0% from 2012/13 onwards.

1.3.2 Collection arrangements

Residual waste collections are made by Direct Labour/Service Organisations (“DLO/DSOs”), with the exception of Selby District Council (“DC”) who contract out their service. Recycling collections are carried out either by the DLO/DSOs or by a private sector provider. Discussions with the District Councils have indicated that the majority of North Yorkshire households will move to a three stream collection service of green garden waste, dry recyclate and residual waste during the period of the project, whilst the City of York is reviewing its waste collection arrangements over the next 3 years.

¹ Please note that household waste is total municipal waste less commercial and building and construction waste.

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1.3.3 Contractual arrangements

The County Council has recently tendered a 10-year contract to provide disposal points for landfill/composting, elements of which have been won by Yorwaste Limited (“Yorwaste”) and Waste Recycling Group Limited (“WRG”). It recently let three two-year Household Waste Recycling Centre (“HWRC”) contracts, the largest of which was won by Environmental Waste Controls Limited (“EWC”), with Yorwaste winning the others. The City Council is now in the process of tendering a 15 year landfill/composting/dry recycling contract. It has recently tendered a 10 year HWRC contract won by Yorwaste. The District and Borough Councils also have a number of contracts in place with Yorwaste.

1.3.4 Current infrastructure

The City Council owns the freehold of Harewood Whin landfill site and 3 HWRCs, all of which are leased to Yorwaste for operation. The County Council owns the freehold of Seamer Carr landfill site (leased to Yorwaste) and 14 HWRCs. It also leases land for 6 HWRCs from landowners. The management of HWRCs is contracted to EWC (17 sites) and Yorwaste (3 sites). Significant investment is currently being made by the City Council to upgrade and replace existing HWRCs. Yorwaste also own and operate two Materials Recovery Facility (“MRFs”) (at Scarborough and Hessay), a transfer station at Tancred and a HWRC at Seamer Carr.

However the existing infrastructure is insufficient to meet the recycling and diversion targets set for the Councils.

1.3.5 Performance of existing services

The performance of both Councils against Best Value Performance Indicators (“BVPI”) 82a and b has improved steadily over the past four years. In 2005/6 the County Council and City Council achieved recycling rates of 31.2% and 24.1% respectively compared with 21.7% and 17.8% in 2004/05. Despite a steady increase, the recycling rates across the Partnership still fall short of the long-term 2020 target of 50% set out in the JMWMS detailed in Section 2.3 of this OBC. In order to address this shortfall, the Partnership members are working closely together to develop coordinated and integrated plans for the future.

1.3.6 Service costs

The existing 2006/07 waste management budgets for the County Council and City Council were £14,856,000 and £4,247,000 respectively. These revenue budgets have increased by 46% and 25% respectively from 2002/03 which is significantly in excess of inflation. This reflects the priority of waste management for the Councils as initiatives have been implemented to encourage waste reduction and recycling (including the expansion and improvement of HWRCs). The budgets have also been increased to accommodate Landfill Tax and contract costs.

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1.3.7 Local Authority Waste Disposal Company – Yorwaste Ltd

The City Council (22.27%) and County Council (77.73%) jointly own a Local Authority Waste Disposal Company (“LAWDC”) called Yorwaste Limited. It was established in 1993 as a response to the requirements of the Environmental Protection Act 1990 (“EPA”). Yorwaste deals with approximately 75% of the County Council's waste for disposal and 100% of the City Council's waste.

It provides collection services for some recyclable materials on behalf of WCAs; waste and recycling collections to private sector companies; and services to the Councils. These include the provision, operation and management of HWRCs, operation of transfer stations, haulage of wastes, windrow composting operations and operating landfill sites across the City and County area. In addition, Yorwaste is also involved in developing a treatment technology (in partnership with other companies) under the Department for Environment, Food and Rural Affairs (“Defra”) New Technologies Demonstrator Programme.

1.4 Options appraisal

In order to meet the JMWMS targets and objectives and develop the required waste infrastructure in north Yorkshire, the Councils determined that the scope of services to be included within its Reference Project should comprise transfer, recycling, composting, the treatment of residual waste and landfill disposal. The option of including collection services with the Reference Project was considered by the Councils who concluded that on Best Value grounds, collection arrangements should continue to be provided and procured under the existing arrangements, which will complement the private sector's skills in developing and managing recycling, treatment and disposal facilities and services.

In order to assist with the determination of the Reference Project (for the waste management service) and Reference Case (for residual waste treatment services to be procured under the PFI), the Councils have each undertaken extensive BPEO analysis, which has been further refined through a joint procurement options study and subsequent risk assessments. This process identified the preferred solution which best meets both Councils' appetite for risk and the objectives of the Partnership.

Alongside this process, a range of contract packaging and funding options have been considered to inform the Councils' procurement strategy. This evaluation considered the provision of services on both a semi-integrated and disaggregated basis, funded using the PFI, PPP and Prudential Borrowing.

BPEO

As part of the development of the joint procurement strategy, a BPEO assessment for MSW arising in North Yorkshire and York was jointly commissioned by the Councils in June 2004. The BPEO assessment considered (which was subject to stakeholder and public consultation at workshops held during November 2004) a range of technology options, which were assessed against pre-agreed criteria and which addressed environmental, socio-economic and operational impacts. A total of 11 integrated waste management options were assessed for North Yorkshire and 7 for the City of York.

The performance of each of the options was assessed against different weight sets and the BPEO identified for each authority. For York, the BPEO assessment identified a single MBT plant (Option 5a) treating all of the MSW and producing SRF, which it was

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assumed would be sent to a power station (Option 5a). The BPEO identified for North Yorkshire was an EfW facility (Option 1a), which was marginally favourable to MBT (Option 5a).

Joint procurement options appraisal and risk assessment

Following the completion of the BPEO assessment for each authority, a joint procurement options appraisal was carried out to build upon and refine the individual BPEOs. The two technologies (MBT and EfW) that had outperformed the others in the individual assessments were combined into 9 options in order to determine the best fit solution for the Authorities working in partnership. The joint procurement options appraisal identified a single EfW facility (Option A) as ranked first, closely followed by 1EfW and 1MBT with the SRF output being disposed of via EfW (Option F).

The Councils then subjected the outcomes of the joint procurement options appraisal to further evaluation of what they considered to be the key strategic risks and to test the sensitivity of the assumptions used in the appraisal. The result of this work broadly confirmed the technology rankings observed in the joint procurement options appraisal and tested positively against the BPEO.

Procurement Strategy review

Reflecting the then existing focus of PFI criteria for waste projects, the Councils were in the process of developing an OBC based on a semi-integrated contract, when they became aware of emerging alternative views of procuring waste management contracts, notably the Kelly Report and the strong emphasis by Defra for PFI applications to focus on residual waste treatment services. The Councils concluded that a review of their procurement strategy should be undertaken immediately.

The procurement strategy review involved identification and consideration of a combination of semi-integrated and disaggregated contract packaging options and funding approaches, with each option being subjected to a qualitative and financial appraisal, including an assessment of relative risks. The benefits and opportunities of greater regional working were also evaluated.

The results of this evaluation confirms that the procurement options present a complex array of issues, benefits and disadvantages. All options appear viable with no single option markedly more advantageous than all the others,

However, the Strategic Project Board concluded that the procurement of waste management services included within the Reference Project on a disaggregated basis, with residual waste treatment services and facilities procured through the PFI, offer Best Value. The Councils will seek to fund waste handling, recycling and composting services from internal resources. This may include PPP (effectively a charge to revenue), capital receipts, supported capital borrowing or Prudential Borrowing.

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Therefore, the PFI Reference Case will encompass the development and subsequent operation of residual waste treatment facilities only. However, the Councils recognise that the eventual choice of technology will be in response to market proposals on how to deliver output targets. No one option is more or less likely to deliver a particular technology. Following the results of this evaluation and assessment a short-list of five options was compiled for further appraisal as described below.

Option appraisal overview

Based on the process outlined above, the following five options have been short-listed for a detailed economic and performance appraisal for this OBC:

Table 1.3 Short list of options

Option	Technology	Recycling/composting and landfill strategy
1 – Status Quo	Continue with existing service provision	N/A
2 – EfW only	1 EfW from 2010 in the County Council area	45% recycling by 2013 Landfill to max. allowed
3 – Combined technologies (with SRF to market between 2011 – 2013)	1 MBT from 2010 in York area 1 EfW from 2013 in the County Council area SRF sent to market 2011-2013	45% recycling by 2013 Landfill to max. allowed
4 – Combined technologies (with SRF to landfill between 2011 – 2013)	1 MBT from 2010 in York area 1 EfW from 2013 in County Council area SRF sent to landfill 2011-2013	45% recycling by 2013 Landfill to max. allowed
5 – Combined technologies with more thermal treatment	1 MBT from 2010 in York area 1 MBT from 2010 in County Council area 1 EfW from 2013 in County Council area	45% recycling by 2013 Landfill to max. allowed

1.4.1 Performance of the short-listed options

The recycling/composting and BMW diversion performance of each of the short-listed options is set out in table 1.4 (page 13).

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Table 1.4 Recycling/composting and BMW diversion performance of the short-listed options from 2015 (using MEL waste composition data)

Option	Recycling rate	Overall BMW diversion achieved (tonnes) by 2019/20
Option 1 - Status Quo	29.2%	91,863
Option 2 - 1 EfW	40.1%	321,986
Option 3 - 1 MBT/1 EfW	41.1%	325,522
Option 4 - 1 MBT/1EfW	41.1%	325,522
Option 5 - 2 MBT/1EfW	41.5%	326,901

All of the 'Do Something' options achieve approximately the same recycling/composting performance. The options with more MBT treatment deliver marginally better recycling rates due to more opportunity for recycling to occur. The recycling performance of the various options demonstrates that recycling rates can be enhanced through the District Councils' planned co-ordination of collection arrangements.

The BMW performance of the various options has been assessed against the final LATS allowances issued by Defra in August 2005, as shown in Section 4.8.1, table 4.4. The Reference Project modelling projects a LATS deficit for all of the options for each year up to the second target year. This is because the Councils have assumed a realistic timeframe for the commissioning of the EfW facility, which is crucially not operational until 2013/14. However, all of the Do Something options achieve LATS compliance in the longer term, through the provision of PFI support for the development of residual waste treatment facilities.

It should be noted that the Reference Project model is based upon 2003/04 waste flows and MEL waste composition data. However, more up to date waste flow information is continually becoming available to better inform the Councils' projected recycling and LATS position and has confirmed that the Councils' 2005/06 performance is in excess of the performance modelled for the Reference Project. The Councils have run initial sensitivities using a combination of 2005/06 waste flows and the NWC data, which indicate that the Councils could achieve a recycling rate of 46.3% and a BMW diversion performance of 76.6%.

Whilst the Councils have not updated the Reference Project model to reflect this position (because the position is continually likely to change as more up to date data becomes available), the Councils will continue to use the latest information in projecting their budgetary position in the short term and in establishing their LATS mitigation strategy. As outlined in Section 1.1, the Partnership believes that the waste composition data analysis currently being undertaken will support its view that an overall recycling rate of 50% by 2020, in line with the JMWMS, is achievable.

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1.4.2 Economic appraisal of options

The Net Present Cost (“NPC”) to the Councils of the short-listed options are summarised in the table below:

Table 1.5 NPC of short listed options

Net Present Costs	Option 1	Option 2	Option 3	Option 4	Option 5
	£000's	£000's	£000's	£000's	£000's
Total Net Present Cost	706,523	509,303	560,374	578,461	622,272
Rank	5	1	2	3	4

1.4.3 Options appraisal summary

The modelling of the ‘Status Quo’ option indicates that it fails to meet the recycling and composting targets set out in WS 2000 of 33% by 2015 and the targets set out in the JMWMS of 40% of household waste by 2010, 45% by 2013 and 50% by 2020. It would also fall significantly short of the JMWMS landfill diversion target of 75% by 2013 and LATS allowances are exceeded in all years.

Although Option 2 (maximum diversion achieved through EfW) represents the lowest cost option and performs well with respect to recycling/composting rates and BMW diversion, Options 3 and 4 (which produce similar levels of recycling/composting and BMW diversion) are more consistent with the Partnership’s waste strategy and preference for treatment of waste using a combination of thermal and biological means and score highest in the non-financial appraisal. Whilst there is still market uncertainty for SRF produced by MBT in the short term, Option 4 is considered to be a lower risk option than Option 3 and for these reasons Option 4 has been defined as the Reference Project with residual waste treatment services being defined as the Reference Case. The Reference Case (Recovery Contract) element of the Reference Project will be procured through the use of PFI and thus forms the basis of this OBC. The Councils will, however, continue to explore market opportunities which may be available in the short term to process the SRF output.

It is recognised that significant investment in new residual waste treatment infrastructure will be required to support the delivery of the Reference Project and, more specifically, the Reference Case. Prudent provision in capital, lifecycle and operating costs has been made in this business case.

1.5 Value for money

This OBC assumes that Defra has already undertaken a Stage 1 programme level assessment for waste PFI projects as part of the Comprehensive Spending Review completed in 2004 demonstrating that waste, as an investment programme, is likely to achieve value for money under PFI. This OBC details the Stage 2 project level assessment aimed at verifying whether this initial decision to use PFI to fund the Reference Case is valid for the Councils.

Following the approach as outlined in the ‘HM Treasury Value for Money Assessment Guidance’ (“Guidance”) issued in 2004, the project level assessment has considered both quantitative and qualitative factors, the results of which have been considered in Section 5. The quantitative analysis uses a prescribed methodology and electronic

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model provided by the Treasury to determine whether the Reference Case represents indicative value for money when compared to a Public Sector Comparator (“PSC”).

The qualitative assessment produced a clear indication that in terms of viability, desirability and achievability the Councils are well positioned to deliver a PFI procurement. The quantitative assessment has produced a high indicative PFI value for money percentage of 14.4% on the Reference Case, the robustness of which has been demonstrated through sensitivity testing. Taken together these assessments have provided a clear indication that verifies the outcome of the programme level assessment that PFI represents value for money for the Councils’ Reference Case.

1.6 Affordability

Two ‘affordability’ analyses have been undertaken: a comparison of the cost of the Reference Project with the ‘Status Quo’ option; and the identification of the ‘affordability gap’ between the estimated cost of the Reference Project and the commitment the Councils have made in relation to planned budgets for waste management and the anticipated level of Revenue Support Grant. The affordability analysis is based on 2003/4 waste flow data.

1.6.1 Comparison of the ‘Status Quo’ option and Reference Project

Table 1.6 below shows the cost of the Reference Project (including WCA transport costs for a like-for-like comparison) and the cost associated with the ‘Status Quo’ option over a 25 year period, based on a trading profile of landfill allowances, which assumes their value increases up to 2012/13 and then starts to decline as Tradable Permits become more plentiful in line with increases in diversion infrastructure. For comparison, the ‘Status Quo’ option where LATS penalties of £150/tonne are payable has also been included to demonstrate the worse case scenario.

Table 1.6: Reference Project and ‘Status Quo’ cost comparison

	Option 4 Reference Project (including WCA transport costs)	Option 1 Status Quo – LATS profiled	Option 1 Status Quo – LATS at £150/t
	£000’s	£000’s	£000’s
Project costs	1,398,967	785,749	785,749
Landfill tax	192,607	588,014	588,014
Landfill Allowance costs	(27,262)	385,846	746,143
Total nominal costs	1,564,312	1,759,609	2,119,906
Difference to next most expensive option	(195,297)	(360,297)	n/a

This indicates that the cost saving to the Councils of implementing the Reference Project rather than the comparable “Status Quo – LATS profiled” option is approximately £195m. The graph below demonstrates the position on an annual basis.

Executive Summary

Figure 1.1 Reference Project Vs Status Quo

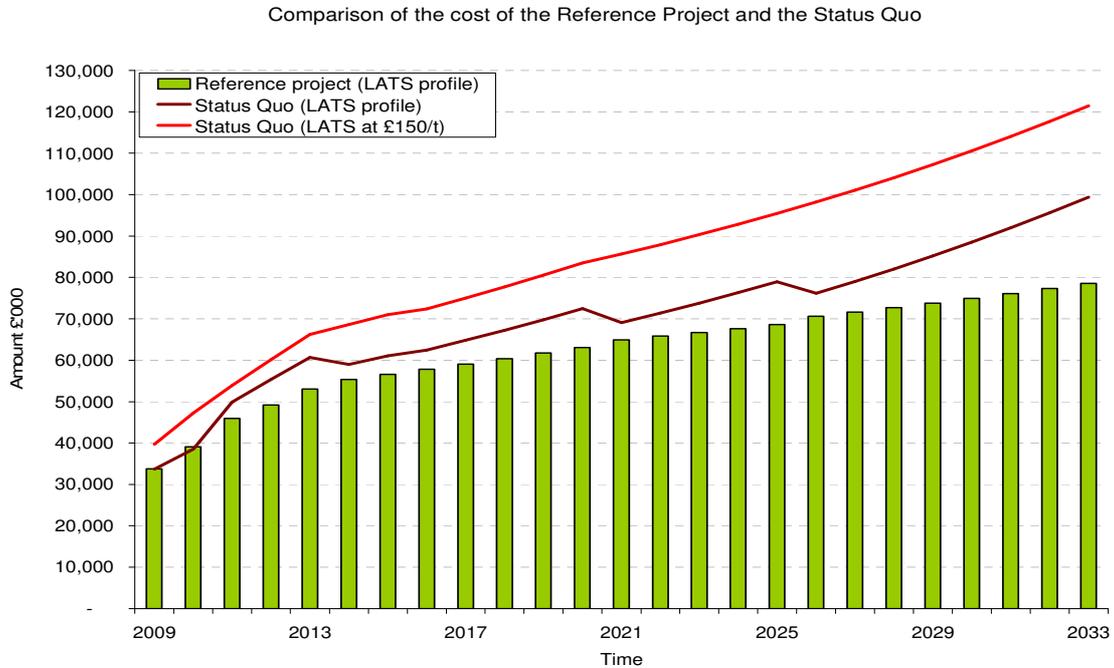


Figure 1.1 demonstrates that, on an annual basis, particularly in later years, the projected costs of the Reference Project are likely to be significantly less than the comparable “Status Quo – LATS profiled” option and also demonstrates the benefit of adopting a LATS trading strategy.

1.6.2 Determination of the ‘affordability gap’

The table below shows the affordability gap for the Reference Project of circa £845m, taking into account the anticipated level of Revenue Support Grant (based on a PFI Credit of £65m) and the Councils’ combined existing budget (inflated at 2.5%) that is available to help fund the project cost.

Table 1.7 Affordability analysis – including PFI credit revenue support

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	25 year total
	2008/9	2009/10	2010/11	2011/12	2012/13	2013/14	
Nominal	£000’s						
Reference Project cost	28,446	31,840	32,771	37,730	38,829	61,446	1,552,306
Projected Budgets	17,292	17,724	18,167	18,622	19,087	19,564	590,657
PFI Support	-	-	-	2,408	2,408	5,547	115,756
Affordability Gap	11,154	14,116	14,604	16,700	17,334	36,335	845,893

Executive Summary

The affordability gap in year 1 (2008/09) between the Reference Project and projected existing budgets is anticipated to be approximately £11.1m. This increases to around £36m in year 6 (2013/14). The Reference Case Unitary Charge has been profiled to reflect that the Councils will not pay for residual waste treatment services/infrastructure until they are provided by the PFI Recovery Contractor. This means that the service costs will increase significantly in 2013/14 when all Recovery Contract infrastructure is in operation. The year one impact of £11.1m equates to a Council Tax increase of approximately 4.2% for the County Council and 4.6% for the City Council.

Given the above position, the Councils therefore believe that the Reference Project represents the most economically advantageous option for the individual Councils in order to ensure compliance with the EU Landfill Directive, other requirements and to deliver the best possible waste strategy.

As set out in table 1.7 above the Councils are facing an affordability gap of around £845m (including the benefit of PFI revenue support) over the life of the contracts, covering all aspects of the Reference Project (residual waste treatment, recycling, composting and landfill).

The Councils have a history of providing high value for money services to their taxpayers. It will, however, be very difficult for the Councils to bridge the affordability gap as both Councils have a combination of very low Council Tax and extremely low spending, relative to other comparator authorities. The required additional funding is a bigger proportion of the Councils' budgets than other higher spending Authorities. There is a bigger percentage impact on Council tax because of the Councils' current low Council Tax base. It must be noted that the Councils individually have other statutory obligations which may compete for resources and the Government has established financial parameters that constrain the ability of Local Authorities to raise funding, for example Council Tax capping.

However, because of the significance of this issue both the Councils:

- have identified the procurement of waste facilities as a key priority in the respective Council Plans. The funding required features prominently in the Council's Medium Term Financial Strategies ('MTFS');
- have spent and committed significant amounts of additional resources to waste management in recent years' budgets, ranging from capital on landfill sites, and infrastructure to additional, collection, transfer and recycling costs; and
- are committed to waste and LATS strategies that are aimed at reviewing and improving upon waste management performance with a view to minimising the future volume of residual waste that they are required to deal with.

The Councils may also seek to profile the Unitary Charge for the PFI Recovery Contract in order to 'smooth' the increase required year on year and ensure that Council Tax increases are proactively managed.

Notwithstanding the funding constraints identified above, the Councils recognise the necessity to allocate resources sufficient to make the project affordable over the life of the contracts, subject to any further obligations and financial parameters as directed by DEFRA or any other Government department. This commitment is demonstrated by the approval of this OBC by the Executives of the County Council and City Council respectively, on 12 September 2006.

Executive Summary

1.7 Delivering the project

The Councils have been proactive in addressing issues that are important to the delivery of the project. Work is well progressed in developing the technical, financial and legal mechanisms i.e. Output Specification, Payment Mechanism and Project Agreement; which underpin the project. The Public Private Partnership Programme (“4Ps”) model documentation and guidance has been used in the preparation of these documents. The work undertaken in addressing the key deliverability issues to facilitate a successful project is set out below.

1.7.1 Output specification

The Councils are in the process of drafting an Output Specification, in line with the 4Ps documentation, which will be further developed prior to the Official Journal of the European Union (“OJEU”) Notice and updated as required during the procurement process. As previously confirmed the range of services to be procured under the PFI scheme will include residual waste treatment only. Other services, which will be procured separately, comprise the following;

- HWRC management;
- Reception facilities and transfer;
- Material Recycling Facilities (“MRF”);
- Composting; and
- Landfill disposal.

The packaging of these other services is under consideration and will be determined following a full options appraisal. However the Councils recognise that the eventual choice of technology will be in response to market proposals on how to deliver output targets. No one option is more or less likely to deliver a particular technology.

1.7.2 Key Performance Indicators (“KPIs”)

KPIs will be developed during the procurement to reflect those aspects of waste management which the County Council and City Council require the PFI Contractor to deliver.

The KPIs will be structured to manage fundamental aspects of the project, to ensure that key aspects are delivered for the duration of the project, whilst allowing flexibility to adapt to changes in the service over the life of the contract.

1.7.3 Payment Mechanism

The Payment Mechanism is based on 4Ps draft guidance, linked to the service outputs defined in the Output Specification with deductions made when those outputs are not achieved. It is underpinned by the principles of payment for services in line with availability and performance; transfer of risk in line with service obligations; and financial incentives to perform in accordance with the Output Specification.

Executive Summary

The Payment Mechanism will include the following:

- Tonnage adjustments specific to individual waste management processes;
- Landfill and BMW diversion adjustments to provide incentive to the PFI Contractor to divert from landfill in accordance with the waste hierarchy and to mitigate the Councils' exposure to LATS;
- A performance bonus and deduction system that is based on an equitable share of upside and downside risk; and
- An excess profit share mechanism that differentiates between profits derived through performance of the contract and those resulting from market economics, eg windfall gains from Renewable Obligation Certificates ("ROCs").

The Payment Mechanism will be supported by a performance management system, linked to the KPIs, which will levy deductions where under or non-performance is achieved.

1.7.4 Financial Allocation mechanism

The Councils have jointly developed a financial allocation mechanism to ensure an equitable allocation of financial and legal obligations to each Council under the PFI contract. Areas considered include apportionment of payment obligations and PFI Credits and the allocation of site costs. The mechanism, once finalised, will form the basis of a Schedule to the Joint Working Agreement between the Councils which is currently being drafted.

1.7.5 Balance Sheet treatment

An initial view of the balance sheet treatment prepared by the Councils' financial advisors Ernst & Young concludes that the transaction could achieve off balance sheet treatment for the public sector under the Treasury Guidance Note "Private Finance Technical Note 1 (Revised)."

1.7.6 Market interest

The Councils are fully aware of the current capacity constraints within the waste management market and of the need to maximise market appetite and interest for their project. In view of this, two "industry days" with potential bidders were held to allow a two-way discussion and debate of the key project issues which are likely to drive the project. Attendees at both the Financial Providers and the Waste Management Sector industry days indicated broad agreement with the approach which the Councils are proposing to adopt for their project.

1.7.7 Market for process outputs

The Councils are aware of the current difficulties in securing market outlets for the outputs from MBT processes, and have identified the potential lack of market outlet as a key project risk. Consequently, the Councils do not wish to rely on the market to deliver an outlet for the SRF, particularly given the long-term nature of the proposed contract. The Reference Project therefore envisages that the MBT facilities will be configured to maximise the production of SRF for combustion in a dedicated thermal treatment plant, delivered as part of the Reference Case.

Executive Summary

The Councils have also adopted a prudent and realistic timeframe for the delivery of the treatment facilities, meaning that it is envisaged that there could be up to two years where there is no in-county SRF processing capacity (2011-2013). The Councils are exploring alternative disposal routes for SRF produced during this period as part of the overall LATS strategy. Options include the potential for taking advantage of regional short-term processing capacity and/or procurement on a short term basis of alternative processes which maximize bio-degradation of waste prior to landfilling.

1.7.8 Planning

The Councils wish to take all reasonable steps possible to mitigate planning risk for the contract. In view of this, the Waste Planning Authorities have reviewed their programmes for the preparation of new Minerals and waste planning policies in North Yorkshire Minerals and Waste Development Framework (“NYMWDF”) and are seeking to integrate these programmes with the PFI procurement project timetable so far as possible. Both the York Local Development Framework (“LDF”) and the NYMWDF will set out a clear spatial strategy for the planning of new municipal waste management facilities and will, so far as practicable, seek to identify specific sites or locations for the full range of facilities needed. Site allocations will be supported by criteria based policies for site development to enable a degree of flexibility within the framework and to allow for the development of non-allocated sites where necessary in order to deliver an adequate network of sites. Close contact is being maintained between the planning teams in York and North Yorkshire and with staff directly involved in the procurement exercise to ensure that a high degree of co-ordination is achieved.

1.7.9 Sites and Planning Permissions

The Councils are aware of the need to maximise competition and ensure a level playing field for all bidders. In view of this, the Councils are undertaking a site search exercise to identify sites within the Councils’ ownership and potential sites owned by the private sector. In the case of the latter, this may require their acquisition from the private sector, either by securing options, long term leases or purchasing land.

The Councils’ intention is to make sites available to all bidders for the PFI recovery contract. The Councils’ strategy is to ensure, as a minimum, that two strategically-located sites are available to house residual waste treatment facilities, in line with the assumptions made in the Reference Project. Based on the site identification work undertaken, it is highly unlikely that any suitable sites will be identified in the York area. However, the Councils will continue with the site search and form a view as to the way forward after this work is complete.

In order to limit potential delays caused by protracted planning considerations post procurement completion, the Councils propose to progress work on planning applications as soon as possible. This is likely to entail the preparation and submission of planning applications for smaller facilities (i.e. transfer stations) but is likely to stop short of submitting planning applications for the proposed residual waste treatment facilities. This is due to the need for specific and detailed design information to satisfy Environmental Impact Assessment (“EIA”) requirements, which is particularly an issue for EfW facilities, and which is unlikely to be available until a preferred PFI contractor has been selected. However, it is intended, where possible, to undertake environmental baseline assessment work on the preferred treatment sites in order that planning application work pre and post contract completion can be accelerated.

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1.7.10 The role of Yorwaste in the project

The Councils have considered the position of Yorwaste and have concluded that the company should not bid for the PFI Recovery Contract.

Waste Handling and Recycling Service

The Councils recognise the expertise of Yorwaste in providing waste handling and recycling services. It is anticipated that Yorwaste will therefore participate in the competition for such services.

It is acknowledged that the company has a strong position in the local market and the Councils will therefore ensure that any Yorwaste assets of value to competitors will be made available in order to ensure a level playing field and best value through maximising competition.

1.7.11 LATS Strategy

The Reference Project model has provided a projection of the Councils' LATS position from 2008, over a 25-year period. This projection is based upon 2003/04 waste flows combined with the waste growth projections for the Reference Project (as set out in Section 3.1.1), which predicts that the Councils will not meet their LATS obligations prior to 2013 without some additional interim bio-diversion measures or external allowance trading. This position, crucially, arises because of the realistic timeframe adopted for the residual waste treatment facilities becoming operational (in 2013/14).

The Councils have developed a LATS strategy which includes a range of measures to mitigate the projected LATS exposure in the years to 2013, including:

- Managing waste volumes by improved waste minimisation;
- Commercial waste minimisation and preferential pricing mechanisms to encourage schemes that facilitate bio-diversion from landfill;
- Trading (buying) allowances;
- Bringing forward recycling plans; and
- Considering and implementing interim bio-diversion/treatment proposals.

1.7.12 Bankability

The project has been structured to ensure it is bankable. The funding structure of the Reference Case is based on a typical PFI structure comprising 85% senior debt and 15% equity.

The programme for construction of the key facilities is aligned to the Councils' need to access waste treatment facilities in order to achieve its BMW diversion obligations. However, whilst it is assumed that planning for the MBT and EfW facilities will be pursued in parallel, based on experience on other waste management projects, the delivery timeframe adopted is prudent and realistic and assumes that the EfW will not be delivered until 2013. Nevertheless, this allows for the provision of only one senior debt facility that is able to be committed on contract signature.

Executive Summary

Furthermore, there have been an increasing number of banks showing strong interest in the waste management sector over the last twelve months given the level of investment required in this sector over the short to medium term, as evidenced by the high level of interest and attendance at the Financial Providers' Market Testing Day on 25 July 2006.

1.7.13 Competitive Dialogue

Whilst the Councils have an agreed JMWMS that has been informed by the BPEO, risk assessment, performance and economic cost appraisal exercises that have been carried out, there is not necessarily one solution to deliver that strategy. Consistent with PPP/PFI principles regarding the transfer of risks, the Councils do not wish to be prescriptive about the technology to be used in delivering their solution. In view of the complexity of the Reference Case (Recovery Contract) the Councils expect to follow the Competitive Dialogue procedure for its procurement. However, the Councils are mindful of the market's concerns about the practicalities of adopting the Competitive Dialogue approach (as set out in Section 1.7.6 above and Section 7.7a of the main document).

1.7.14 Project Management

Both Councils have extensive experience of managing major procurement projects including the current contracts for waste disposal, composting and HWRC management and have concluded successful PFI projects with others currently in progress. Working alongside its advisors, the procurement team is well placed to effectively manage a project of this nature and is familiar with PFI as a procurement route. The day to day work is carried out by the joint project team of senior professionals from waste management, finance and project management. The Joint Procurement Project Manager has overall responsibility as project manager, and works in conjunction with the City Council's PFI Project Officer (Assistant Project Manager).

External consultants have been appointed to prepare the OBC and provide advice on the procurement process to include assisting with the development of the Invitation Participate in Dialogue ("ITPD"), finalisation of the Output Specification, preparation of evaluation framework, selection of short-listed parties and preferred bidder, negotiations and agreement of contracts. The consultants are in effect part of the joint procurement project team and participate in all project team meetings. A joint procurement budget of approximately £1.9m has been set aside for this project.

1.7.15 Contracting and decision making arrangements

It has been determined that an 'inter-authority' style legal agreement will be developed to demonstrate to Defra and the market, the full commitment of the Councils to their partnership. The legal agreement as currently drafted secures an agreement from the County Council and the City Council to work together to draw up a new strategy and to negotiate and agree a legally binding Joint Working Agreement, which will act to underpin the successful delivery of the project.

As part of the legal agreement, the Councils have already established a Joint Working Agreement ("JWA") which includes a robust and efficient decision-making structure where one authority (the County Council) is demonstrably (by use of its casting vote) the lead authority. This approach is, essentially a delegation (in accordance with the scheme of delegation of each Council) to Assistant Director level.

Executive Summary

The contracting structure which the Councils will enter into with the Contractor's SPV will be for the County Council to be the lead authority. This means that the Contractor will be contracting with one party only.

Certain decisions (e.g. long listing, short listing, contract award) are reserved to the respective Councils (acting through their executives) and cross party, political support is afforded through the involvement of the Members Joint Advisory Group ("MEMJAG"). Examples of Council Reserved Matters include:

- Approval of the revised JMWMS;
- Approval of the OBC; and
- Award of the Contract(s).

The joint procurement project team, whose members are listed in Section 7.12, table 7.2 are authorised to make and put into effect all decisions relating to the project, other than any matter which is a Reserved Matter or is a Council Reserved Matter. Decisions which are 'Reserved Matters' will be referred to MEMJAG for resolution.

MEMJAG (consisting of three Members from each Authority and supported by officers from both authorities) will be chaired by the County Council. The function of this group is to provide guidance and advice only, to officers on key decisions in relation to the Partnership, and to recommend which decisions in addition to those 'Council Reserved Matters' should be referred to the Executive.

1.7.16 Timetable

A high level procurement timetable is provided below which assumes OBC approval at the Project Review Group ("PRG") meeting in January 2007. To achieve this approval the Councils intend to submit their OBC in September 2006. Given the progress which has been made to date, this timeframe is deemed achievable by the Councils.

Table 1.8 Procurement Timetable

	Stage	Date
1	Submission of OBC to DEFRA	September 2006
2	OBC approval	January 2007
3	OJEU notice published	February 2007
4	Information Pack and PQQ issued	March 2007
5	Issue Invitation to Participate in Dialogue	July 2007
7	Call for Final Tenders	November 2007
8	Announce Preferred Bidder	June 2008
9	Contract sign-off	November 2008

Appendix 2

City of York Council Total Waste 2005/06							
120,870 tonnes							
Household		Commercial		Construction & Demolition			
97,560 tonnes		15,860 tonnes		7,450 tonnes			
Treatment		Via WCAs (t)	Via HWRCs (t)	Via WCAs (t)	Via HWRCs (t)	Via WCAs (t)	Via HWRCs (t)
	Landfilled	57,960	14,830	13,860	500	510	-
	Reused	1,280	-	-	-	-	-
	Recycled	12,470	3,630	10	1,050	-	6,940
	Composted	3,130	4,260	-	440	-	-
	EfW	-	-	-	-	-	-
	MBT Input	-	-	-	-	-	-
Total	74,840	22,720	13,870	1,990	510	6,940	

WCA Waste Collection Authority
 HWRC Household Waste Recycling Centre
 EfW Energy from Waste Plant
 MBT Mechanical Biological Treatment Plant

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Executive**12th September 2006**

Report of the Head of Housing Services

Golden Triangle Partnership Homebuy Plus Scheme 2006-7**Summary**

1. To provide the Executive with an overview of the proposed Homebuy Plus Scheme to be launched by the Golden Triangle Partnership, to seek approval for the Golden Triangle Home Buyers Plus policy and request delegation for Leeds City Council to act as bankers for the scheme.

Background

2. The original Homebuy scheme was successfully piloted by the Housing Corporation as a key part of the government priority to deliver affordable housing to people who would otherwise not be able to afford to buy on the open market. The Golden Triangle partnership intends to build on this success to address issues of affordability at a local level.
3. The Golden Triangle is a partnership between housing and planning professionals within City of York Council, Leeds City Council and Harrogate Borough Council, Home Housing Association and York Housing Association. The Housing Corporation, Government Office for Yorkshire and the Humber and Yorkshire forward act in an advisory capacity to the partnership.
4. The partnership was created in response to significant property price increases across these areas, preventing many people from house purchasing a home on the open market. The partnership has secured grant funding of £7.5 million for 2005/6-2010/11, from the Yorkshire and Humber Regional Housing Boards transformational funding pot, to maximise opportunities for the delivery of affordable housing across the Golden Triangle area.
5. To enable a range of people in housing need, including first time buyers and people on low incomes, on the housing waiting list and with a local connection to purchase a home at an affordable price in the Golden Triangle area the partnership has developed an equity loan scheme. This is not designed as a key worker scheme, however key workers can apply if they meet the agreed criteria. A pilot was successfully undertaken across the Golden Triangle area in 2005/6, using the first years funding allocation of £500,000, enabling eight households who would not otherwise be able to purchase a home on the open market by providing them with an equity loan between 35 to 45%.

6. During 2006/7 it is anticipated that the scheme could help 30 people/households to purchase a property on the open market. It is anticipated that 10 of these could be within the York area. The average purchase price will be £150,000-£170,000 and the equity loan will be 35-45%. To maximise the funding available to support the scheme the administering RSL will be required to match the Golden Triangle Partnerships funding. For example, if an applicant requires a 40% equity share of a purchase price of £160,000, equivalent to £64,000, to be able to purchase a property the partnership will release £32,000 and the RSL will release £32,000. This has been updated since the pilot scheme wherein the partnership provided the entire loan.
7. The RSL will hold the equity stake in the form of a second legal charge, whilst the mortgage lender will hold the first. The legal charge documents that the homeowner has purchased the property via the Homebuy Plus Scheme and outlines key responsibilities.
8. The Homebuy Plus scheme is underpinned by legal documents that have been jointly agreed by legal representatives within Leeds City Council, Harrogate Borough Council and City of York Council. It is the responsibility of the RSL to ensure applicants meet the eligibility criteria and calculate the percentage equity loan to be administered.
9. The Homebuy Plus Steering Group, made up of key officers from the Local Authority partner organisations and the Project Manager, is in the process of procuring a partner RSL to administer and invest in the scheme. Interested organisations have completed a pre-qualification questionnaire, three organisations have been invited to tender and it is expected that the successful RSL will be awarded the contract around October 2006. Leeds City Council will be responsible for the tendering process with the Golden Triangle partnership facilitating the process.
10. The applicant must fund the remainder of the loan e.g. 60%, through a traditional mortgage and/or personal savings. All additional costs associated with the purchase i.e. stamp duty, legal fees, survey fees and removal costs will be funded by the purchaser.
11. There are no interest or monthly payments required on the equity loan from the partnership and the RSL. Repayment of the equity loan is required, when the owner chooses to sell, and is calculated as a proportion of the market value of the property at the time of the sale. The partnerships share of the loan and any additional proceeds will be used by the partner administering RSL to enable another person on the waiting list to purchase a home using a low cost home ownership scheme within the Golden Triangle area.
12. Proceeds of the sale of the property and repayment of the equity loan will be shared equally between the partnership and the RSL, with the exception of the proceeds being less than the original loan. In the event that there is a decrease in house prices the RSL, as second charge, will use the partnerships share of the proceeds to make up the funds they have lost.

13. Leeds City Council has been nominated the accountable body and banker of the Regional Housing Board grant and as such they will issue the partnerships share of equity loans, following exchange of contracts to the administering RSP partner.

Consultation

14. The Golden Triangle Partnership is itself a consultation framework working in partnership with Government Office for Yorkshire and Humber, Yorkshire Forward, Housing Corporation, Leeds Housing Partnership and Yorkshire and Humber Regional Assembly.

Options

Option 1

15. To approve the Golden Triangle Homebuy Plus Policy (discharge of function), attached at Annex 1. In doing so, delegate authority to Leeds City Council to act as banker, in accordance with City of York Councils Homebuyers Plus Policy and to delegate authority to the Head of Legal Services to sign the delegation arrangements and contract documentation on behalf of this Council

Option 2

16. To reject the Golden Triangle Homebuy Plus Policy (discharge of function).

Analysis

Option 1

17. Implementation of the scheme will ensure that the council maximises opportunities for affordable housing within York. Approval of the scheme would also help to deliver the governments priority agenda in providing "Homes for All" and City of York Councils Improvement Statement to "Improve the quality and availability of decent affordable homes in the city" A nominated banker is required to administer funds from the RHB and Leeds has been nominated to do this. This is the recommended option.

Option 2

18. If this option is chosen and the scheme is rejected, this will result in the scheme not being implemented across York and as this would result in York's exclusion from the scheme and the loss of opportunity to maximise access to affordable housing.

Corporate Priorities

19. Improve the life chances of the most disadvantaged and disaffected children, young people and families in the city

- Improve the quality and availability of decent affordable homes in the city
- Improve our focus on the needs of customers and residents in designing and providing services
- Improve the way the Council and its partners work together to deliver better services for the people who live in York

Implications

Financial

20. There are limited financial implications for the Council as the main financial aspects of the scheme are managed by Leeds City Council. For City of York Council there are two main issues to consider:
21. Loan or Grant payments under the scheme will usually be made directly by the scheme funder to Leeds City Council who will provide the same to the RSL (who will invest a similar amount) on each application under the scheme. On the sale of the property the loan is repaid together with any percentage increase on a like for like basis on the original loan percentage and this amount is divided between the Partnership and the RSL in accordance with their original contribution. This return is reinvested into the scheme. However there may be occasions where on the sale of the property the whole of the loan can not be repaid and initially any return to the Partnership is used to support any shortfall in the original investment of RSL but only up to the amount of the original element of the loan provided by the Partnership and not beyond.

Legal

22. Most of the technical and legal aspects of the scheme have been agreed or are being finalised between representatives. However for the scheme to take effect the Council's Executive needs to delegate its function of making payments of loans to the City of Leeds in accordance with the provisions of the Local Government Act 2000 and the Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2000.
23. There are no Human Resources (HR), Equalities, Crime and Disorder, Information Technology (IT), Property or Other implications.

Risk Management

24. **The Homebuy Plus scheme does not attract sufficient interest:** Following on from the pilot scheme during 2005/6. 84 people remain on the waiting list for Homebuy Plus scheme and evidence relating to the current housing market, future projections and residents aspirations suggests that people will continue to require affordable housing to buy.
25. **Equity loan potential loss:** In the event of a fall in house prices, The Golden Triangle Partnership might not recoup its original investment as first call on any loss will be with the administering RSL. However, this is limited to the

extent only of the original investment amount with any further losses being met by the RSL and not by any of the GT Partners.

26. **The Regional Housing Board withdraws future years funding:** Funding has been agreed for five years from 2005/6-2010/11. The partnership is seen as an example of good practice in the region in terms of it's role in developing initiatives for maximising affordable housing in high value areas. This is a key government priority as outlined in the DCLG agenda: "Homes for all".
27. **Leeds and Harrogate withdraw from the partnership:** Leeds City Council have approved the implementation of the scheme, in North Leeds, alongside appropriate delegations and authorisations, outlined in this report and the policy. Harrogate Council meet on 19 September. The success of the scheme is based on meeting housing need across the wider Golden Triangle area and so long as the scheme meets this objective it is unlikely that any partners will withdraw.

Recommendations

28. The Executive is asked to consider:
 - The Executive Member approves the Golden Triangle Homebuyers Plus Policy (discharge of function), attached at annex 1.
 - The Executive Member delegates authority to Leeds City Council to act as banker, in accordance with City of York Councils Homebuyers Plus Policy.
 - The Executive Member delegates authority to the Head of Legal Services to sign the delegation arrangements and contract documentation on behalf of this Council

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Chief Officer Responsible for the report:

Steve Waddington
Head of Housing Services

Report Approved

 tick

Date 31 August 2006

Specialist Implications Officer(s) List information for all
 Implication ie Financial Implication ie Legal
 Name Name
 Title Title
 Tel No. Tel No.

Wards Affected: List wards or tick box to indicate all

All tick

Background Papers:

None

Annexes

Annex 1- Homebuyers Plus Policy (discharge of function)

GOLDEN TRIANGLE PARTNERSHIP

DELEGATION UNDER LOCAL GOVERNMENT ACT 2000 and the LOCAL AUTHORITIES (ARRANGEMENTS FOR THE DISCHARGE OF FUNCTIONS) (ENGLAND) Regulations 2000

The Executive of CITY OF YORK COUNCIL (the “Executive”) hereby gives notice that the Executive at its meeting on 12 September 2006 resolved that under the provisions of the Local Government Act 2000 and Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2000 the Executive’s function of making payments of loans approved under CITY OF YORK COUNCIL’S Golden Triangle Home Buyers Plus Policy shall be discharged by the Executive of LEEDS CITY COUNCIL. A certified copy of the minutes of the meeting referred to above is attached.

Signed:

Dated:

York/ Harrogate

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Executive**12th September 2006****Report of the Corporate Landlord****Capital Strategy of City of York Council****Summary**

1. The Council is required to have in place a current Capital Strategy. The last one was produced in 2002 for a four year period. The attached Capital Strategy for Members consideration is for the period 2006 to 2011. The strategy will be revisited each year to ensure that it remains current and responds to any change in policy, aims or objectives of the Council and City of York. Appended to the capital strategy document is a revised CRAM (Capital Resource Allocation Model) process, which aids the allocation of funding in line with the Council's corporate aims.

Background

2. The current financial background and setting described in this strategy provides for a challenging environment within which the City of York Council must plan for capital investment and its revenue consequences.
3. Pressure on council services and the consequential demand for capital investment far exceed the available capital resource. Particular attention is drawn to the ever increasing need to invest in maintaining existing assets and thereby protecting the services they provide.
4. The Capital Strategy must be inextricably linked to the council's approach to Asset Management Planning. Each service area must be clear about its own direction and the resources it needs, including property, to support service provision now and into the future.
5. That service provision and established need must remain customer focussed and respond to the priorities, aims and objectives of the community and city of York.
6. Therefore, all capital investment within the City of York Council must be based upon genuine and approved 'need', robust asset management planning, option appraisals and a comprehensive business case.
7. Capital investment solutions should also consider the opportunities and benefits of integrated service provision with in house providers and

external partners. Integrated children's centres provide an example of good practice and the benefits that can be had.

8. The Strategy outlines the next steps to be taken by officers and members in establishing a capital programme of investment that moves the council and its service provision forward. This will require difficult decisions about the release of existing assets to generate the funding needed to invest in those assets to be retained to support future integrated service provision.
9. The Capital Strategy also requires Directors and Executive Members to take ownership of their priorities for capital investment in their service areas. The CRAM (Capital Resource Allocation Model) will require each Director and Executive Member to approve and present each bid to the Executive for allocation of capital resource.

Options

10. The only option before members is the approval or disapproval of the proposed Capital Strategy for the City of York Council.

Consultation

11. The strategy has been prepared by the Corporate Landlord in consultation with all directorates through the Capital Monitoring Group (CAPMOG).

Corporate Objectives

12. Capital investment will support all of the council's aims and objectives, the strategy will support the transformation of the City of York Council into an excellent customer focussed 'can do' authority.
13. The strategy will also contribute to the improvement of the City of York Council's organisational effectiveness, particularly:
 - a. IS.10 Improve our focus on the needs of customers and residents in designing and providing services
 - b. IS.12 Improve the way the council and its partners work together to deliver better services for the people who live in York, and
 - c. IS.13 Improve efficiency and reduce waste to free up more resources

Implications

14. **Financial** – The Capital Strategy promotes the efficient and effective use of the capital resource.

15. **Human Resources** - There are no Human Resources implications from this report

16. **Equalities** – There are no Equalities implications from this report

17. **Crime and Disorder** – There are no Crime and Disorder implications from this report

18. **Information Technology** – There are no Information Technology implications from this report

19. **Property** – The property implications relating to asset management and capital investment are contained within the body of this report.

Risk Management

20. The adoption and implementation of a Capital Strategy will reduce the risk of poor decision making relative to the council's capital investment.

Recommendations

21. Members are asked to approve and adopt the Capital Strategy for the City of York Council

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Report Approved **Date** 31 August 2006

Specialist Implications Officer(s) *List information for all*
Implication ie Financial *Implication ie Legal*
Name *Name*
Title *Title*
Tel No. *Tel No.*

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

All

For further information please contact the author of the report

Background Papers:

The 2002 Capital Strategy for the City of York Council

Annexes

Annex A – The Capital Strategy for City of York Council : 2006 – 2011 including Appendix 1 – CRAM Form 2007/08 –2010/11

Annex B – The CRAM process

Capital Strategy of City of York Council

Introduction

1. This Capital Strategy is a policy document that sets out the Council's priorities for capital investment and the framework for the allocation and management of capital resources within the authority. It draws attention to the current financial background and setting in terms of both capital and revenue, and highlights the pressures and opportunities facing the City of York Council over the next 3 – 5 years. It shows how the objectives and aims of the Council are applied to the strategic direction of our capital investment.

Financial Background and Setting

2. The Council's current approved capital programme is £122.8m over the next 3 years. This is funded from:
 - £90.8m of external funding
 - £33.3m from capital receipts
3. The programme is budgeted to balance with a potential capital receipts surplus of £1.3m. However, this is heavily dependant upon a number of high-risk receipts leaving little room for manoeuvre if unexpected one off expenditure is required for essential works or a significant sale fails to be realised.
4. Capital receipts are becoming increasingly difficult to realise and profile due to a number of factors such as:
 - A dwindling schedule of surplus assets;
 - Planning restrictions and constraints;
 - Easy sales having already been made over the last ten years leaving the more prolonged and complex sales and development opportunities;
 - Imposing S106 requirements
 - Newly established and challenging affordable housing policies that are depressing receipt values;
 - The volatility of the property market.
5. The council's revenue budgets are coming under increasing pressure with revenue savings of at least 5% of controllable budgets for the next 3-5 years. It is therefore very important to consider the revenue costs and consequences of all capital investment opportunities to ensure that they are affordable or offer up savings within this revenue setting.
6. The City of York Council has historically been revenue poor but relatively capital rich. During this period pressure was reduced

from the revenue budget by capitalising revenue expenditure in the following areas.

- Building Repair and Maintenance
 - Highway Repair and Maintenance
7. The rolling programmes of repair and maintenance have come under increasing pressure in an environment of limited capital resource and now only account for around £2m per year to be funded through the capital programme. The current level of capital expenditure cannot keep pace with the increasing demand for repair and maintenance on buildings and highways.
 - Building repairs backlog £16.5m
 - Highways repairs backlog £30m
 8. Housing does not have a particular R&M backlog. The stock condition surveys carried out have highlighted capital works required to meet the decent homes standard, some arising from future property failure and some due to property failure that has already happened (i.e. backlog). In addition to this there are extra capital schemes deemed desirable on top of the decent homes standard which make up the HRA business plan capital investments up to 2010/11. The annual revenue repairs expenditure is allocated to arising need required to maintain the status quo position, to a point where the investment needs do not increase, and also meet legislative requirements.
 9. The situation would be a lot worse but for the introduction of robust asset management planning within the authority that focuses upon the need to rid the council of poor performing buildings and those that have reached the end of their maintainable life. However, limited capital resource does make replacement of these buildings a challenging objective.
 10. The council is embarking upon a major project to consolidate its services into a single building solution (supported by the Guildhall and two other satellite properties) in lieu of the current sixteen buildings around York. Eight of those buildings are in the council's ownership and carry a heavy repair and maintenance burden of around £5m of backlog maintenance. A significant part of that burden will be removed when the council enters its new accommodation in 2010.
 11. York's position as an authority with no ward level deprivation is also resulting in reduced formula capital allocations from central Government. For example, a recent change in the local transport plan formula has resulted in a £6.5m a year reduction in capital funding to be phased in over 5 years.

12. The City is also in the final wave of the Government's building schools for the future (BSF) initiative to replace or refurbish all secondary schools. Though the council is being considered for a 'pathfinder' secondary school replacement, the overall BSF initiative is not likely to begin until 2010/11 at the earliest and could be affected by change of Central Government.
13. Since the introduction of the Prudential Code on 1st April 2004 the Council has increased flexibility to borrow for capital purposes over and above the level of Government support. This unsupported borrowing enables the authority to borrow providing it is prudent, sustainable and affordable. There are a number of different models adopted by Local Authorities in their approach to prudential borrowing. Due to the revenue constraints of the City of York Council prudential borrowing generally favours a project by project invest to save approach. The Council has already embraced the new flexibilities presented to it by prudential borrowing and has invested over £8m since its introduction. Of this £7m has been done on an invest to save basis.

Key Priorities

14. The Council's capital strategy and capital investment decisions will be focussed upon defined key priorities of the council and the local community.
15. The Council plays an active role in the Local Strategic Partnership (LSP), 'Without Walls'. The LSP has developed a community strategy 'York – a City Making History' setting out the vision for York in the next 20 years that includes:
 - The Safer City
 - The Healthy City
 - A City of Culture
 - The Thriving City
 - The Inclusive City
 - The Learning City
 - The Sustainable City
16. Without Walls is the name given to a group of people from influential organisations in York who have agreed to work together to achieve a shared vision. The strategy in place to reach the shared vision, called the community strategy, will make sure that the good work done by organisations, partnerships and individuals in the city is brought together in one overall 'grand plan'.
17. The Council is helping to achieve the objectives of 'Without Walls' and has set out a 3-5 year strategy through:

- 8 Corporate Aims:
 - i. Take pride in the city, by improving quality and sustainability, creating a clean and safe environment
 - ii. Improve opportunities for learning and raise educational achievement for everybody in York
 - iii. Strengthen and diversify York's economy and improve employment opportunities for York residents
 - iv. Create a safe city through transparent partnership working with other agencies and the local community
 - v. Work with others to improve the health, well-being and independence of York residents
 - vi. Ensure that all council services are accessible and inclusive, and build strong, proud local communities
 - vii. Work with others to develop opportunities for residents and visitors to experience York as a vibrant and eventful city
 - viii. Transform City of York Council into an excellent customer focussed 'can-do' authority

- 13 Improvement Statements
 - i. Decrease the tonnage of biodegradable waste and recyclable products going to landfill (IS1)
 - ii. Increase the use of public and other environmentally friendly modes of transport (IS2)
 - iii. Improve the actual and perceived condition and appearance of the city's streets, housing estates and publicly accessible spaces (IS3)
 - iv. Reduce the actual and perceived impact of violent, aggressive and nuisance behaviour on people in York (IS4)
 - v. Increase people's skills and knowledge to improve future employment prospects (IS5)
 - vi. Improve the contribution that Science City York makes to economic prosperity (IS6)
 - vii. Improve the health and lifestyle of the people who live in York, in particular among groups whose levels of health are the poorest (IS7)
 - viii. Improve the life chances of the most disadvantaged and disaffected children, young people and families in the city (IS8)
 - ix. Improve the quality and availability of decent affordable homes in the city (IS9)
 - x. Improve our organisational effectiveness (IS10-13)

Key Issues and Initiatives

18. Economic:

- Several areas of York will be the subject of significant regeneration over the next 10 years because of the decline and closure of manufacturing industry within the city of York. This includes the railways, confectionary and sugar product industry, resulting in the regeneration and development of sites such as York Central, British Sugar and Terry's.
- As well as the economic changes in York, all of these regeneration schemes will have a significant impact upon the needs of the communities and residents of York and the delivery of services by the City of York Council and its partner organisations.
- Many demographic changes will result from the expansion of the York University campus and other colleges, the proposed residential development of Derwenthorpe and Germany Beck, development schemes at Castle Piccadilly, Hungate and the Barbican. All of which will have a significant effect on the service needs of York's residents.

19. Economic Development:

- There is increasing competition on the City Centre and pressures on the city centre retail sector from out of town stores and other shopping centres across the region.
- York is experiencing an on-going reduction in the manufacturing sector. There is a need to address skills gaps and barriers to work for York residents in an increasingly specialized workplace and also the need for more quality jobs offering greater opportunity and pay.
- The increasing global competition is making it more challenging to maintain York's position as a market leader in 'knowledge and science' although the City has been identified as a national "Science City", alongside Manchester and Newcastle as the three northern Science Cities (linked to the Northern Way), and also Birmingham, Bristol and Nottingham. There are increased expectations on Science City York (SYC) to deliver prosperity.
- The increasing competition in the leisure/business tourism markets generally highlights the need to increase

investment in York's heritage/tourism industry. Amended tourism structures are being developed for the region with First Stop York actively engaging with regional tourism strategic and marketing frameworks.

- As part of the increasing importance of regional/sub-regional agendas York's role within the Leeds City Region is being revised. The York Central development encapsulates current regional thinking, bolstering York's role as a regional economic driver.
- The University/Heslington East expansion, subject to planning permission, forms an important element of the future economic development of the City.

20. Housing:

- The HRA Business Plan has been developed to take account of:
 - i. The council's strategic objectives;
 - ii. The Housing Strategy for the city;
 - iii. The Government's key priorities;
 - iv. Delivering decent homes;
 - v. E-government
 - vi. Tackling anti-social behaviour
 - vii. Promoting social inclusion
- The Business Plan sets out the detailed financial plan for investment in council homes to ensure all achieve the decent homes standard by 2010. At present approximately 1,034 (13% of all council homes) do not meet the standard. The business plan sets out the timetable and investment profile to ensure that the Council achieve zero non-decent homes by 2010/11. This is a key government objective and will be one of the main issues to be assessed by the Government Office. The Business Plan also highlights the wider HRA capital investment that as an authority we have made a commitment to. This includes the continuation of the York Standard, which is a higher standard than the Decent Homes standard, environmental & security improvements linked to the York Pride / Safer Cities initiatives.
- There are also wider strategic housing issues not related to the HRA, such as the Authorities/Regions affordable housing agenda, Older Peoples Housing, the funding of private sector Grants and Adaptations, Private Sector Housing and Homelessness (such as Howe Hill, Arc Light or Peaseholme)

- The Older People's Housing Strategy has recently been approved by members and sets out the need to increase the availability and choice of housing for older people in the city to meet the increase in numbers expected in the next 25 years.
- The Discus Bungalows, 100 Prefabricated Bungalows over 3 sites with a high asbestos content that have reached the end of their serviceable life.

21. Transport and Infrastructure:

- The City's Local Transport Plan (LTP) proposes a 5-year, £18m package of innovative transport measures that are designed to extend York's widely recognised 'leading edge' transport policies with wide support of the community and commerce in the City. Our five-year plan continues to build upon the need to integrate local, regional and national transport policy in a sustainable way that reduces the dependency on the car and gives people real choices. The council is also well on the way to ensuring full integration of our transport policy with other policies in the City via our Local Plan. The LTP is truly a City Plan rather than just a council plan that reflects the extensive debate and discussion with local residents and stakeholders undertaken over the past 18 months. One particularly successful element is work with other employers on the delivery of travel plans for their workforce. The council is currently working with 15 different organisations, including major employers in the City, to establish highly sustainable travel plans for each area.
- Traffic levels within the main urban area have been stabilized at 1999 levels and the numbers using public transport have increased by over 45% in the last 5 years. However, there remain some critical issues to address such as the congestion on the northern section of the Outer Ring Road. The capital funding available from the Local Transport Plan is insufficient to provide all of the infrastructure improvements required.
- The condition of the principal road network has deteriorated over the last 5 years but there have been improvements in the condition of footways, non-principal and unclassified roads following the redirection of funding to these areas. There remains a significant backlog, approximately £30m, of maintenance work to the City's

highways to raise the condition of the highway to below UK Pavement Management System (UKPMS) intervention threshold levels that would place York within the top quartile of unitary councils. In addition nearly half of the city's lighting columns are beyond their initial designed life of 25 years, the majority being of concrete construction. To replace these columns alone would require an investment of £7m.

22. Waste Management:

- Since 2002, all the districts and borough councils of North Yorkshire, the North Yorkshire County Council and City of York Council have collectively been part of a joint municipal waste management partnership. The Joint Municipal Waste Strategy (JMWS) of that partnership was amended in 2006 to incorporate proposals for a longer-term strategy for waste management. One of the key objectives is to reduce the amount of waste produced in York and North Yorkshire so as to make us one of the best performing areas in the country by 2013.
- The Partnership aims to achieve the following targets, as a minimum:
 - Recycle or compost 40% of household waste by 2010
 - Recycle or compost 45% of household waste by 2013
 - Recycle or compost 50% of household waste by 2020
 - Divert 75% of municipal waste from landfill by 2013
- It is proposed to either send all of the residual fraction of municipal waste to Energy from Waste (EfW) plant/s or to pre-treat the waste first to recover more recyclable materials in a Mechanical and Biological Treatment (MBT) plant and to produce a fuel for burning in a smaller EfW plant/s. A business case for the proposals will be submitted to DEFRA in 2006 with a possible contract award at the end of 2008.

23. Neighbourhood Services:

- In order to meet the mercury limits, the crematorium will need to invest in either two or three cremators before 2010. The Neighbourhood Services EMAP considered an options paper in July 2006.

24. Children's Services:

- The increased availability of capital and changes in service priorities and delivery has led to changes across the Children's Services estate. One children's home has closed to reflect these changes; Family centres and

childcare providers are moving on to school sites to form Sure Start Integrated Children's Centres and all schools must provide at least five core extended services by 2010. This means that some stand-alone buildings will be vacated and schools will need their premises to be flexible enough to respond to future curriculum needs and the extended schools agenda.

- Education has developed their schools asset management plan in line with DfES requirements. The plan covers the condition, suitability and sufficiency of our assets; it also identifies the schools own priorities and has been developed with the schools and their Governors. All major capital proposals go through the Council's asset management group that will identify where assets can be shared and managed across Directorates.

25. Adult Social Services:

- Promoting independence and well-being needs to be supported by modern buildings that are fit for purpose. The recent government white paper " Our Health, Our Care, Our Say" sets out a long-term vision to improve the quality of life for adults with more people using facilities within the community as a whole and also a more individualised approach to care.
- Day services for adults have been a priority for investment with Hebden Rise having been replaced, in part, by a new building in West Bank Park that is much more integrated in the local community. A more ambitious project is now underway to review buildings on the Yearsley Bridge site.
- Enabling people with disabilities to secure employment is a key national and local issue with an opportunity to review the council's arrangements for supported employment and the buildings they operate from. There is also some work being done through the Disabled Persons Action Group (DPAG) to look at models for an Independent Living Centre that would be a resource centre for people with disabilities.
- The council has retained 9 elderly persons homes in its direct ownership and management. A long term commissioning strategy for older people is nearing completion that will enable the council to better define the role and purpose of its residential homes. It is likely that there will be increasing specialisation on areas such as

dementia care, high dependency and functional mental illness requiring investment in existing buildings to support these specialisms.

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26. Leisure and Culture:
- The service aims to operate through facilities that are modern, appealing and meet 21st century needs. However, much of the estate is provided from sites that have historically suffered from under-investment e.g. swimming pools, museums, libraries and open spaces. To date only part of the service has been through the asset management process and further work is needed to develop a complete picture of future investment requirements e.g. across parks and the riverbanks.
 - External funding routes and partnership working has been the norm for the service as a way of offsetting limited council resources, e.g. the forthcoming Big Lottery fund and collaboration with the University of York. Where these routes are open some form of matched funding and ongoing commitment is still be required from council resources.
27. York Pride:
- York Pride is about improving the cleanliness and condition of our physical environment. The main aim is to improve citizen satisfaction by engaging local people and businesses in helping to “Clear up” and “Green Up” the city. York Pride is about how “liveable in” York feels.
28. Safer City:
- Making York a safer place to live remains a corporate priority for City of York Council. In pursuing this, we continue to work in partnership with other agencies on a citywide approach to co-ordinate activities and ensure maximum impact on criminal and antisocial behaviour. Aspects of safety and security are considered in all aspects of design within the council’s capital projects.
29. Customer Access:
- Providing good customer access to services continues as a corporate priority. York was at one point a national leader in the development of a customer centred approach to services. The council now recognises a need

to revive customer focus as a central pillar of the way it works. This has been emphasised in the Council's significant programme to deliver the customer-focussed [easy@york](#) initiative. As a first phase to this a customer call centre has been opened within the centre of York and the concept of a customer contact centre is at the heart of the administrative accommodation project.

Asset Management Planning

30. This strategy outlines how the City of York Council is adopting the principles and good practices necessary for the effective management of its assets and its capital investments in those areas.
31. The council continues to develop a robust approach to its management of assets and is currently preparing a new Corporate Asset Management Plan to sit alongside this Capital Strategy.
32. All service areas are encouraged to produce a Service Asset Management Plan that includes a comprehensive schedule of prioritised investment requirements that respond to the known and forecasted needs of services over the next 5 -10 years. The service needs will respond to both service objectives and those corporate aims and priorities identified above.
33. All investment solutions to identified needs will have been rigorously appraised to produce a business case in support of them to inform members' decision-making.
34. Investment solutions will look to the integration of service provision, both internally and with partner organisations, thereby making better use of the council's assets and creating the opportunity to release those assets no longer needed or seen as inappropriate for the delivery of services.
35. All investment solutions in service areas will have been prioritised and approved by their respective Directors and Executive Members before moving on to the Capital Resource Allocation Model (CRAM) process. The CRAM process is described later in this strategy.
36. The Housing Service submits the HRA Business Plan to Government office on an annual basis, this details the strategic and operational direction for the business including the performance of its assets with detailed capital investments over the short and long term.

37. A Transport Asset Management Plan is being prepared which will identify strategies for the management of all highway assets and other associated infrastructure such as Park and Ride sites. A draft version is due to be submitted to members in September 2006 and will form the basis of the contract with the maintenance service provider.

Pressures and Priorities for Capital Investment

38. Children's Services

- Significant investment has been made expanding and improving Fulford and Huntington secondary schools .The work to develop a new community school for the west of York is making good progress and the planning application to move an expanded Manor CE secondary to a new site is being prepared.
- The council is also responding to the offer from the DfES to build a £24m replacement secondary school at Joseph Rowntree School as part of the BSF Pathfinder Initiative.
- The Council needs to provide a total of eight integrated Children's Centres. Two of these are already operating, Westfield and Hob Moor with a third nearing completion at Clifton Green. A further five are in the planning stage.
- The DfES have consulted on a Primary strategy to enable primary schools to benefit from a comprehensive programme of capital investment. Funding is planned to start from 2009 and work is underway to identify the City's priorities.

39. Adult Social Services:

- A two-year project is underway to review the remaining large day centres on the Yearsley Bridge site. There will be extensive consultation with customers about alternative models of service provision with the need for investment in some buildings. These could be part of existing public buildings rather than a dedicated and exclusive model of care.
- An investment plan for the council's residential homes will follow decisions about the long-term care strategy.

40. Housing Services:

- The need to replace York's Discuss Bungalows, 100 Prefabricated Bungalows over 3 sites with a high asbestos content that have reached the end of their serviceable life.
- The major priority facing Housing Services is to meet the Governments Decent Homes Standard by the end of 2010/2011 however the investment profile is to exceed this standard to meet the aspirations of the customer base as well as contributing to York Pride.
- Pressures of dramatic reductions in the numbers of Right to Buys are decreasing Capital Receipts.
- The City's ageing population and the drive for independent living is causing increased pressures on the Grants and adaptations service.
- The HRA is on course to fund the investment needed in the council's own homes but the HRA is currently 'subsidising' investment in the grants programme for the private sector and if this were to continue it would endanger the overall business plan. There will be a £2.7m hole over the next 4 years if the current level of programme is adhered to.

41. Economic Development:

- A new Visitor Information Centre (VIC) is proposed for Parliament Street that will replace the current service located in the De Grey Rooms. A step-change in the delivery of visitor information is required coupled with the lease on the De Grey Rooms coming to an end in 2008
- A scheme is currently being put together involving Yorkshire Forward. A new VIC at the existing Parliament Street toilet block requires other elements to be delivered. These include the re-siting of the Silver Street sub-station by NEDL and relocation of the existing Parliament Street toilets to Silver Street. A consultants' report has suggested that a capital injection may be required if the VIC is to be economically feasible.
- Managed Workshop at Clifton. Work is continuing on the managed workspace scheme at Amy Johnson Way on the Clifton Moor site. The new site will provided an enhanced service to small businesses and enable the existing locations at Parkside and Fishergate to be

redeveloped. It is anticipated that a planning application will be made by the end of 2006 to enable construction to commence in 2007 with completion expected in October 2007. An allocation has been made in the capital programme to support the project and cover set-up costs.

42. Transport:

- Traffic congestion continues to be a major concern particularly within the City Centre where there are also air quality issues to address. Traffic growth due to increased population, smaller households and proposed developments will cause additional pressure on the city's road network. The Local Transport Plan (LTP) sets out the city's strategy to resolve these issues over the next 15 years. The main priorities of the LTP are tackling congestion, improving accessibility for all, and making the road network safer and improving air quality. The key strategy elements include upgrading the northern outer ring road, expansion of the park and ride service, development of an improved bus network, provision of an enhanced cycle and pedestrian network and extensive speed management initiatives.
- The current allocation of funds through the LTP is insufficient to undertake major elements of the strategy within a reasonable time period. The lowest estimate for the works required to the outer ring road is approximately £20m that exceeds the 5-year LTP allocation. It is proposed to submit a Major Scheme Bid for funding to improve the transport network in York. It is proposed to make use of the opportunity provided by key developments, such as British Sugar and York Central, to supply significant elements of the required enhanced infrastructure.
- There is a substantial backlog of highway maintenance works that are required to bring the network up to the thresholds within UKPMS. Historically capital funding has been used to supplement a reduced revenue maintenance budget. This strategy cannot continue with the anticipated reduction in availability of capital funds. Options to prepare an Expression of Interest for a Private Finance Initiative bid are being investigated with a decision to be taken in September 2006. Alternative procurement strategies are also being investigated but the underlying funding issue would remain.

43. Waste Management:

- Through a partnership with the surrounding local authorities a Joint Municipal Waste Strategy (JMWS) has been developed. It is proposed to fund the strategy to construct the Energy for Waste plant/s and possible Mechanical and Biological Treatment (MBT) plant using the Private Finance Initiative route with an application due to be submitted in 2006.

44. Neighbourhood Services:

- The hand-over of the new depot in September 2006 will see the completion of a c. £8m investment in facilities to support the neighbourhood service, including the Eco-Office with its many sustainable elements.
- The capital programme has also provided for the re-location of a city centre public toilet facility, retaining central accessibility and improving standards.

45. Leisure and Culture:

- Swimming pools – The Council's Executive approved a revised strategy for the provision of swimming pool facilities in February 2006. The Council is concentrating its available resources on replacing or refurbishing the Edmund Wilson pool, implementing a repair and maintenance regime on the Yearsley pool and working in partnership with the University of York to provide a new competition standard pool for the City of York.
- Library Learning Centres - the first of the new open access learning centres is being developed in Acomb. It is planned to create a network of LLC's across the city exploiting external funding providing that the council can contribute a degree of matched funding. Further consideration will be given to the provision of a new Central Facility providing a modern approach to the integrated provision of learning, information and library services to all parts of the community. Opportunities for this major facility may surface through a second tranche of leisure PFI credits.
- Parks and open spaces - Continued investment is required if further sites are to meet the national quality mark - the Green Flag award. Investment is also required into developing an Asset Management Plan for this service so that the future liabilities of, for example, the riverbanks, are known.

- Museums - CDC York Museum Trust has been challenged to deliver a refreshed product and to manage an estate that has a repairs backlog of around £10m. In so doing YMT is seeking external funding e.g. from the HLF for the St Mary Precinct project and aims to reinvest any operating surplus. Continued amendments to HLF rules means that it is increasingly likely that they will only invest in new products and enhancements rather than core maintenance funding, therefore the call on the council remains.

46. Administrative Accommodation:

- The council has committed itself to progress this major project to consolidate the majority of its administrative accommodation on the Hungate site in York. The cost of the project is c £30m and includes a new build office and the relocation of some existing frontline services. The project is to be funded through the disposal of 6 freehold properties in the centre of York and through prudential borrowing funded by the termination of existing leases valued at c. £900k per annum.
- The financial benefits will see c. £29m revenue savings over 30 years.
- In the period up to vacating existing freehold accommodation the council will still need to maintain its buildings to a level no worse than they currently are. This will impact upon the limited capital funding available.

47. Corporate Pressures:

- The high reliance on capital receipts (25% of the programme)
- Significant repairs and maintenance backlogs (approximately £46.5m)
- Repairs based rolling programmes funded from capital receipts (approximately £2m per annum)
- Reliance on a small number of high value – high risk capital receipts (£24m of a total £32m coming from 6 sales)
- More stringent planning requirements necessitating investment in local communities and thereby reducing the net receipt.

48. The City of York Council no longer holds a significant land bank that can be tapped into for capital receipts. Historically, land held in, for example, the Clifton Moor area has been sold off as part

of the development of that area of York and the capital receipts have gone a long way to support the council's capital programme.

49. Other sources of capital receipt were drawn from the rationalisation of the education portfolio and particularly surplus playing fields. Opportunities in this area are now limited and clear justification for the removal of playing fields is necessary to gain acceptance.
50. As a consequence the City of York Council can only generate capital receipts from surplus land and property following extensive reviews of its holdings and the services delivered from those properties. Often, extensive appraisals result in the need for investment in order to release the asset and generate the capital receipt. This level of investment can be extensive and has resulted in a 'back to back' approach to this sort of development. This is likely to continue but care must be taken to ensure that the investment required to generate the capital receipt is in itself providing a value for money solution and wherever possible contributing the balance to the rest of the capital programme.
51. The council must establish a clear programme of reviewing its assets to see if integration of service provision, alternative points of delivery, partnerships with external agencies and the private sector or the rationalisation of buildings can provide opportunities for both improved better value services and the release of capital receipts. In so doing the Corporate Landlord must adopt a robust challenge of the status quo and service providers must accept such challenge as 'healthy' in looking to deliver more efficient services.
52. The repairs and maintenance budgets are now negligible and there is a mounting pressure on the capital budgets to support attempts to reduce maintenance backlogs. It is a clear requirement of CPA that effective use of the council's resources includes managing and maintaining the value of those assets through investment in planned and proactive maintenance. New performance indicators, established by the DCLG, will show clearly the extent to which the council is investing in its buildings and infrastructure in the following ways:

Objective: To measure the condition of the asset for its current use and to measure the annual spend on required maintenance.

- Required Maintenance by cost expressed:
 - i. As total value

- ii. As a % in priority levels 1-3 (Urgent, Essential and Desirable)
 - iii. Spend required per square metre GIA
 - Annual % change to total required maintenance figure over previous year
 - Total spend on required maintenance expressed:
 - i. As total spend
 - ii. As spend per square metre GIA
 - iii. % Split of total spend between planned and responsive maintenance
 - All to be reported by the following categories: Housing; Schools; other land and buildings; community assets (including parks, open space, cemeteries etc); non-operational property; and infrastructure assets.
53. There are currently significant levels of inward investment in York and this trend is likely to continue over the next ten years. A large amount of regional construction capacity will be directed to these investments such as expansion of the University, the new York College campus, various housing developments, and the regeneration of Hungate, York Central and the British Sugar site and the development of a model village at Derwenthorpe. This is expected to result in a higher than average construction price inflation impacting on the affordability of the Council's own capital programme.
54. There are, of course, benefits too from all of this inward investment. The use of Section 106 ensures that developers are making a significant contribution to the development needs of services and communities within York.

Links to External Partners

55. Greater integration of PCT services with adult social services and children's services will result in opportunities for shared facilities with the Council. Examples of this include: the development of integrated children's centres at 2 primary schools (Hob Moor and Clifton Green) with proposals for an additional centre at Tang Hall.
56. The library asset management plan has close links with the Life Long Learning, York College and the Learning and Skills Council. The new Acomb Library Learning Centre will be the first of York's integrated library and adult learning centres to be completed in 2007.

57. Partnerships and joined up service delivery are a key element in the government vision for e-government. York has a history of partnerships and cross agency working including partnerships such as 'the Safer York partnership'. The City of York Council is already exploring with other local authorities and agency's collaboration in delivering the e-government vision and objectives.
58. The Council is committed to working in partnerships where the opportunity to do so exists. This is demonstrated through the Local Strategic Partnership arrangements and through the Administration Accommodation project that will provide potential accommodation space for partner organisations.
59. Since 2002, all the districts and borough councils of North Yorkshire, the North Yorkshire County Council and CYC have collectively been part of a joint municipal waste management partnership. A Joint Municipal Waste Strategy (JMWS) has been prepared by the partnership detailing the proposed strategy for waste management within the area.
60. The Council will not enter partnerships without caution and solely in pursuit of funding if to do so would be to conflict with its aims, objectives and priorities.

Capital Sources and Opportunities

61. The capital sources to be considered include the following:
 - Government Grants
 - Government Supported Borrowing
 - Capital Receipts
 - Non Government Funding
 - Prudential Borrowing
 - Partnerships including PFI
62. Government Grants:
 - Central Government departments are allocated capital funding by the Treasury to meet their own strategic policy needs. The grants are either allocated on a formulaic basis or through a bidding system. The key formulaic funding is to Education through the modernisation fund.
63. Government Supported Borrowing
 - Government departments also provide capital support by allowing authorities to borrow in order to fund capital expenditure. The support is provided through the revenue

support grant and is allocated on a formulaic or bidding system.

64. Capital receipts

- Through the rationalisation and/or integration of assets in a way that is consistent with the service and area asset management plans, capital receipts can be released. Such integration and rationalisation can be done at Council wide level and also with other public sector partners. The Corporate Landlord will look to establish a process of healthy challenge regarding continued use of assets, particularly those with significant development values. Directorates will be expected to react positively to such challenges, accepting that such processes should not reduce or inhibit established service provision. York already has a track record of this type of rationalisation through projects such as the integrated children's centres.
- A 3-5 year programme of capital receipts is being established. The programme will include a risk assessment of each potential receipt and the established traffic light system will draw attention the level of risk attached to each and the programme will also identify the level of net receipt expected. The risks being considered will include:
 - i. Likelihood of receiving planning approval
 - ii. Constraints imposed by planning conditions and the cost of implementation
 - iii. External intervention from English Heritage or the like
 - iv. Timescale required for working up a development opportunity
 - v. The requirement to address local need
 - vi. The results of local consultation
 - vii. The financial impact of the above
 - viii. The level of investment required in other assets to release the asset and generate a receipt (back to back type schemes)

65. Non Government Funding

- Non-government funding normally comes through bodies such as the national lottery or government quangos. It usually has to be bid for and is judged on a set of criteria.

66. Prudential Borrowing

- Allows Councils to borrow for capital purposes providing that the borrowing is prudent, affordable and sustainable. Because it is not funded by central government the cost of financing the borrowing is borne either by the taxpayer, or through savings made elsewhere in the Council. The revenue position of the Council means that a project by project appraisal is carried out to ensure that only invest to save schemes are entered in to in order to minimise the impact on the level of Council tax.

67. Partnerships including PFI

- The Council will continue to pursue Public/Private partnerships including PFI where appropriate and/or where the Government directs for particular cross cutting or service needs. The Council has a corporate strategy and guidance for consideration of PFI when appraising options for funding.
- Where opportunities exist to enter partnerships with other public or private organisations in pursuit of shared objectives and outcomes the council will give such proposals full consideration
- The government has recently changed the rules on the funding of PFI schemes, with support now only been granted for schemes with capital expenditure of over £20m. For a small authority, such as York, this means that large integrated schemes have to be worked up to ensure that credits can be secured. This makes it harder to be successful in these bids without contributing additional match funding.

Procurement

68. The Council recognises that effective procurement is central to the achievement of value for money and has a dedicated procurement team to develop and implement our procurement strategy. Procurers will be encouraged to consider framework arrangements and strategic partnering to provide consistent and value for money supplies and services to City of York Council.

Capital Strategy: Management and Allocation

69. The City of York Council's political management structure currently includes an Executive Leader, Executive Board, Scrutiny Committee, Review Panel, together with Standards Committee, regulatory and advisory groups. The Full Council approves the Capital Strategy.

70. The Corporate Management Team (Chief Executive and Directors) is ultimately responsible for the council's capital strategy. The Capital Monitoring Group (CAPMOG), chaired by the Corporate Landlord and representative of all directorates, reports to the Corporate Management Team and is responsible for the development and implementation of the capital strategy.
71. CAPMOG's remit is as follows:
- To review, update and prepare the Council's Capital Strategy.
 - To monitor and ensure that all capital expenditure adheres to the Capital Strategy.
 - To produce the overall capital programme utilising the CRAM process.
 - To review and update the CRAM process from time to time to reflect change within the council.
 - To produce the overall 'receipts programme' with a full risk assessment for each potential receipt.
 - To reconcile the capital receipt programme and other funding sources with the programmed capital expenditure.
 - To ensure that all capital budgets are profiled to produce realistic monitoring and variances.
 - To rationalise practices for capital monitoring throughout the Council.
 - To receive capital and receipt monitoring reports prior to being reported to CMT and Council Members.
 - To recommend and take action within the capital programme and receipts programme to avoid overspends or slippage.
 - To ensure that all capital budgets are on the Council's FMS, including those externally funded through lottery etc. and those for which the Council is the accountable body, and enforce a capital control regime at departmental level.
 - To develop and continually review a 3 to 5 year capital programme.
 - To establish a funding panel of experts to ensure that all funding opportunities for capital projects are considered and to ensure that all outputs resulting from investment contribute to future funding opportunities.
 - To receive and review post investment appraisals so that lessons learnt and good practice can be disseminated and used for all future investment projects.
72. The Capital Resource Allocation Model (CRAM) has been developed to ensure that in making capital investment decisions a balance is achieved between the authority responding to the

corporate priorities, local and service needs and the authority managing the process within the limitations of the capital and revenue resources available.

73. Any proposed capital scheme must be 'Needs Driven', it must be a capital investment response to an identified and approved service need that will improve services to the customer. It will therefore:
- Have been included in the relevant Service Asset Management Plan(s)
 - Respond to clear service or community objectives
 - Respond to the council's priorities
 - Have been accepted as the most appropriate service solution
 - Have been the subject of a detailed option appraisal to determine the best value investment solution
 - Have proved that the revenue consequences of this investment are affordable (and savings identified where appropriate)
 - Have been prioritised within the respective service area(s)
 - Have been approved by the relevant Director and Executive Member
74. To have got to this stage a project will have met the criteria set for CRAM 1
75. The next stage in the process is CRAM 2. All service investment priorities will be collated, reviewed and categorised by CAPMOG.
76. It is proposed that the bids continue to be categorised according to their status, as follows:
- *Category 1* existing schemes which the Council has approved (that are contractually committed and not practical to terminate)
 - *Category 2* schemes already approved but not yet committed to, (this includes any rolling programme schemes, or part thereof)
 - *Category 3* new schemes that are fully funded by Government approvals/ external contributions, this can include fully funded invest to save schemes
 - *Category 4* new schemes which require the use of the Council's own resources but which the Council has a legal obligation to undertake (mainly health & safety works) at some time in the future

- *Category 5* new bids that attract a level of external funding but require the Council to match these resources in some way
 - *Category 6* 100% funding requirement from the Council.
77. Category 1 bids will be confirmed in value and profile
78. A 'star chamber' made up of key representatives from CAPMOG and Finance, along with the relevant Executive members, will consider the bids from category 2 – 6.
79. The final part of the process CRAM 3 is for members and officers in the 'star chamber' to discuss the relative merits and benefit of the bids to the Council and the customers, and allocate appropriate and available resources to their prioritised schemes.
80. The level of council resource made available to this process and the extent to which commitment can be given to a number of projects will depend upon the credibility and certainty of the capital resource. As most of the council's available resource will come from capital receipts the decisions made must take full account of the risks associated with those receipts.
81. The resources allocated within the programme will be based on an assessment of how the projects put forward:
- contribute to the delivery of the strategic objectives and corporate priorities
 - meet identified need and opportunity
 - draw on the aims of Service and Corporate Asset Management Plans
 - illustrate that options and alternatives have been fully appraised
 - consider fully the impact of not progressing the scheme
 - clarify the level of contribution/ match funding required from the council
 - achieve value for money
 - have used partnership working to set and achieve the objectives laid down
82. The revised CRAM process is attached in Appendix 1.

Capital and Performance Monitoring Framework

83. The monitoring of the capital programme is the responsibility of CAPMOG through its directorate representatives, service finance officers and corporate finance team, as well as its remit outlined above, it has responsibility for ensuring that:

- Each service regularly reports progress and performance to their respective Executive Member Advisory Panels in accordance with their quarterly finance and performance monitoring requirements.
- The overall capital programme is regularly reviewed
- Regular statements on the state of capital funding are produced
- All capital budgets are put on the Council's Financial Management System and that a capital control regime is enforced at departmental level
- That capital budgets are profiled to produce realistic monitoring and variances

Capital Strategy: Next Steps

84. The council is entering a new financial cycle and will be considering bids, through the CRAM process, for capital investment in setting a four-year capital programme. This programme will be reviewed annually to ensure that decisions already made are still relevant, a priority and deliverable within the allocated resources.
85. The financial background and setting described within this strategy makes the process very challenging against pressures and demands far in excess of the resources available.
86. The Council must therefore consider the following in its approach to investment decisions:
 - To increase the size of the council's asset base through further capital investment will increase the pressure upon consequential revenue needs. This cannot be maintained without releasing other surplus assets.
 - The council's focus should be on ensuring that the assets held by the council are fit for purpose and meet modern standards, are in the right location for meeting identified customer needs, and are in a good enough condition to support the services being delivered.
 - Every opportunity to integrate service provision should be considered prior to investing in the provision of independent facilities (This will ensure better value in both capital investment, service provision and revenue consequences)
 - In reviewing assets the council should be looking to release those that are beyond repair, unfit for purpose and not supporting service provision. The capital receipts

generated by releasing these assets should be invested in those to be retained, in better quality facilities focussed upon customer needs and those old and new that can provide integrated service provision.

- On this basis each service area in considering its 'needs' within its Service Asset Management Plan should be looking at an asset strategy that releases the value of surplus property for the corporate benefit of the council as well as identifying the need for future capital investment. This exercise should be undertaken in consultation with the Corporate Landlord and the Corporate Asset Management Group to ensure that there is a corporate approach to the use of assets and the meeting of service needs.
- The Executive, in prioritising capital investment needs, should consider how rigorous each service area has been in reviewing its assets as well as focussing on meeting customer needs and the priorities and objectives of the council and service.

Capital Strategy: Executive Summary

87. The current financial background and setting described in this strategy provides for a challenging environment within which the City of York Council must plan for capital investment and its revenue consequences.
88. The strategy clearly shows that the council is focussed upon the needs of the customer, the community and the city and through its key priorities and service improvement statements will target its capital investment on those needs.
89. Pressures on council services and the consequent demand for capital investment far exceed the available capital resource. Particular attention is drawn to the need to invest in maintaining existing assets and the services they provide.
90. All services must focus on the effective use of the asset base to support services and must look to work with the Corporate Landlord to ensure the release of those assets no longer fit for purpose in order that capital receipts generated can be invested in the improvement and provision of better assets.
91. All opportunities for accessing sources of capital funding will be considered and fully appraised.

92. All capital investment solutions will respond to justified needs based upon sound asset management planning, option appraisals and a comprehensive business case.
93. Capital investment solutions will have considered all opportunities for integration of service provision with both in house and external partner organisations.
94. The framework is in place to effectively manage and implement this strategy through financial and performance monitoring, the CRAM process, CAPMOG, CMT and the Council's Executive.

Neil Hindhaugh
AD: Head of Property Services (Corporate Landlord)

On behalf of CAPMOG

Appendix 1 – The revised CRAM process.

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A Four Year Capital Programme

2007/08 To 2010/11

THE CRAM PROCESS

Part 1 - The 2007/08 budget process

Part 2 - Background Information

Part 3 - Filling in the Forms

Prepared by: Corporate Finance

Author: Tom Wilkinson, ext 1187

Date: July 2006

Part 1 – The 2007/08 Budget Process

Introduction

1. This help guide has been produced to assist the CRAM (Capital Programme Resource Allocation Model) process. This is a new help guide so you are encouraged to read the whole guide before submitting any capital submissions.
2. This years process is inviting bids for capital funds covering financial years from 2007/08 to 2010/11. However, because of the uncertainty of the Osbaldwick capital receipt and the additional delay and potential uncertainty of the Barbican receipt, it is not appropriate for there to be any bids that require Council capital receipt funding that starts in 2007/08. The CRAM process will still consider:
 - Government funded schemes
 - Self financing or 'Invest to Save' schemes which can be funded from unsupported (prudential) borrowing
 - Health and Safety schemes, that have to be completed in 2007/08.
 - Schemes considered to be of a greater priority than schemes currently in the programme, i.e. the inclusion of any such scheme will require the removal or rephrasing of an existing scheme.
3. The lack of surplus capital receipts and the tight timetable this year means that a light touch approach will be taken for schemes that are fully funded and already established in the capital programme. Therefore LTP, HRA Business Plan and Schools Modernisation schemes will only be required to confirm the estimated spend and any revenue implications that have not already been picked up as part of the revenue budget setting process.
4. New fully funded schemes will be required to be submitted as normal on the new form. To aid property services in planning their workloads a robust project plan showing the stages the scheme will need to go through from feasibility to post project review along with the phasing of expenditure over this period needs to be submitted as part of the bid. Bids that are received without a plan will not be considered as part of the CRAM process. An example template for a project plan is included at Annex 2.
5. Continuing from previous years there is a need for additional information to prove that no scheme contravenes the aims and objectives of a sustainable society under the guidance of Local Agenda 21. The key criteria have been listed at Annex 1.
6. To help prioritise these schemes more accurately;

- a quality/completeness check will be undertaken by Corporate Finance when the bids are received back.
 - The Councils Capital Programme Monitoring Group (CAPMOG) will conduct the scrutiny category 4 Health and Safety/Legislative bids.
7. The proposals will be considered as part of the budget panel process in October, with reports to Management Team and the Executive in December and January respectively.

Timetable

8. Listed below is the proposed timetable intended to ensure that all bids are subject to the same level of scrutiny in the budget process:

Description	Deadline
Revised CRAM process to be discussed by CAPMOG	15 th August 2006
Revised CRAM process to be reviewed by CMT	23 rd August 2006
New forms to be submitted to Departmental Teams	24 th August 2006
CRAM submission deadline	15 th September 2006
CRAM bids to be reviewed by CAPMOG	20 th September 2006
Member scoring meeting	w/c 2 nd October 2006
Budget Reports to EMAP	November 2006
EMAP meetings	December 2006
Executive	January 2007
Budget Council	27 th February 2007

9. Each Directorate should choose one person to co-ordinate their Directorate's bids (and notify Tom Wilkinson, on extension 1187). The nominated person will be responsible for ensuring that all bids have been completed using the relevant form and for agreeing the figures with the relevant Finance Manager. The deadline for submissions is 5 pm on **15th September 2006**.

Part 2 - Background Information

Background

10. The Capital Resources Allocation Model (CRAM) process has been in place at the City of York Council for a number of years now. The main objective of the CRAM process is to allocate scarce capital resources objectively to schemes that address Council priorities and corporate objectives. However, the original process was established at a time when the Council's financial position was different to the one that it finds itself now.
11. It has therefore been necessary to realign the CRAM process to complement the revised capital strategy. The Council is now in a position where it no longer has surplus land and buildings which are easy to sell in order to fund the capital programme, and as a result it has to be more forward thinking in terms of asset management planning.

This Help Guide

12. This help guide is intended to assist you in compiling your capital bids for the next four years, i.e. 2007/08 to 2009/10. You should have this guide with you as you complete the form, and respond to the points and questions it raises.
13. Having read this help guide, you should be able to know:
 - How to complete a Capital bid;
 - What criteria will be used by Members to assess each bid;
 - How all the bids will be co-ordinated and presented to Members;
 - The timetable for each stage of the process.

Overview of the CRAM process

14. The main aim of the CRAM process is to provide a simple but robust analysis that helps Members decide which schemes should be included in the Council's capital programme.
15. All bids for inclusion in the Council's capital programme, regardless of whether they are to be funded from the General Fund, Housing Revenue Account or the Traded Services with Neighbourhood Services (former DLO), are considered within a corporate framework, known as the Capital Programme Resource Allocation Model (CRAM).
16. This model provides a rationale to enable each proposal to be assessed against customer needs, financial effects, cost ratios, and Council priorities.

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17. The CRAM framework is based on the following stages:

- Departmental priority scheme selection
- Corporate priority scheme selection
- Ranking the schemes

Stage 1 – Departmental priority scheme selection

18. The CRAM framework has been developed to complement the Service Asset Management Plans (SAMPs) that each Directorate should have and maintain. The SAMP's should identify the condition, suitability and sufficiency of the services current asset base. The SAMP should also develop the preferred asset base solution that would allow all of the services buildings needs to be met.

19. From the SAMP a number of options should be developed. These options should consider the following:

- Rationalisation of assets
- Integration of assets/services
- Potential asset disposals
- New build solutions
- Acquisition

20. For option appraisal the HM Treasury Green Book should be consulted, this can be downloaded for free from [www.hm-treasury.gov.uk/media/05553/Green Book 03.pdf](http://www.hm-treasury.gov.uk/media/05553/Green_Book_03.pdf)

21. From this the departments preferred solution for each service should be derived. Following this the department should prioritise their service needs and rank the preferred options to put forward in to Round 2 of the CRAM process, where it will be considered by Members for funding and inclusion in the capital programme.

22. Once schemes have been prioritised the funding should be considered. There are a number of funding sources available to the Council and include

- Government Grants – this includes bids to Government (both for 100% funding and match funding)
- Government support capital expenditure (SCE) which is a revenue grant given by the government to fund the cost of borrowing.
- Non Government Grant – Bids can be made to some non governmental bodies, such as the National Lottery (both for 100% funding and match funding)

- Section 106 – Developers contributions
- Prudential Borrowing – this is borrowing that will be repaid from savings or additional income generated as a result of the scheme
- Revenue contributions – funding that is charged direct to the revenue budget.
- Capital receipts
- A combination of the above

23. The bid for capital receipts can take 3 forms

- Straight Bid for Capital Receipts,
- Permission to bid for external funding that requires CYC matched funding,
- Development fund bid to allow scheme to be draw up prior to second round CRAM bid.

24. The following is an example of how a combination of rationalisation of buildings and bidding for government grants was used to achieve the provision of Secondary Schools:

Case Study : Review of Secondary School Provision in the West of the City

As with the majority of services, Education has been affected by changes in demographics. There is a falling secondary school population. In the west of the city there are 3 secondary schools with a surplus spaces of xx places. 2 of the schools were getting poor results and the condition and suitability of the buildings were poor. The other school was voluntary aided and had a demand for places and was getting good results. Budget pressures within the Education budget also meant that it was becoming increasingly difficult to support 9 secondary schools across the city with an increasing proportion of the budget being devoted to the fixed assets. The service asset management plan helped the planning team to formulate a bid to the DfES for Targeted Capital Funding. As part of the bid a number of options were considered, these included:

1. Expansion on each of the existing sites and disposing of one
2. Moving to 2 new sites and disposing of the 3 existing sites
3. Expand one school, build on new site and dispose of 2 surplus sites
4. Do nothing

The option decided on was to reduce the number of secondary schools from 3 to 2 in the west of the City by expanding the VA school and one of the other schools.

Negotiations had to take place between the Church England Diocese and the LEA surrounding the expansion of admissions from non faith children

The bids were successful and required a 20% match funding element from the LEA and Diocese. This funding will be generated from the sale of the surplus school sites. Both schools are currently in design stage.

Stage 2 - Corporate priority scheme selection

25. Whereas the stage 1 process is an internal exercise for Departments to prioritise their needs, the Second Round is a more formal stage which will detail the benefits of the proposed scheme in relation to achieving corporate aims and priorities.
26. Here the proposal will have to provide information on how :
- Service need of the department, illustrating its impact analysis and the benefits to customers are met
 - Corporate Aims are met
 - Council Priorities are met
 - Service Improvement Statements are addressed
 - The funding required for the scheme is made up, including source of funding, the expenditure and funding profile, any borrowing and how it will be funded and whether the proposal will generate a capital receipt (and anticipated level of receipt).
 - what efficiencies it will contribute to and why it will offer Value for Money
 - Revenue consequences of the proposal have been considered so that these can be taken account of in the revenue budget process.
 - The impact on the asset base (i.e. will it increase/decrease stock, improve condition, improve accessibility etc), which will also be reflected in the asset management plan has been considered.
 - The proposal impacts on the equalities agenda
27. The prioritised scheme from the departments will be put forward in to this stage of the CRAM process, where they will be assessed against corporate priorities.
28. This stage of the process will involve a detailed financial assessment of the proposals to assess value for money, revenue and whole life cost implications. The bids will be summarised in to 6 new categories before being put forward for member discussion. Although the lack of capital receipts means that it is unlikely that many discretionary bids will be approved, the process should be used to facilitate bids for funding and assess rationalisation and integration. It is proposed that the bids continue

to be categorised according to their status. The categories are summarised as

- Category 1 spend (on committed schemes) that cannot be avoided because of contractual commitments (N.B. no forms are required in respect of category 1 schemes and summary information on the financial consequences of the Council's approved capital programme will be taken from the monitoring reports that are taken to the Executive).
- Category 2 schemes have already been approved in the capital programme but have not yet been started and could therefore be reprioritised. This includes rolling programme schemes which could be delayed or reduced if the financial situation dictates. (Previous years summary information is only required for these schemes)
- Category 3 (fully funded schemes) bids do not require Council capital resources to support them. However, the CRAM form should still be completed so any revenue or cash flow implications can be built in to the Council's budget and medium term financial strategy.
- Category 4 (legislative requirements) bids that require Council funding as a result of a legal obligation where the Council would be liable if works were not done. Typical schemes included those that bring buildings up to DDA standard. It is important that the timescale of the requirements are illustrated so that works can be planned in advance.
- Category 5 (match funding) bids are those where the Council has to make a contribution in order to attract external funding. In this scenario the bidding department should be asking the Council for agreement to make a bid for external funding and highlight the commitment that would fall on the Council if that bid were successful. The bid should also highlight whether there are any alternative funding sources or assets that can be released to assist with the funding of the bid.
- Category 6 (100% CYC funding) bids should have considered alternative funding sources and state why it is not possible to fund from other sources.

Stage 3 - Ranking the schemes

29. The bids from category 2 – 6 will be considered and categorised by a star chamber made up of key representatives from CAPMOG, along with the relevant members who will discuss their relative merits and benefit to the Council. The star chamber forum will allow Executive Members to discuss schemes put forward by their portfolios and to rank them in terms of relative priorities for the Council and meeting their political goals.

Assessment of the Bids

30. As stated above each bid will be assessed according to the CRAM process and correctly categorised by a panel of CAPMOG representatives before going forward to the Member panel. In compiling bids for consideration by the assessment panel, bidding Directorates, Financial Services and CAPMOG will each play a role in the assessment process, viz.-
31. **Directorates** - Will formulate the proposals to be put forward for consideration; ensuring that the schemes are well thought through, researched and reflect customer needs and priorities etc. (N.B. Finance Managers will assist the process by ensuring that each scheme has accurate financial data to support the bids).
32. **Financial Services/CAPMOG** - Will co-ordinate the process and they will also provide corporate advice to Members on funding as a whole. They will provide guidance to Directorates on the completion of bids, collecting and co-ordinating advice for Members on the implications of each proposal and providing an overview of all the submissions. At a detailed level this will include:
 - providing corporate advice about which submissions best fit the criteria as set out in the CRAM
 - ensuring schemes are based upon the most complete and robust information available, and in line with the criteria outlined in the CRAM;
 - advising the panel about the relative merits of each proposal in the light of the criteria set out in the CRAM

Part 3 - Filling in the form

33. The form is made up of a summary sheet and 5 main sections. The sections below set out how you should complete the capital scheme submission forms.

Front Sheet

34. The front sheet has nine fields.
35. **Scheme Name:** is the name of the scheme that will appear in the capital programme. It is important that a generic name can be used throughout the life of the scheme to avoid potential confusion.
36. **Start Year:** is the financial year when funding is required. The CRAM process is considering schemes over the next 4 financial years. A start date of 2007/08, 2008/09, 2009/10 or 2010/11 should be input in to this cell. Larger schemes that require long lead in times may not start until external funding is secured or planning permission is gained. Departments are encouraged to be as realistic as possible when considering the timing and profile of schemes. Realistic profiles and start dates help with the planning and allocation of resources.
37. **Directorate / Committee:** is the Directorate/political portfolio that this scheme will be reported under.
38. **Scheme Category:** one of the 6 categories should be selected.
39. **Contact Officer:** is the lead representative of the department submitting the bid.
40. **Service Asset Management Plan:** is the SAMP that the scheme belongs to.
41. **Area Asset Management Plan:** is the geographical area where the scheme is taking place. This is required to allow joined up thinking and potential integration across services delivered in the same area.
42. **Scheme Cost:** is the estimate of gross expenditure required to deliver the proposed scheme.
43. **Brief Description of Scheme:** use no more than 200 words to describe the scheme.

1 Goals and Objectives

This section assesses the bid against Departmental and Council priorities.

1.1 How does the scheme address service need?

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Evidence is sought on how the scheme will contribute to the needs and delivery of the service. Please restrict to space available.

1.2 Departmental priority rank

What is the priority of the scheme within the department?

1.3 Which of the Council's corporate objectives and priorities does the scheme address?

The Council Plan sets out a detailed vision and plan for the deliver of Council services over the next 3 years. Please tick the boxes where you believe the scheme will contribute to the Council objectives and priorities. The Council has 8 Corporate Aims and 13 Improvement Statements (IS). To assist with compiling the form each IS has been placed under the relevant Corporate Aim. The 2007/08 Council Plan can be found on the internet at http://www.york.gov.uk/council/plans/Council_plan_full.pdf.

1.4 Evidence to support aims and priorities ticked

Please describe how the scheme will contribute to corporate aims and improvement statements.

2 Financial Information

In order to assess the value for money, affordability and the on going financial requirements of the scheme, details of the capital expenditure, funding, whole life costs and revenue consequences of the scheme are required. This is then used to arrive at a net present cost/benefit (NPC/B) of the scheme. It is important to note that the NPC/B will be used to test whether the scheme can justify an element of self funding, so that the scarce resources that fund the capital programme can be maximised or that information can be fed back in to the medium term financial forecast to allow future commitments/savings to be addressed.

Note: The Directorate and Name of Project fields are picked up from the front sheet.

2.1 Asset Life

This is the expected life of the asset that will be created. This is important to ensure that the asset is properly accounted for and funded. Assets that will be funded through unsupported (prudential) borrowing should be funded over the life of the asset. Bidders should consider how long the life of the asset will be/how long the useful life of the asset will be extended as a result of the capital scheme.

2.2 Details of capital expenditure

This section breaks the capital expenditure down between expenditure type and financial years. It is expected that a basic feasibility study has been completed to provide details of the likely split between the expenditure types and likely spend profile. This information assists Property Services to plan their workloads, enable budgets to be more easily set and enables Finance to ensure that the overall funding requirements of the capital programme can be met.

2.3 Sources of Funding

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These figures should be negative and profiled across financial years when the funding is available, this is important to assist in managing any cash flow differences.

2.4 Funding Details

Please provide details of the funding source, i.e. the name of the government department giving the grant, the name of the grant, any terms and conditions attached to it (for example, has to be spent by a certain date, or subject to successful bid etc).

2.5 Release of surplus assets

If, as a result of the scheme, an asset will become surplus details are required to enable the corporate landlord to either:

1. find an alternative service use for the site/asset
2. declare as a surplus asset and dispose of to contribute to the funding of the capital programme

The information requested is

- a) the name of the asset / building to be vacated,
- b) indicative property value – to be provided by the corporate landlord,
- c) the anticipated date of release – to enable the corporate landlord to market,
- d) please state whether there are any customer implications of marketing the asset prior to vacation and give reason,
- e) please state whether there are other parties that currently occupy the property that is to become surplus and give details.

2.6 Whole life costs

Whole life costing is an important area of financial and property planning. Whole life costs can amount to more than 10 times the cost of construction over the life of an asset. As a result it is important to assess the costs that will be incurred on key building components that will have to be replaced over the life of the asset. Quality design upfront can significantly reduce the life cycle costs of a building and therefore need to be built in to any option appraisal of a capital project.

Property services will be able to provide information in relation to the whole life costs or particular build solutions and will assess this section of the bid to ensure that it is realistic.

Particular attention should be paid to key components such as roofing, plant, and windows in the case of buildings and surface dressing in the case of highways for example.

REVENUE CONSEQUENCES

44. It will not be necessary to complete a separate Growth Bid form for capital schemes which have revenue consequences and the information provided here will feed into revenue budget process. An extension to a building, a new build, installation of road signals or provision of new open spaces will

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all have implications on the cost of running the new asset/facility. The Member budget panels will consider both capital and revenue budgets and as a result schemes with revenue consequences will be cross referenced and fed in to the revenue budget setting process.

2.7 Facilities Management Costs

This section asks for information on the incremental change in running costs as a result of the proposed scheme. The changes can take the form of reduced running costs, or an increase as a result of an expansion of services. Property services will be able to provide standard costs in relation to certain building types. It is important that the impact on business rates is taken into account, especially if the scheme brings a significant improvement to the value and quality of the asset created.

2.8 Staffing Costs

Will the facility result in a change to the staffing levels required to operate the service? For example, an extension or refurbishment of a Library may be predicated on the back of extended opening hours which would have a staffing implication that would require additional funding. Alternatively a reconfiguration of a building could result in fewer staff required because of more efficient use of space, i.e. through integrated reception areas.

2.9 Please state whether additional staffing costs can be met from existing budgets.

- a) If the answer to 2.9 is yes, please state which cost centre.
- b) If the answer to 2.9 is no, this will be fed in to the revenue budget process.

2.10 Details of Income

If the scheme is going to impact on the income earned by the facility please state the marginal change and for how long it is expected. Types of income can include: -

- Increase in fees and charges income,
- A revenue grant to support the work of the new/improved facility,
- Changes that may be a result of the capital scheme, for example temporary closure of the facility result in a temporary reduction in income,
- The loss of income as a result of change of use of the asset, for example, the building on a car park site may have an impact on the level of car park income that can be collected.

3 Financial Appraisal Summary

45. This sheet is mainly an output sheet from the information input in to the financial information sheet in Point 2 above.

3.1 & 3.2 are picked up from inputs on the front sheet

3.3 Initial Year of Investment

Is the 1st year in which expenditure will be incurred; this should be 2007/08, 2008/09, 2009/10 or 2010/11. **Please input.**

3.4 Period of Expenditure

Please state the number of financial years that expenditure will be incurred over?
Please input

3.5 Funding Breakdown

This field summarises the outputs from the financial appraisal sheet showing the gross scheme cost and funding sources.

3.6 Scheme Analysis

Net Present Value (NPV) Analysis of Scheme

This section calculates the NPV of the scheme over a maximum 20 year lifecycle. This analysis will enable the Council to assess whether the scheme is being appropriately financed. If the NPV of the scheme is negative, it will make a net saving to the Council over its lifetime. This means that the Council could consider borrowing to fund the project and make the repayments from the revenue savings/income that the scheme will generate. The level of the NPV can therefore provide more options to enable the Council's scarce resources to be maximised.

3.7 CYC Contribution Analysis

Net Present Value (NPV) Analysis of CYC contribution

This analysis helps the Council to assess whether its contribution would provide a net benefit to the Council over the life of the scheme. It might be that the Council are contributing to a scheme which has attracted grant funding. The element that the Council contributes and gains is assessed rather than the gross costs of the scheme.

The financial analysis is necessary to aid the decision making process, and just because a scheme does not produce a net present value saving does not mean that it will not be considered. The majority of schemes are likely to address significant non-financial outputs that can't be measured in financial terms. However, knowing and understanding the financial make up of the scheme will enable the Council to maximise the resourcing of the capital programme as a whole.

3.8 Sensitivity Analysis

This section compares the NPV analysis if there are movements in the assumptions on the key inputs from section 2. It is specifically testing that any NPV savings from a scheme would hold true if there were a 20% variation to

- a) capital costs increasing by 20%,
- b) revenue income decreasing by 20% - i.e. income assumptions have been overstated,
- c) revenue expenditure increasing by 20% - i.e. expenditure projections have been understated.

These results will enable the key financial risks to be assessed and allow mitigating actions to be put in place. They will also influence the degree to which

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the Council can use prudential borrowing for the scheme and flag up any risks associated with financing the scheme in this way.

3.9 Value for Money Indicators

These are direct outputs from the information input in to sheet 2 and summarise the percentage CYC contribution to the scheme, the NPV of the CYC contribution and the NPV of the scheme as a whole.

3.10 Annual Cost of Unsupported Borrowing

This field takes the request for unsupported borrowing and converts it to an annual repayment amount over the estimated life of the asset that is being created. This is to inform decision making.

4 Financial Questions

This section is to provide written assurances to back up the financial information provided in sections 2 and 3. The fall in available resources is placing an increasing pressure on the Council and the ability to deliver a programme that closely aligns with its strategic aims, objectives and priorities. Alternative financing packages will have to be levered in, if the Council is to continue to develop its capital infrastructure to deliver high quality services, possibly in partnership with other public and private sector organisations. This will provide challenging but exciting opportunities for Directorates to come forward with innovative, creative and entrepreneurial development plans which will continue to place this Council at the forefront of best practice in local government. These alternatives could have much longer lead in times and in this respect the move to a four year programme should help the process.

As such it is not sufficient for Directorates to tick the relevant box indicating whether alternative funding has been sought. Whilst it is recognised that some schemes, because of their nature, e.g. basic repair and maintenance programmes, may find it difficult to do this, every Directorate needs to pursue vigorously different financing options. Directorates will need to state why none of the above funding sources are applicable.

The involvement of the funding officer is therefore vital for the Council's ongoing capital strategy. With all bids passing through the funding officer, common themes can be identified which might result in the opportunity to access new sources of funding.

4.1 Funding

- a) please put the status of the funding, whether the funding is secured or status of the bid.
- b) please state whether the funding officer (Simon Town ex 1188) has been made aware of the scheme
- c) please list the alternative funding sources have been considered and why they are not appropriate

4.2 Revenue Funding

Please provide evidence of how the revenue costs have been derived. Standard industry costs can be provided by property services. Examples from previous projects can also be sighted.

4.3 Whole Life Costs

Please provide evidence of how the whole life costs of the asset have been derived. Standard industry costs can be provided by property services. Specific attention should be paid to key components which might expire during the life of the main build.

4.4 Efficiency /VFM agenda

Please state how the proposed scheme will contribute toward Gershon efficiencies. Gershon efficiencies can be measured in cash terms, which is a real expenditure reduction with no loss of service. Additional income can be scored providing that it can be proved that it is from the sale of surplus capacity. Non-cashable efficiencies are when it can be demonstrated that service out put has increased by more than the initial investment. This section will assist with the measurement of these savings.

4.5 Sustainability of the Scheme

The Council is committed to the aims and objectives of a sustainable society under the guidance of Local Agenda 21. Annex 1 lists the key criteria; please state how the scheme contributes to these aims.

4.6 Asset Base

Please state how the asset base of the service will improve as a result of the investment.

4.7 Repairs and Maintenance Backlog

All schemes should look at addressing the maintenance backlog as a key part of the proposal. Examples include improving the fabric of the asset and prolonging its useful economic life, or by leaving an existing building with liabilities and selling it on the open market, i.e. removing the liability from the Council's balance sheet.

Please estimate the amount by which the backlog will be reduced and when this will be done by in respect of the project.

5 Stakeholders and Risk

5.1 What proof is there that the citizens of York want this scheme?

5.2 What are the benefits to the citizens of York of this scheme?

Evidence from previous years and the advice from the Audit Commission indicates that Directorates must make more progress in not only identifying what they have (or haven't) done but also what proof is there that residents/customers say they want it.

For *existing services* it should state how and why the current service levels are not fulfilling the stated aims and objectives for the service. Provide evidence from the users of the service, and staff where appropriate. Such evidence might be

based on demographic or socio-economic information, market research, user surveys etc.

For *new schemes* it should state the aims and objectives and say why these are not addressed by existing services. Identify the gap. Can it be met by improving the efficiency and effectiveness of existing services? Again, what is the evidence from potential customers/users that the need/demand exists?

It will be necessary to provide performance information to show how the proposal will meet the need or demand you have identified. This means quantifying the changes in service level i.e. the existing target levels. The same should apply to efficiency targets expressed as cost ratios; and quality in terms of numbers of complaints, achievement of time targets, survey results etc.

It will need to be made clear about the precise impact you expect this proposal to have on the level of need/demand that has been identified.

5.3 What alternative plans have been considered?

5.4 Why is the scheme proposed the best alternative?

Evidence must be presented which states why the proposal is the best method of achieving the objective. There must have been an evaluation of alternative means of providing the solution and reasoning why the proposal is the best way of achieving the desired outcome should be included.

5.5 What are the risks associated with this scheme?

5.6 What are the risks of not proceeding with the scheme?

Please state any risks associated with the scheme that will have a financial or service implication. This is the section where risks such as not complying with health and safety or legislation can be included. Other examples can include, need for planning permission, inflation risks and the financial risks of not proceeding with the scheme ie allowing a building to deteriorate to a state where significant future works will be required.

5.7 How does the scheme contribute to the Council's equalities agenda?

The Council puts equalities at the top of its agenda. Directorates are asked to explain how the scheme contributes to achieving equality issues.

6 Comments

The final section of the form asks for comments by the relevant professionals within the authority. Before submitting the bid Property Services, Finance and the Funding Officer should have reviewed and commented on the bid in respect of their specialised fields. This ensures a joined up approach to the allocation of resources and delivery of services.

If you still require help

If you require any further assistance or clarification please contact:

**Tom Wilkinson, Corporate Finance Manager x1187 or
Ross Brown, Corporate Accountant x1207**

Criteria for the development of a Sustainable Society under LA21

- Use energy, water and other natural resources efficiently and with care and minimise waste, then re-use or recover through recycling, composting or energy recovery, and finally sustainable dispose of what is left.
- Limit pollution to levels which do not damage natural systems.
- Value and protect the diversity of nature.
- Create or enhance places, spaces and buildings that work well, wear well and look well and value and protect diversity and local distinctiveness to strengthen local community and cultural identity.
- Ensure access to good food, water, housing and fuel at reasonable cost.
- Encourage necessary access to facilities, services, goods and other people in ways which make less use of the car and minimise impacts on the environment.

Project plan for CRAM bid.

Milestone	Timescale
Feasibility – consideration as to whether the council can afford the project financially, if it meets overall objectives, and exploration of any barriers to completion. (this will normally be a revenue cost and should not be included in the cost of the scheme without seeking advice from the Strategic Finance Section)	e.g. 3 months from ? to ?
Consultation – with the public and Members if required	e.g. 4 months from ? to ?
Project Brief – a plan of the project showing what the project is hoping to achieve.	e.g. 2 months from ? to ?
Resourced Programme – demonstrate that there are sufficient financial and manpower resources to deliver the project with a specified timetable.	e.g. 2 weeks running consecutively with the project brief from ? to ?
Detailed Design – obtaining specific architects detailed design.	e.g. 1 month from ? to ?
Pre- tender Review – comparing detailed design to project brief and feasibility.	e.g. 2 weeks from ? to ?
Tender Period – how long the contract is out to tender	e.g. 1 month from ? to ?
Project Delivery On Site – show start and end date	e.g. 8 months from ? to ?
Post Project Review – within 6 months of completion of project and reported to relevant EMAP	Date of report
Phasing of expenditure over financial years	£000's
2005/06	£
2007/08	£
2007/08	£
Beyond 2007/08	£

Capital Resource Allocation Model

Capital Scheme Submission

Scheme Name:

Start Year

**Directorate
Committee**

Scheme Category

Contact Officer

**Service Asset
Management Plan**

**Area Asset Management
Plan**

Scheme Cost

Brief Description of the Scheme

Goals & Objectives

1.1 How does this scheme address service need?

Evidence is required that the proposal is covered in the service asset management plan. Impact on customer benefit and other services should be included.

1.2 Departmental Priority Rank

1.3 Which of the Council's corporate objectives and priorities does the scheme address?

The Council has 8 Corporate Objectives, and within these 13 priority areas where improvements statements (IS) have been prepared

Corporate Aim 1 - Take pride in the City, by improving quality and sustainability, creating a clean and safe environment

- IS 1 - decrease the tonnage of biodegradable waste and recyclable products going to landfill
- IS 2 - Increase the use of public and other environmentally friendly modes of transport
- IS 3 - Improve the actual and perceived condition and appearance of the city's streets, housing and publicly accessible spaces
- IS 9 - Improve the quality and availability of decent affordable homes in the city.

tick

Corporate Aim 2 - Improve opportunities for learning and raise educational achievement for everybody in York

- IS 5 - Increase people's skills and knowledge to improve future employment prospects
- IS 7 - Improve the life chances of the most disadvantaged and disaffected children, young people and families in the city

Corporate Aim 3 - Strengthen and diversify York's economy and improve employment opportunities for residents

- IS 5 - Increase people's skills and knowledge to improve future employment prospects
- IS 6 - Improve the contribution that Science City makes to York's economic performance and sphere of national and regional influence

Corporate Aim 4 - Create a safe city through transparent partnership working with other agencies and the local community

- IS 4 - Reduce the actual and perceived impact of violent and aggressive and nuisance behaviour on people in York

Corporate Aim 5 - Work with others to improve the health, well-being and independence of York residents

- IS 7 - Improve the life chances of the most disadvantaged and disaffected children, young people and families in the city

IS 8 - Improve the health & lifestyles of the people who live in York, in particular among groups whose levels of health are poorest

Corporate Aim 6 - Ensure that all Council services are accessible and inclusive, and build strong proud local communities

IS 9 - Improve the quality and availability of decent affordable homes in the city.

IS 10 - Organisational effectiveness - improve our focus on the needs of customers and residents in designing and providing services

Corporate Aim 7 - Work with others to develop opportunities for residents and visitors to experience York as a vibrant and eventful city

Corporate Aim 8 - Transform City of York Council in to an excellent customer focused 'can do' authority

IS 10 - Organisational effectiveness - improve our focus on the needs of customers and residents in designing and providing services

IS 11 - Improve leadership at all levels to provide clear, consistent direction to the organisation

IS 12 - Improve the way the Council and its partners work together to deliver better services for the people who live in York

IS 13 - Improve efficiency and reduce waste to free-up more resources

1.4 Evidence supporting aims and priorities ticked

Financial Information

EMAP	0
Name of Project	0
2.1 Asset Life	25

2.2 Details of capital expenditure

Year	0	1	2	3	4	5	6	7	8	9	10	Totals @	11	12	13	14	15	16	17	18	19	20	Totals @
Financial Year ended	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	Yr 10	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	Yr 20
CAPITAL EXPENDITURE	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Land Purchase	250,000											250,000											250,000
Construction/refurbishment	1,000,000											1,000,000											1,000,000
Vehicles/Plant/Equipment	20,000											20,000											20,000
Furniture and Equipment	50,000											50,000											50,000
Contingencies	50,000	0	0	0	0	0	0	0	0	0	0	50,000											50,000
Professional Fees	1,250,000											1,250,000											1,250,000
Gross Scheme Cost	2,620,000	0	0	0	0	0	0	0	0	0	0	2,620,000	0	2,620,000									
2.3 Sources of Funding												0											0
Government Grant	-ve	-2,500,000										-2,500,000											-2,500,000
Supported Borrowing												0											0
Section 106												0											0
Non - Government Grant												0											0
Unsupported Borrowing		-120,000										-120,000											-120,000
Revenue Contribution												0											0
Total Capital Income	-2,620,000	0	0	0	0	0	0	0	0	0	0	-2,620,000	0	0	0	0	0	0	0	0	0	0	-2,620,000
Net Capital Cost	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

2.4 Please provide details of source of funding (ie grant name, government department, section 106 development)

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2.5 Please state whether this scheme will allow the release of an asset, which could generate a capital receipt?

a Name of Asset

b Approximate Value (to be completed by Property Services)

c Expected date of release

d Can marketing of asset take place prior to its vacation?

e Are there any other tenants?

	Reason:
	Details:

2.6 Whole Life Cost Information

Superstructure	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Finishes	0	0	0	0	0	5,000	0	0	0	0	5,000	10,000											5,000	15,000
Fixtures, Fittings, Furnishings	0	0	0	0	0	15,000	0	0	0	0	15,000	30,000											15,000	45,000
Mechanical	0	0	0	0	0	0	0	0	0	0	0	0											0	0
Electrical	0	0	0	0	0	0	0	0	0	0	0	0											0	0
External Works	0	0	0	0	0	0	0	0	0	0	0	0											0	0
TOTAL-Lifetime Capital costs	0	0	0	0	0	20,000	0	0	0	0	20,000	40,000	0	20,000	60,000									

REVENUE CONSEQUENCES

2.7 Facilities Management (additional costs/(savings))

Energy/Fuel	250	250	250	250	250	250	250	250	250	250	250	2,500	250	250	250	250	250	250	250	250	250	250	250	5,000
Repairs and Maintenance		-500	-500	-500	-250	-250	-250	-250	0	0	0	-2,500	0	0	0	0	0	0	0	0	0	0	0	-2,500
Cleaning & Refuse Collection												0	0	0	0	0	0	0	0	0	0	0	0	0
Caretaking												0	0	0	0	0	0	0	0	0	0	0	0	0
Security												0	0	0	0	0	0	0	0	0	0	0	0	0
Water												0	0	0	0	0	0	0	0	0	0	0	0	0
Grounds Maintenance												0	0	0	0	0	0	0	0	0	0	0	0	0
Business Rates		1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	15,000	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	30,000
Insurance Costs												0	0	0	0	0	0	0	0	0	0	0	0	0
Other (please state)												0	0	0	0	0	0	0	0	0	0	0	0	0
Total FM costs	0	1,250	1,250	1,250	1,500	1,500	1,500	1,500	1,750	1,750	1,750	15,000	1,750	32,500										

2.8 Staffing Costs (additional costs/(savings))

Addl no. of Staff FTEs	0		-2.0	-2.0	-2.0	-2.0	-2.0	-2.0	-2.0	-2.0	-2.0	-18.0	-2.0	-2.0	-2.0	-2.0	-2.0	-2.0	-2.0	-2.0	-2.0	-2.0	-2.0
Cost per post (FTE)			30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	270,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Total cost of additional Staff	0	0	-60,000	-540,000	-60,000																		
TOTAL OPERATING COSTS	0	1,250	-58,750	-58,750	-58,500	-58,500	-58,500	-58,250	-58,250	-58,250	-58,250	-525,000	-58,250	-1,107,500									

2.9 Can additional costs can be met from within existing budgets?

a If yes, which cost centre?

b If no, please cross reference to revenue growth bid.

--

2.10 Income (additional income generated)

Lettings	-ve																						
Fee income												0	0	0	0	0	0	0	0	0	0	0	0
Other (please list below)												0	0	0	0	0	0	0	0	0	0	0	0
												0	0	0	0	0	0	0	0	0	0	0	0
TOTAL INCOME	0																						

CYC INVESTMENT APPRAISAL OUTPUT SHEET3.1 Name of EMAP 3.2 Name of Project 3.3 Initial financial year of Investment 3.4 Period of Expenditure (no of financial years)

3.5 Funding Breakdown		£
Total Capital Cost		2,620,000
Sources of Funds:		
Government Grant	(2,500,000)	95.4%
Support Capital Expenditure	0	0.0%
Section 106	0	0.0%
Non - Government Grant	0	0.0%
Unsupported Borrowing	(120,000)	4.6%
Revenue Contribution		0.0%
Other		0.0%
Net Cost to CYC	0	0.0%

3.6 Scheme Analysis		NPV £
NPV at 3.50% Test Discount Rate (TDR) over 20 years		1,888,939 Net Cost
	as at	2007/08

3.7 CYC Contribution Analysis		NPV £
NPV at 3.50% Test Discount Rate (TDR) over 20 years on CYC contribution		(731,061) Net Benefit
	as at	2007/08

3.8 SENSITIVITY ANALYSIS		NPV £
Capital costs increase by 20%		(722,848) Net Benefit
Revenue income decreases by 20%		(731,061) Net Benefit
Revenue expenditure increases by 20%		(885,487) Net Benefit

3.9 VALUE FOR MONEY INDICATORS		
CYC Contribution as % of total capital costs		0.0%
NPV / CYC Contribution ratio		#DIV/0!
NPV / Gross Capital Cost ratio		-28%

3.10 Annual Cost of Unsupported Borrowing

4.1 Funding

Bid/Awarded

a Is the external funding been awarded or subject to a bid?

b Has this scheme been discussed with the External Funding Committee / Grants & Partnerships Officer ?

Yes/No

c What alternative funding sources have been considered?

4.2 Revenue Costs

How have the revenue cost estimates been derived? What key assumptions have been made?

4.3 Whole Life Costing

How have the whole life costs been derived? What key assumptions have been made?

4.4 Efficiency/Value for Money Agenda

How will the proposal contribute to improving the efficiency of the service?

4.5 Sustainability of Scheme

How will this scheme contribution to the objectives of Local Agenda 21?

4.6 Asset Base

What impact will the scheme have on the Council's asset base?

4.7 By how much will the proposal reduce the Council's repairs and maintenance backlog?

£000

Year

by

Stakeholders & Risks

5.1 What proof is there that the citizens of York want this scheme ?

5.2 What are the benefits to the citizens of York of this scheme ?

5.3 What alternative plans have been considered ?

5.4 Why is the scheme proposed the best alternative ?

5.5 What are the risks associated with this scheme ?

5.6 What are the risks of not proceeding with the scheme ?

5.7 How does the scheme contribute to the Council's equalities agenda?

Comments Box

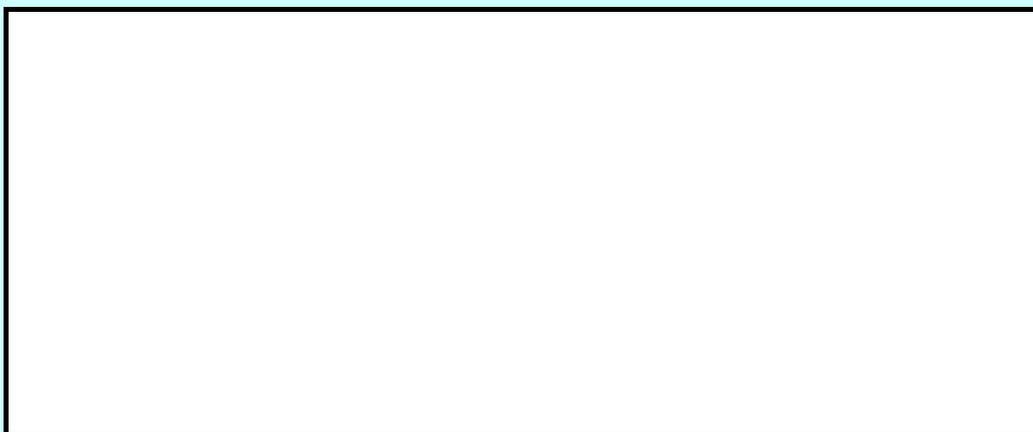
6.1 Property view on this scheme - Corporate Landlord



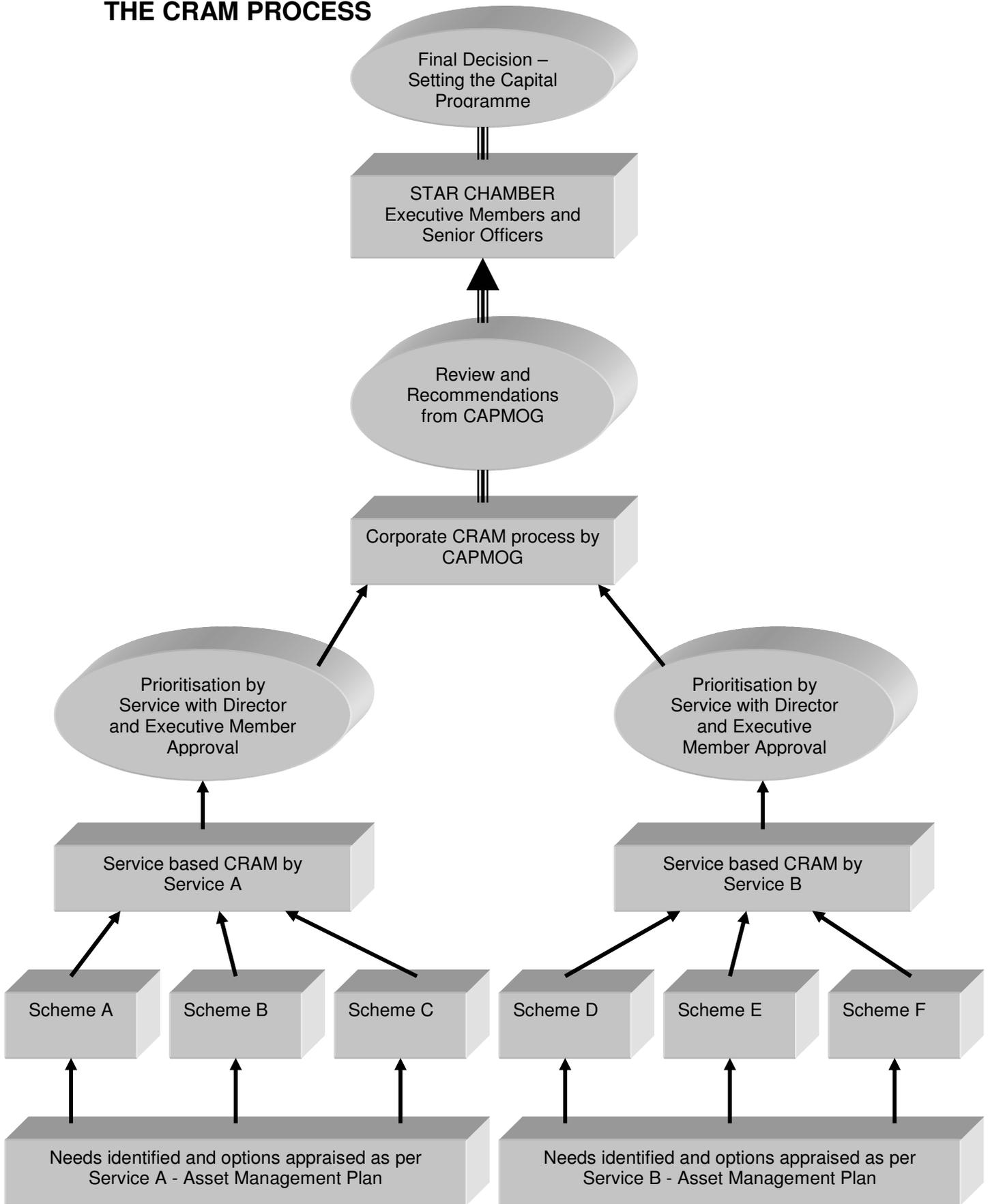
6.2 Finance Officer view on this scheme - Corporate Finance Manager



6.3 Funding Officer view on this scheme - Grants & Partnerships Officer



THE CRAM PROCESS



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Executive

12 September 2006

Report of the Assistant Director Audit and Risk Management

Corporate Risk Management Report 2006/07

Summary

1. This report details the progress made during 2005/06 in deploying risk management arrangements across the Council. The report provides information on;
 - the Council's CPA score for risk management;
 - the introduction of Audit & Risk Management software;
 - the embedding of risk management across the Council;
 - the key risks identified in the corporate risk register;
 - risk management training;
 - proposals for the further development of Risk Management arrangements across the Council.

Background

2. Risk management is a business discipline that public and private sector organisations use to better manage potential opportunities and threats to the achievement of corporate objectives. Risk management forms a key part of the Council's corporate governance arrangements, strategic management and performance management process.
3. Effective risk management should act as an enabler – supporting well-informed decision making and facilitating sustainable improvements in service delivery. It is fundamental to good management practice and should not be viewed as a separate discipline or token paper exercise to be carried out in isolation.
4. Risk can best be described as uncertainty of outcome. Nothing is achieved without some element of risk. In common with many other authorities, relatively little was done generally in the past to formally evaluate and manage risk at the Council. Where departments did consider risk the approach tended to be piecemeal. Any failure to

clearly identify and manage risks accordingly can mean that not enough is done to reduce exposure to hazards, loss or failure. Equally it can mean that opportunities may be lost if the organisation is not confident in how it should manage any risks associated with new initiatives or changes in practice. Risk management is therefore concerned with how the organisation can best evaluate and balance hazards and opportunities to make well-informed decisions and provide sustainable improvements in service delivery.

5. A simple way of thinking about risk is in terms of the formulae $R = P \times I$ Where **R** is the risk, **P** the probability of something happening and **I** the impact should it occur.

Progress & achievements

6. The Audit Commission's Annual Audit and Inspection Letter 2004/05 highlighted a number of improvements in the Council's overall governance framework and '*particularly risk management*'. Key progress has included the Risk Manager working across the organisation to:
 - establish a system of risk champions in each directorate to co-ordinate risk identification and management at both directorate and service level;
 - provide risk management training to service managers across most directorates (this work is on-going)
 - help improve the service planning and performance system by including the identification of operational and strategic risks as part of the service planning process, and requiring managers to pro-actively consider how to best manage their business risks. This in turn is helping managers to improve performance and successfully deliver corporate objectives;
 - introduce new project management standards, including proper consideration of risk identification and mitigation routines, that are now being successfully put into practice by the [Easy@York](#), Review of Admin Accommodation and FMS replacement projects;
 - support the proper integration of Risk Management considerations into decision making processes (although this was far from being fully embedded across the Council at the time of the last Annual Audit Letter).
7. Effective risk management has made a significant contribution to the Council's financial position over the last three years. Our approach to managing insurance risk has led to the achievement of £735K of recurring revenue expenditure savings since 2003/04. In addition, better control of the insurable risk through the use and application of risk management fund monies and a number of other risk management projects has helped sustain further annual budget savings of £100K

against annual premium costs over the same period (see also paragraph 11 below).

8. Whilst much positive progress has been made and there have been clear financial benefits of the function for the Council as a whole, the Audit Commission also noted in their last annual audit letter, that in their opinion Members were not fully engaged in the process and that risk management was not fully embedded into the culture of the organisation and that formal training was not been provided. The Use of Resources CPA score for risk management was therefore scored as a 2 by the Audit Commission in 2005. Work to develop and improve on these areas was planned following the 2005 assessment and has been delivered. A Member training session was undertaken at the Pre-Council seminar on 29 June 2006 and training provided to 40 key staff (Para 19) however further work is now needed to:
 - develop and deliver a formal training programme for staff and Members;
 - evidence that risk is embedded in strategic planning, financial planning, policy making and performance management
 - evidence that the Council considers positive risks (opportunities)
9. In order to help deliver the additional work associated with issues arising from the CPA inspections and the issues raised by the District Auditor, Members agreed (further to the Budget report in January 2006) to reinvest some of the £235K savings achieved on letting the new contract into rebuilding the risk management fund and administration of the function. An additional £40K was therefore allocated to re-investing in the Risk Management Fund which had become depleted and another £30K allocated to the proper administration and function of the service by creating an additional 1 FTE post to supplement the existing 0.3FTE establishment needed to develop the Council's approach and deliver the key improvements discussed above.
10. This investment will directly contribute to improving the Council's CPA score for Risk Management. However, the 'harder test' for the 2006 CPA re-fresh raises some uncertainty as to the amount by which the score may improve overall if the Audit Commission remain of the opinion that the risk management agenda does not have the active support and understanding of Members and officers in all departments.

Risk Management Fund

11. The Risk Management Fund supports Directorate schemes aimed at reducing the risk of vandalism and anti social behaviour and thereby contributes indirectly to the success of various York Pride initiatives. The Fund has operated since 2001 and over that time has provided seeding and match funding money to a number of varied projects across the Council. The benefits of the better protection of Council

assets resulting from Fund initiatives has also directly contributed to significant reductions in the Council's insurance premiums and helped improve customers experience in their use and exposure to community assets such as schools. Exhibit 1 below details schemes that the fund has supported over the last five years:

Exhibit 1

Year	Scheme	Contribution £
2000/01	Joseph Rowntree School Glazing Scheme	650
	Motor Vehicle Safety Audit (DSO)	1,250
	School Security Survey - Burnholme	600
	School Security Survey – Hob Moor	600
2001/02	Grove House Security Improvements	830
	Knavesmire School – Bin Compound	4,683
	Highway Data Capture Devices	10,000
	Swipe Card Security St Leonard's	10,000
	Carr School – Extension to Security Fence	6,480
	Contribution to Risk Management BVR	10,000
2002/03	Yearsley Bridge Centre - Security	10,000
	Haxby Hall – Improved Security	580
	Yorkcraft - Security	2,945
2003/04	Huntington School - Fencing	1,430
	LCC Security Consultancy	4,875
	Carr Infant School – Bin Compound	1,975
	Lowfields School - CCTV	4,579
	Burton Stone CC – Security Survey	131
2004/05	None	
2005/06	Carr Infant School - Glazing Scheme	1,043
	Huntington School – Extended CCTV	7,600
	Neighbourhood Services – Driver Training	3,100
	Corporate Risk Management Training	5,000
	Burton Green – Security Improvements	10,000
	Lowfields – Extended CCTV	2,230
Total		100,581

Audit & Risk Software

- The risk management process at the Council has been developed incrementally since 2001. Embedding the framework and developing the culture across the organisation has been difficult due to very limited resources within the Risk and Insurance Team to do this work (the function is provided by 0.5fte). The consideration of risk is key to good management. It is as much a thought process as a bureaucratic paper chasing exercise aimed at ensuring the identification and mitigation of significant risks that pose a threat to the organisation, documenting those risks and systematically managing their mitigation to avoid loss,

damage and failure. The 'paper' system used to date for documentation and management purposes has previously been delivered through the use of Excel spreadsheets and limited use of Word documents. This has been very time consuming and labour intensive. It was recognised that an interactive system was needed in order to:

- improve the team's efficiency;
- ensure a joined up approach to the arrangements for managing and reporting on the annual Statement of Internal Control (SIC);
- provide a better service to departments.

13. It was also recognised at that time that an automated working papers system was also required by the Internal Audit Service for similar reasons. The synergy between the two teams and the need to develop the Council's approach to proper risk based auditing led to purchase of a combined Audit & Risk Management system funded through the IT development plan.

14. The new system went live in both the Audit and Risk Management teams earlier this year. In the case of risk management existing risks were transferred into the system and these are now been reviewed to ensure their quality and appropriateness. The benefits of the new system allow:

- a fuller description of the risk and its potential impact on the Council;
- gross, net and target risk rating;
- full descriptions of controls;
- full descriptions of actions and action planning;
- links to corporate and directorate objectives and priorities;
- web browser access allowing greater flexibility;
- real time live risk registers;
- direct link to Audit module to allow risk based Auditing and better management and reporting of SIC routines and procedures.

15. Two worked examples showing the benefit of the system to the Council taken from the Member Seminar on 29 June demonstrating how we are using the system to help identify, mitigate and better manage potential risks is shown in Annex 1

16. The roll out of the system is in its early days and in the first instance the primary focus remains on using the system to document and manage strategic and operational risks to the Council. It has also been agreed that three major corporate projects will use the system this year - Accommodation review, FMS replacement, and [Easy@york](#) as a

precursor to rolling out the use of the system to support programme and project management needs in the future.

17. This flexibility of the system allows us to add, delete and amend categories as required. This is clearly demonstrated in relation to the new set of KLOE's around Data Quality. The Council is required to ensure that '*The organisation has begun to consider data quality as part of its corporate risk management arrangements*' (Level 2) and '*Data quality is embedded in corporate risk management arrangements, with regular assessments of the risks associated with unreliable and inaccurate information*' (Level 3). Data Quality now forms one of the standard categories within the new system and this allows managers to directly consider their risks in relation to this category on a regular basis.

Embedding Risk Management

18. The embedding of risk management across the Council is not a simple or quick process, as it requires winning 'hearts and minds' and real cultural change. However, an increasing number of services are taking a more rigorous and formal approach to identifying risk in their processes. This has been helped by the inclusion of risk consideration into committee papers which has acted as a further catalyst in raising awareness. There is still a long way to go to ensure that the process becomes part of the organisations culture and is not seen as a 'bolt on' to everything that we do.
19. At its most basic level effective risk management is simply a thought process and only when a major threat is identified do we need to take a systematic approach to managing it. To that end, risk management disciplines serve to protect the organisation: its assets, people and reputation. Effective Risk Management disciplines help managers to minimise the risk of something adverse happening that may in turn jeopardise the organisation's ability to achieve its objectives - as opposed to stopping the organisation from achieving its ambitions. Understanding risk can help to create opportunity (rather than preventing us from doing things) as thinking the way in which we might best resolve problems often leads to more innovative ways of working. Risk management asks that when we manage we consider risk and that we do so in a disciplined way that better protects the interests and the assets of the Council.

Key Risks

20. As discussed above, work on the Risk Register over the last 12 months has focussed on reviewing its content, filtering out bad data and trying to improve quality. The strength of the new system lies in its interrogation and reporting facilities, allowing managers to focus on their specific area and relevant risk categories. As the Register is a

real time document it can be constantly updated to show the up to date position as regards any given risk area. At the end of each financial year the retained risks can be brought forward into the next financial year allowing a risk profile to be developed over time.

21. Work to update the 2006/07 Register is now on-going. Risks that are ranked as high after taking into account controls and mitigations (net risks) are included in the link below. Risks are scored from 0 – 25 the higher the score the greater the risk. Examples of this years highly ranked risks include:
- Future Capping of set Council Tax Rates (20) – This risk was added by Strategic Finance following this years Capping issues.
 - Failure to successfully establish a Customer Call Centre (19) – This risk was added by Public Services as a result of the numerous challenges of establishing the new call centre.
 - Failure to deliver the Capital Programme (19) – This was included by Property Services due to their concerns about the vulnerability of the programme given its reliance on funding from external sources.
 - Highway Management – Breach of Statutory Duty (19) – This was added by City Strategy due to their concerns about compliance with the Traffic Management Act and potential loss of powers to manage the Highway.
 - Failure to meet the requirements of the Civil Contingencies Act in relation to Business Continuity (19) – The Council has a duty under the Act ensure that effective Business Continuity plans are in place for all critical services and be in a position to fulfil its duty to provide advice and assistance to local business.
 - Failure to achieve Parking income (19) – City Strategy added this as they had concerns about the sensitivity of parking income in relation to capacity and price.
 - Failure to meet air quality targets (19) - City Strategy has maintained this risk as they have concerns over the Council's ability to meet the relevant minimum standard.

A fully comprehensive and detailed list of risks included in the Register as it stands can be viewed through the following link. This shows the risks currently ranked as high contained within the register.

<http://intranet.york.gov.uk/documents/public/resourcespage/InsuranceDocs/Risk Register High Risks 2006-07.pdf?tag=co-3-24-5-42>

Training

22. The driver in delivering training is as much about consistency of understanding and cultural change as the need to meet CPA requirements. The Risk and Insurance Team has delivered ad hoc training to over 40 staff in key groups during the last 12 months.
23. A more formal training programme for staff is now being developed and proposals received and evaluated from potential providers. It is intended that a formal training programme will start being delivered across the Council towards the end of 2006.
24. A programme of risk management awareness training for Members is also being developed. The first element of this was delivered jointly with the Audit Commission at the pre-Council seminar on 29 June 2006 which was well attended and considered a positive development by the Audit Commission. Future training events for Members will build on the successes of this session and help to demonstrate Member engagement with the subject for 2007 CPA review purposes.

Risk Management Development Agenda

25. Work has been on-going over the last 12 months to plan the longer-term development of the risk management function at the Council. Proposals setting out what is needed and how this will be developed within existing resources will be tabled at Corporate EMAP on 31 October 2006.
26. The development plan is still in draft format but looks at the challenges to the service in deploying the risk management agenda these include:
 - Member and Officer engagement in the risk management process and the risk register as a management tool
 - the quality and credibility of risks submitted for entry into the register
 - fully populating the software ensuring consistency of data and the linking of risks to corporate and directorate objectives/priorities
 - clarity around the categories used to report risk
 - how risk is reported including the format of reports, frequency of reports and to whom is reported;
 - training needs;
 - risk based auditing;
 - evidencing the added value of embedded risk management.

Options

27. Not applicable.

Corporate Priorities

28. Risk management relates directly to the Council's priority to *'improve leadership at all levels to provide clear, consistent direction to the organisation'* clear and consistent leadership and direction requires a thorough understanding of all the risks and challenges to the organisation.

Implications

29. There are no financial, legal, HR or other implications arising from this report.

Risk Management

30. None

Recommendations

31. CMT are asked to:

- a) note the contents of this report and progress to date;

Reason

To raise awareness of the progress made to date in respect of risk management arrangements at the Council and advise Members of the further work now needed to support the effective development of the Council's approach in the future.

- b) note the work now on-going to populate the 2006/07 Risk Register and the hyper-link address for Members to view the Register and the risks identified to date.

Reason

To advise Members of the risks identified and included in the Council's Risk Register during 2006/07 to date.

Contact Details

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Report Approved

Yes

Date 29 August 2006

Specialist Implications Officer(s) Not applicable

Wards Affected Not applicable

All

For further information please contact the author of the report

Background Papers

Risk Register 2006/07
Executive Corporate Risk Management Report 2005/06
Audit Commission Annual Audit & Inspection Letter 2004/05

Annexes

Annex 1 Examples of applying Risk Management in practice

Annex 2 Example extract from the Risk Register

Easy@York

This is currently one of York's most complex and demanding programmes of change. The board's main focus is the delivery of a successful programme. To ensure that opportunities were maximised and risks minimised it introduced a culture of active management, which expected that things would go wrong and planned for them.

At the Member training session in June Tony Marvell the then programme manager gave an example of how this worked in practice:

At a critical stage of the project they needed to move ahead with the development of the new office accommodation in Little Stonegate however there was a significant risk in committing money and time as the lease remained unsigned. This situation meant that there was a very real possibility that the project would need to be put on hold delaying the go live date and the programme as a whole. The risk was one that they had analysed as part of their risk based approach to project delivery and formed part of the programme risk register. Through taking this approach they felt confident that they could mitigate the risk and decided to go ahead with the project ensuring that the Council could open the centre at the earliest opportunity.

This example reinforces the message that where risk management is embedded into the management culture the organisation is more likely to become more risk seeking and take full advantage of opportunities that may arise as it is confident that it understands and can manage all the risks that face it. A full copy of the programme risk register is attached at Annex 2

Re-Commissioning Home Care

At the same Member training session Keith Martin (Head of Adult Services) discussed with Members the benefits of taking a risk based approach to change management in relation to re-commissioning of home care. The following are the key points from his presentation:

Key drivers

- National policy - health, well being & independence
- Performance - commissioning and provision
- Partnerships with Health & voluntary Sector
- Demographic pressure on demand
- Expectation of diversity in provision
- Locality focus
- Gershon & social care efficiencies

Key Risks in change management

The Risk	The mitigation
• Impact on customers by change of care provider	• Communication with customers, members, flexibility
• Impact on staff from change of terms & conditions	• Consultation, individual & group, TU involvement;
• Reputation, through adverse publicity;	• Press releases, features;
• Legal challenge from provider agencies or staff	• Procurement procedures; partnership working
• Financial- through consultation process or timetable delays	• Project planning & contingency arrangements
• Delivery of current services through period of uncertainty	• Speedy resolution of issues & implementation

Added Value

- Better planned and managed programmes and projects
- Supports a culture of active management
- Allows the taking of calculated risk to optimise opportunity
- Reduces the likelihood of things going wrong and the risk of reputational damage

Risk Ref	Probability	Impact	Risk Score	Level of Risk	Description of Risk	Current Status	Risk Mitigation	Date Risk Identified	Date Updated	Owner	
RSK-PROG(1)-EASY001			12	Medium	Failure to manage Programme and Projects effectively -	The PID plan and structure have been completed for the implementation phase. The Programme Office must continue to implement and maintain robust programme plans, tools and controls. Key products have been mapped in the project portfolio and products descriptions produced. The highlight reporting process has been implemented to give the PMO an overarching view of the projects. PMO needs to maintain buy in from projects to the controls process. risk has increased in the last month due to movement of programme office staff onto project work and half a post in the programme office leaving.	Increasing	Reduction	03-Feb-05	21-Jun-06	Tony Marvell
RSK-PROG(1)-EASY006			4	Very Low	Failure to improve service efficiency and accessibility will be badly received by customers	service areas to supply appropriate resources to sign off the outputs of the programme. High degree of attention of the product description and assoc quality plans. Design Authority will perform a product assurance role.	No Change	Reduction	03-Feb-05	21-Jun-06	Tracey Carter
RSK-PROG(1)-EASY007	5	4	20	high	Failure to meet PSO targets with potential of a reduced overall CPA score with commensurate reputation damage, negative comments and scores in individual service inspection	PSOs have been mapped and prioritised. Due to changes in prog timescale the PSOs delivered by easy will not meet the March deadline. PSOs outside easy need to be more closely monitored. IDA have been advised of this define scope and appoint owner.	No Change	Reduction	03-Feb-05	21-Jun-06	Tracey Carter
RSK-PROG(1)-EASY008	3	4	12	Medium	Scope of benefits realisation work not identified causing the risk that the programme cannot fund itself through later phases?	Depends on the success of phase one and the BC for later phases. Proactively forecasting the points where funding is required and monitor potential external funding routes rigorously. Rev gap will be met by imp phase and taking business case to directorates. MI and SLAs will be set up to monitor benefits of phase 1b. Benefits management strategy is being formulated and programme director has presented strategy to business change managers.	No Change	Prevention	03-Feb-05	21-Jun-06	Tracey Carter
RSK-PROG(1)-EASY011			12	Medium	Cultural resistance to change may impact the effectiveness of the programme and must be managed	communicate key messages to achieve buy in via robust coms plan (see risk 13). Prog is structured in phases so YCC can prove business case and benefits to the rest of the council. YPAL and switchboard staff have been successfully moved to the YCC in June	No Change	Reduction	03-Feb-05	21-Jun-06	Simon Wiles
RSK-PROG(1)-EASY013			16	Medium	failure to communicate effectively to staff impacted by the programme.	staff and union consultation process now in place and HR expert for the programme managing the engagement with impacted staff and unions	No Change	Reduction	03-Feb-05	21-Jun-06	Tracey Carter
RSK-PROG(1)-EASY014			8	Low	Failure to engage all stake holders	work on robust strategy which addresses the key stakeholder groups and ties in with programme plan has been completed. Coms plan for one year now signed off by the Board .	No Change	Reduction	03-Feb-05	21-Jun-06	Tracey Carter
RSK-PROG(1)-EASY017			8	Low	Unknown extent to which pent up customer demand will be released.	Solution Design sizing model takes this into account and plan extra to cope for contact centre. May have to accept a dip in service levels initially if demand peaks and then levels off. The assumptions were built into the erlang model. Further work is being done on call volumes and bounce back rates.	No change	Reduction	03-Feb-05	21-Jun-06	Tracey Carter
RSK-PROG(1)-EASY018	3	4	12	medium	the programme may not have the required in house skills and knowledge at the relevant time	where necessary if relevant skills to deliver and maintain the solution are not available the programme will recruit externally. There will be skills transfer from the solution provider for future phases.	no change	Reduction	03-Feb-05	21-Jun-06	James Drury
RSK-PROG(1)-EASY024	3	4	12	medium	Risk that back office systems will be inadequate for integration	Assessment of back office systems ongoing and new back office stream added to programme structure. A technical and integration design document in currently being worked up.	No Change	Prevention	03-Feb-05	21-Jun-06	Tracey Carter
RSK-PROG(1)-EASY026			6	Low	political control of the Council may change away from Lib Dems majority causing a change to the priority of the e-Government Programme	In this event the Programme may need to be halted until relevant revised milestones were agreed or the Programme closed down. All members identified in the stakeholder management strategy	No Change	Acceptance	03-Feb-05	21-Jun-06	James Drury

RSK-PROG(1)-EASY03			4	Very Low	Impact of potential YCC opening hours on existing ITT support staff and contractors - extended support hours to cover times.	Proposal is to accept risk of possible down time with no ITT support during extended hours. This risk will not someone an issue until May 2007 due to decision taken on opening hours	decreasing	Reduction	03-Feb-05	21-Jun-06	Tracey Carter
RSK-PROG(1)-EASY033			12	Medium	The programme is unable to obtain resources from the directorates to support the programme.	a transition project to interface with directorates has been established and Business Change Managers appointed for each directorate.	No Change	Acceptance	10-Jun-06	21-Jun-06	Stewart Halliday
RSK-PROG(1)-EASY036			15	Medium	competition for service improvement resource alongside corporate objectives (PIT team) and CYC financial position.	The Programme Board has had confirmation from Service Improvement head that easy@york work is a priority.	No Change	Prevention	08-Jul-05	21-Jun-06	Tony Marvell
RSK-PROG(1)-EASY040			15	Medium	complexity of the Integration for the technical solution and costs may cause barriers for implementation.	an integration design spec is to be agreed as part of the implementation work.	no change	Prevention	08-Jul-05	21-Jun-06	Tracy Pratt
RSK-PROG(1)-EASY047			20	High	Ineffective working relations with Unions leads to poor consultation with staff and potential industrial action	JCC approach has been implemented and provides a regular and consistent forum for union consultation. Need to re-enforce agreed process on an ongoing basis. Working relationship has improved but needs to be managed. Staff have now been transferred to the YCC.	decreasing	Prevention	23-Aug-05	21-Jun-06	Tony Marvell
RSK-PROG(1)-EASY058	4	4	16	High	The contract with Logica includes payment milestones and the implementation PID will include other key deadlines - under the contract terms Logica can penalise York for not being ready and resourced to meet these deadlines.	robust programme plan and PID baselined and signed off. Project plans need to be implemented and maintained to monitor the progress of the programme. This work is in progress	No Change	Prevention	11-Jan-06	21-Jun-06	Tony Marvell
RSK-PROG(1)-EASY059			12	Medium	The CTI interface being developed by Mitel is unproven and integration to the CRM may not deliver the required level of service improvements	Ensure requirements are clear and allow sufficient time for Unit Testing of the solution.	No Change	Prevention	19-Jan-06	21-Jun-06	Logica - Andrew Fowler
RSK-PROG(1)-EASY060			16	High	The components procured may encounter significant performance or reliability issues and not perform to satisfactory levels	Performance testing will prove the equipment is suitable. Testing Product Description to be agreed. The system will be piloted for a month before official launch.	No Change	Prevention	19-Jan-06	21-Jun-06	Logica
RSK-PROG(1)-EASY061			16	High	Integrations are unproven therefore risk that integration to CRM and back office does not deliver required level of service improvement	Programme Manager and Logica to monitor closely the design development and testing of integrations. The contract defines responsibility for various factors needed to make the integration work.	No Change	Prevention	19-Jan-06	21-Jun-06	Logica
RSK-PROG(1)-EASY062			12	Medium	If CYC do not resource service engagement for UAT there will be delays to requirements and testing stages	transition manager to ensure business commitment for testing and testing is being planned.	No Change	Reduction	19-Jan-06	21-Jun-06	Stewart Halliday
RSK-PROG(1)-EASY063	3	4	16	High	If approval and sign off of Design, Build and Acceptance products is not done in a timely manner there will be delays to the implementation and testing stages	CYC programme office to ensure clear quality control and sign off procedures are in place for products and monitor the process. Design Authorities are planned	No Change	Reduction	19-Jan-06	21-Jun-06	Tony Marvell
RSK-PROG(1)-EASY064			12	Medium	Insufficient CYC resources allocated for business requirements workshops resulting in repeat workshops or need for clarification	Logica to specify resource requirements and CYC to allocate resources with correct levels of knowledge and authorisation. April 2006 the programme plan has been baselined.	Reducing	Reduction	19-Jan-06	21-Jun-06	Stewart Halliday
RSK-PROG(1)-EASY067	3	3	15	Low	IMP project: Services reject the transition approach	from High light report. The programme Director and Implementation Project manager will engage with senior managers in directorates about the transition approach to achieve buy in. Business Change Managers have been appointed for wide and deep services to facilitate the transition from within the business.	decreasing	Reduction	10-Mar-06	21-Jun-06	Stewart Halliday
RSK-PROG(1)-EASY069	4	5	20	High	Failure of Back Office to effectively re-organise to new call flow requirements	from High light report . Transition team within the programme to actively manage at AD level and to be covered in SLAs. Options taken to Prog Board in March and Tel team tasked with doing analysis on calls and voicemail. Programme will engage with the BO and agree requirements	no change	Reduction	10-Mar-06	21-Jun-06	Stewart Halliday
RSK-PROG(1)-EASY073	4	3	8	Medium	The final CRM design may impact on the assumptions made in the ITT about the CYC tech infrastructure, which was based on what was known at the time	from high light report - infra. Infra PM needs to review the CRM and tech architecture designs. If there is going to be an impact on tech infrastructure the design authority will need to consider a solution at the time	No Change	Acceptance	22-Mar-06	21-Jun-06	Paul Robinson
RSK-PROG(1)-EASY074	3	3	9	Medium	The CRM is a new system therefore there is a huge risk that CYC does not fully harness the potential of the functionality and that the functionality is not sufficient enough to cope with the CYC processes.	from CRM high light report. CRM design to be matched against ITT spec and design authority to decide whether to accept the risk that some of the functionality has not been used for phase 1 b. Testing of CRM to be comprehensive	Increasing	Acceptance	29/03/06	21-Jun-06	Jane Collingwood

RSK-PROG(1)-EASY076	3	3	9	Medium	New staff (CSRs, GIS and CRM) not recruited and in place in time for the necessary training, resulting in potential rushing & poor quality of knowledge.	from YCC high light report. April, programme director has removed council barriers to recruitment and it is going ahead	decreasing	Reduction	29/03/06	21-Jun-06	Tracey Carter
RSK-PROG(1)-EASY078	3	3	9	Medium	Unknown requirement for BO CRM licences until BO impact assessment carried out for all wide processes to identify changes to BO organisation structure/roles	from issue log number 33. The impact assessment will determine if further licences are needed.	No Change	Reduction	29/03/06	21-Jun-06	Sarah Bygott
RSK-PROG(1)-EASY082	4	4	16	high	Additional processes that require mapping/detailed design and configuration will continue to emerge and potentially add to the cost and delay the go-live date of the programme.	links to issue 60. The CRM PM must identify what has not been captured via a CC and decision will be made on whether the process is out of scope and if so what the cost implications are	No Change	Reduction	12/04/06	21-Jun-06	Jane Collingwood
RSK-PROG(1)-EASY083	3	3	9	Medium	The specification for Commercial services ITT project for GPS in cabs is not yet written - the timescales for inclusion for go live is an issue.	this is a separate ITT bid not part of the programme. I may become an external dependency if the mobile working requirements work determines that GPS in cabs is needed This is a risk until scope of the mobile working requirements is determined. A project manager for the work has been assigned.	No Change	Reduction	10/05/06	21-Jun-06	Sarah Bygott
RSK-PROG(1)-EASY084	4	4	16	High	There is not sufficient resource allocated from the business and the programme to complete the Revs and Bens work in the set timescale.	An external service improvement resource has been brought in and the scope of the work has been prioritised.		prevention	21/06/06		Tracey Carter
RSK-PROG(1)-EASY085	4	4	16	High	CRM stream highlighted that the 2 way integration requirements not in scope financially - unknown sum to be paid for EXOR development. Requirements for these to be completed at the end of the YPAL sessions - so may be a delay as a result of the wait.			prevention	22/06/06		Tracey Carter
RSK-PROG(1)-EASY086					CRM design may not incorporate examples of all the functionality required and promised in the tender as the design is process driven – the capability of the CRM may not be fully harnessed/tested.						Jane Collingwood
RSK-PROG(1)-EASY087					The Revenues service redesign work must complete on time, due to the linkage into the consultation process. Any slippage will have a direct impact on the planned go live date (late December)						Rob Jones
RSK-PROG(1)-EASY088					The data migration work being performed by the Technical Stream assumes a delivery of cleansed data across a 3 week window. There is a risk that CYC are not able to "sign-off" this quickly						Sarah Bygott
RSK-PROG(1)-EASY089					It is possible that Legislative or policy changes could take place alongside the LogicaCMG build activity, leading to a CRM that does not fit with the Council's current legislative and policy decisions						
RSK-PROG(1)-EASY090					The training programme is dependant upon the timely production of final process maps by the CRM stream. Training material must be available before UAT start. There may be inadequate resource available to complete the work on time	As a countermeasure it is possible to extend the use of the LogicaCMG trainer (David Caddires) at a cost of £816 per day		prevention	10/08/06		Rachel Smith
RSK-PROG(1)-EASY091					CMS: The amount of new web pages required by the new processes may cause a resource issue within the CMS stream.	It may not be possible to generate all of the required content in the time available. The business may need to accept a lower scope for day 1		reduction	11/08/06		Sarah Fittell
RSK-PROG(1)-EASY092					Telephony: The revised IVR design may create a capacity problem within the existing incoming lines to the Council.	The solution should be tested, and possibly phased in to avoid major bottlenecks in incoming calls to the Council. A Phasing plan needs to be generated.		reduction	12/08/06		Roy Grant



Executive

12 September 2006

Report of the Head of Civic, Democratic and Legal Services

Education Scrutiny Committee - Report on the Extended Schools Service in York

Summary

1. This report is to ask members to consider the final report of the Education Scrutiny Committee into the extended schools service in York.

Background

2. The final report referred to at paragraph 1 is attached at Annex A. It was considered by the Education Scrutiny Committee on 19 July 2006 and by Scrutiny Management Committee on 24 July 2006.
3. In April 2005 Cllr Keith Aspden registered Scrutiny Topic no 117 with the aim of investigating how the Council is bringing together partners to plan services across the city , how budgets are being dealt with and how schools are delivering services in order to ensure that everyone receives the best possible benefits.
4. It was decided that the scope of this review would be:
 - a. concentrated on provision in primary schools.
 - b. a range of schools of different sizes and with differing needs would be visited and considered
 - c. members would concentrate on the different types of provision which will meet the varying needs of schools in York.
5. Members made visits to schools in two stages. During the first stage they concentrated on how far there was extended school services integrated into the school with shared partnership provision. The schools selected were already considered to have made considerable achievements with their extended provision. The second stage of visits

included schools of varying sizes who were at different points in the process of setting up extended provision.

Options

6. In accordance with its constitutional role the Executive can choose to:
 - a. implement all the recommendations proposed to it by the Education Scrutiny Committee, as drafted, without further amendment; or
 - b. explain the reasons for not implementing one or more of the recommendations.

Analysis

7. Members of the Education Scrutiny Committee made these recommendations after visiting several schools in York, considering examples of good practice demonstrated at the conference in November 2005 and working with professionals from the Early Years service.

Corporate Priorities

8. Complies with Corporate Priority 8 - Improve the life chances of the most disadvantaged and disaffected children, young people and families in the city.

Implications

9. Known implications of the recommendations of the final report of the Education Scrutiny Committee on Extended Schools Provision in York are detailed at Annex 10 of the report

Risk Management

10. In compliance with the Councils risk management strategy. There are no risks associated with the recommendations of this report.

Recommendations

11. The Executive is asked to agree the recommendations in the final report of the Education Scrutiny committee.
Reason
In order to enhance the already excellent progress being made in the extended schools provision in York.

Contact details:

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Chief Officer Responsible for the report:

Suzan Hemingway
Head of Civic, Democratic and Legal Services

Report Approved Date

Specialist Implications Officer(s) *List information for all*

Implication ie Financial

Name

Title

Tel No.

Implication ie Legal

Name

Title

Tel No.

Wards Affected:

All

For further information please contact the author of the report

Annexes

Annex A –Final Report of the Education Scrutiny Committee

Background Papers

Extended Schools – Providing Opportunities and Services for All.
Department for Education and Skills 2002. Available to download from
www.teachernet.gov.uk

Planning and Funding for Extended School – a Guide for Local
Authorities and their Partner Organisations. Department for Education
and Skills 2006. Available to download from www.teachernet.gov.uk

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Extended Schools Service in York

Final Report of Education Scrutiny Committee

June 2006

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Chairman's Foreword

The need for extended schools in York is growing and I am pleased to be able to submit this report that confirms that the city is performing well in this vital area.

This report has been prepared after many months of work by the scrutiny board and officers. There has been a wide range of evidence gathered including visits to a great many of our primary schools. I would like to thank all those who have contributed to the report including Members, Officers and the people we met with in the schools we visited.

I recognise not only the excellent progress and hard work of all those involved in our extended schools but also the potential for further improvements in the near future. I and the board fully support the LEA's plans to achieve the situation where every school in York will be an extended school.

Cllr Glen Bradley
Chair of Education Scrutiny Board until May 2006

Glossary of Terms used in this report

DfES – Department for Education and Skills. The government department which was established to create opportunities, release potential and achieve excellence for all.

NRT – National Remodelling Team – A non-departmental public body of the DfES. As part of their remit they are to ensure the delivery of the Extended Schools initiative. Now known as Training and Development Agency – Development they provide support and advice on developing extended services.

QTS – Qualified Teacher Status A qualification which is awarded to people who have successfully completed a course of initial teacher training at an accredited institution in England or Wales. This is a requirement for anybody who teaches in a maintained school.

SENCO – Special Educational Needs Coordinator. The person in a school who has special responsibility for co-ordinating help for children with special educational needs.

Shared Community Partnership - Shared Community Partnerships were developed in 2001 around infant and primary schools across the city linking childcare providers in the independent, private and voluntary sectors. These now encompass partners from health, social services, libraries and other support services. These Partnerships are supported city wide through a team of development workers and the Project Manager (Shared Community Partnerships). The Partnerships are widening even further and it is emerging that Secondary Schools would be advantaged to link to the Partnerships and understand childcare in their locality.

Each of the Shared Community Partnerships are autonomous and therefore respond to local needs and have a diverse range of partners which directly reflect the geographical locations. For example, in some areas it may be useful to have Sure Start Local Support workers and others it may be the Brownie leader.

There is a qualified teacher (QTS) and also a Special Educational Needs Coordinator (SENCO) on each of the Shared Community Partnerships and this person is given a small annual payment to ensure information on best practice and any new initiatives is cascaded through the partnerships. This arrangement exceeds the DfES requirement of a SENCO on a ratio of 1:20 settings and QTSs on a ratio of 1:10.

Each Partnership is required to produce an annual action plan which shows progress towards Extended Schools.

TDA – Training and Development Agency for Schools. Formerly known as the Teacher Training Agency their broad role is to ensure that schools have suitably trained staff for the different functions they need to carry out.

Pathfinder Bid - Local Authorities are often invited by government to bid for additional funding to allow them to explore new ways of working in particular fields. These pilot projects are known as Pathfinders – because they lead the way.

Clustering – Schools and other providers who work together to share resources in a local area.

Summary of Recommendations

Recommendation 1

The Director of Children's Services will review the model of extended schools provision to align with and reflect the core offer of May 2006. This should be completed by September 2006

Recommendation 2

The Director of Children's Services will support schools by creating profiles of local community need. This will assist in the development of services for the community. This should be completed by September 2007

Recommendation 3

The Government's intention is that every school in the country should be working as an extended school by 2010. Council will support this ambitious target by providing appropriate training and support for school staff and governors.

Recommendation 4

The Council will support the shared foundation partnerships by encouraging the operation of a flexible lettings policy for accommodating extended school and community activities.

Recommendation 5

The Council supports the clustering of schools in order to develop services and business support which extends provision.

Recommendation 6

The Council will take up the opportunity to bid to be a Pathfinder authority in order to improve parenting support

Recommendation 7

The Council will take up the invitation to bid to be a Pathfinder authority in order to look at developing longer free sessions for 3 and 4 year olds in education, care and play.

Recommendation 8

The extended schools provision will be reviewed by Scrutiny in March 2008

Background

An extended school is one that provides a range of services and activities often beyond the school day to help meet the needs of its pupils, their families and the wider community. The services provided by extended schools can be very important to the wider community. They can provide a range of positive outcomes, for children, for families and the local community itself. It has been suggested that these include improved attainment, attendance and behaviour, increased parental involvement and where different sectors of the community can engage with each other.

In April 2005 a Scrutiny Topic was registered by Cllr Keith Aspden (see Annex 1) with the aim of investigating how City of York Council is bringing together partners to plan services across the city, how budgets are being dealt with and how schools are thinking about delivering services together. The idea was to try and ensure that children and families in York receive the best possible benefits. The remit and scope for the review was drawn up (see Annex 2) – this focussed on primary schools as it was considered that they were offering the most vital service in terms of childcare and was most applicable to local communities. The scope was later amended to include schools of varying sizes and needs which would have requirements for different sorts of provision.

Extended Schools Core Offer

On 17 May 2006 Education Minister Beverley Hughes approved the ‘core offer’ of activities and support which the government expects all schools to deliver by 2010 as Extended Schools. The core offer explains the standards which are required for a school to be classed as an extended school (see Annex 3). These include:

- Study support including school sport
- Childcare and activities for young people to do
- Parenting Support
- Swift and easy referral
- Community Access

These extended services will be available to all children and families and may be delivered by partnerships of schools and other institutions according to a model of levels of provision (see Annex 4). This 4-stage model has proved very effective over recent years, however with the arrival of the new core offer it now may be the time for it to be reviewed to reflect and align with the offer.

Recommendation 1

The Director of Children’s Services will review the model of extended schools provision to align with and reflect the core offer of May 2006. This should be completed by September 2006

Monitoring

As part of the monitoring for the Extended Schools initiative the questionnaires devised by the National Remodelling Team are being completed by York schools with

the support of the Early Years and Extended Schools Service. The data collected from this audit will be submitted to central government to feed in to the national data being collected from all local authorities. However, in York the Children's Information service have created their own database to complement the NRT questionnaire, which will be used to create profiles of all primary, junior, secondary, and special schools in the city to highlight areas for further development, and, most importantly, to give evidence for good practice. The Early Years and extended Schools Service have talked through the questionnaire with head teachers, or members of senior management, at each school, and have anecdotal evidence of case studies that could be shared as possible ways forward for schools where practice is less robust. Each school will receive a copy of their profile against the national core offer and a copy of how the other schools across the city are progressing.

Details of the results of the audit can be seen at Annex 5, a summary of the findings at Annex 6 and information sent to the DfES at Annex 7

Recommendation 2

The Director of Children's Services will support schools by creating profiles of local community need. This will assist in the development of services for the community. This should be completed by September 2007

Recommendation 3

The Government's intention is that every school in the country should be working as an extended school by 2010. Council will support this ambitious target by providing appropriate training and support for school staff and governors.

Consultation and Information Gathering

Members of the Scrutiny Committee made the following visits in order to gather information about provision in York and other areas.

18 October 2005	Heather Marsland made presentation to Board Members on extended schools provision in York and the results of a recent extended schools audit.
9 November	Extended Schools Conference at York Racecourse
15 November	Visit to Hob Moor School
21 November	Visit to Parklands Primary School, Leeds.
22 November	Formal Scrutiny meeting - update from Exec Member and Murray Rose on Progress of Post-16 Inclusion recommendations 5 pm
24 November	Visit to Westfield School to see extended schools provision
8 December	Visit to Clifton Green Primary School

13 December	Formal Scrutiny meeting in which visits made were reviewed
4 January 2006	Informal meeting of Scrutiny Board in which members received copies of nationally agreed indicators for extended schools provision which will form part of an audit of all primary schools which will be carried out before April 2006.
14 February	Formal Scrutiny meeting in which scope of review was amended to include additional visits to schools of varying sizes and needs.
8 March	Visit to St Aelred's School
13 March	Visit to Wheldrake School
21 March	Visit to Osbaldwick School

Initial Visits to Schools

On the initial visits to schools members wanted to find out how far extended schools provision is fully integrated, not just co-located on the school's premises, but sharing information, resources and funding etc. They were concerned that services for children, parents and the wider community were flexible and based on consultation with potential users. Another area of interest was whether any new services were planned which would extend beyond the usual school day. The schools selected for visits already had or were near to achieving extensive provision.

Hob Moor School

Hob Moor Primary is an amalgamated infant and junior school. It takes part in combined work with the neighbouring Hob Moor Oaks School, a special school with a unit for autistic children. At the time of visiting there was a partnership of six organisations, and a new partnership board was being formed to develop arrangements for governance

SureStart have been in the school since 2002, they use rooms in the school building that have been freed up because of falling rolls. They have small group events for parents taking place every day, including Saturday mornings. They have offices, a family room for activities, a drop-in centre, playroom and crèche. Sessions are also arranged for very young children before they start school.

After school and breakfast clubs are well established – breakfasts have been provided since 1999.

The nursery takes children up to the age of eight; children from Hob Moor Oaks also attend. There are big issues about funding of the nursery as many children have subsidised places, parents often do not pay fees and there are no grants or national funding available.

Sharing of information between partners can be a problem of confidentiality between health, social services and education. There are also difficulties with compatibility of partners' information systems.

There are also issues of shared employment by staff such as caretakers and teaching assistants who work across all the provision and will require parity of pay and conditions

Parklands Children's Centre, Leeds

This is one of three children's centres in the vicinity, so attendees tend to be from very nearby. There are two separate nurseries; for 18 months to 3 years (up to 20) and for 3 to 5 year olds (up to 50). They share a site with a primary school but members were of the opinion that provision could be more highly integrated between the two.

All children in the nursery have a key worker who is their named person that parents can contact. Parents' groups for topics such as counselling, benefits advice and anger management take place in close proximity to the children's activities so parents get to know each other and the staff. Facilitators work with parents in groups and pick up on conversations that might indicate a need such as domestic violence.

There was the opinion that there could be greater integration with the neighbouring primary school, there has been very little cross over of staff. Relationships between staff of different organisations was the initial challenge, and sharing information between partners can be problematic.

Westfield Primary School

Westfield has been a fully integrated extended school for four years. The community provision was developed after consultation with parents and the local population.

They have a wide array of facilities with wrap around care for children age 0 – 11, including breakfasts and school holidays. Adult and family learning is available on the premises as well as rooms for community activities. Outreach workers are based in the school and home support, behaviour support and respite for carers can all be accessed.

Staff put the success of the school down to a clear vision on the part of the head teacher. The school has a business manager who co-ordinates the partners, leaving the head and the teaching team to concentrate on the children.

There could be more key workers based in the school such as nurses, health visitors and educational psychologists. Members asked why this is not a SureStart school, and if the extended provision had led to improved results in the primary school.

Clifton Green Primary School

This school has still to move to full extended school provision as they have had to prioritise raising academic standards in the past. They have always had after school clubs for sports and hobbies, but these have been run voluntarily by teachers and teaching assistants and finish at 4:15 pm.

They hope to be able to offer childcare which would enable more parents to go to work. They already have a breakfast club with about 20 regular attendees. During these sessions Year 6 pupils help the younger ones with their reading, a move which has improved the standards of both groups

They plan to appoint an extended school manager to co-ordinate the new facilities. They hope to have activities available after the school clubs finish at 4:15 pm. These will be followed by a snack at 5:15 then a “chill-out” time up to 6:30 home time for 7 – 11 year olds. 5 – 6 year olds will go to the neighbourhood nursery after school. During the day courses for parents will be offered such as help with literacy and numeracy and also home child support.

The next phase is expected to open up school on Saturdays and school holidays and also provide community activities. Later they would like to work with ICC and offer evening events.

They already work with Canon Lee School on transition activities for year 6 leavers – a project which the student takes with them into secondary school.

Further visits to schools

The second set of visits was designed with specific queries regarding individual schools. They were at different stages in the process of setting up extended school services and of varying sizes.

St Aelred’s Roman Catholic Primary School

The catchment area for this school is St Aelred’s Parish which spreads well outside the locality. 66% are from the neighbouring Tang Hall area.

They already have after school clubs such as sports, art, choir, but all are finished by 4:30 p.m. They hope soon to have an “early bird” club for pupils to attend before school starts, perhaps staffed by a teaching assistant. For out-of-school care children go to Hempland Kids’ Club at Burnholme Youth Club which is open till about 6 p.m.

They have an Early Years Partnership “Angels” with Derwent Infants, Burnholme Day Nursery, the University Campus Nursery and Stockton Lane Playgroup. There are also some regular childminders. The SENCO is shared with the whole partnership.

Pre-school days help new starters become familiar with school. The school is aware if anybody with special needs is due to join.

There is an active PTA which raises funds and organises social activities. They have organised parenting courses, but have difficulty in reaching the parents who would benefit the most. They would like to offer ICT for parents, but do not have good facilities at present.

Local residents groups meet at the school. The hall is also used by Brownies and Cubs on occasions as well as being regularly used by a drama group. Other events are

held and advertised in the parish newsletter. Neighbours are kept informed of any potential disruption.

They have about £3.5k for extended schools provision this year. They hope to get the Early Bird club started in September 06 – this will offer facilities from 8 a.m. Parents will be canvassed for interest during the summer. Falling rolls means there will be a room available for this. They would like to offer summer holiday activities if facilities were available.

Wheldrake Church of England Primary School

Seven or eight partners are involved including an independent nursery, play group, after school club, Youth Club. A childminder catering for about six children is in close contact (also a parent of a pupil); the Library extension is aimed to be for adult use as well. The Village Hall is next door to the school and very well used.

There is a growing population in the village resulting in a rising school roll. It could be considered to be isolated; buses into York are every two hours. Secondary school pupils mainly go to Fulford School. The school also serves children in a neighbouring village that is out of York's boundary. The church is in a group of five parishes. Adult Education is available in neighbouring Elvington. A few out-of-village children attend play groups in Wheldrake. Lack of transport restricts "After School" staffing provision. Parents greatly value the village ethos which means that the current provision for children is by people well known in the village, thus ensuring a measure of continuity of contact for the younger children.

Regular meetings between partners are held, co-ordinated by the head teacher. There are ideas for additional provision, but there is always the issue of lack of resources to enable them to be put into practice. There is also the issue of shared staff such as caretakers and cleaners and there has been discussion about the need for a business manager of all the services on the site. If health visitors were based in school premises there is a feeling that this would facilitate informal sharing.

The current smooth working appears to be reliant on the good will of specific people rather than clearly defined systems. Expansion would require more formality and organisation, especially for recruiting and replacing (succession planning). School holiday provision does not currently seem to be much needed; (the child minder is less busy in holidays) few of the parents in Wheldrake are eligible for child care support. With regard to increased provision it would have to be "good" quality to attract clients and the current providers would be anxious about the sustainability of any additional provision.

Osbalwick Primary School

The school works with several private and voluntary partners. Each is represented at half-termly meetings; the focus is on bringing practitioners together to co-ordinate good practice. This is currently chaired by the Chair of Osbalwick Governors. (The Play Group has its own management committee and is thriving). Steps to Quality provide some funds; the York Child Club puts in money to enable the children to run

a tuck shop. There is a lot of local good will; the school is willing to put in effort on the principle of “enlightened self-interest” as the school is advertised in this way. The Head and the Chair of Governors are anxious to ensure that the ‘minor’ and voluntary partners are not overawed by high-powered, experienced teachers.

The School’s Infant co-ordinator visits local nurseries. There is an after school club from 3.15 to 6.00 (average attendance 16), the church runs a “Kids Club” and a holiday club. They are planning a breakfast club at which they could offer hot meals.

Osbaldwick is an expanding village but right on the “catchment” boundary with the Derwent Schools. Free School meals are now down to 2.6% because mothers are returning to work; nobody is likely to want 8 to 6 cover but this range would attract customers at either end of the school day. 68% pupils arrive at school by car. A new school building is imminent, but then there will be a parking issue.

Sometimes it is difficult for parents to see the division between School Day and National Curriculum and the pre and post school day provisions with regard to quality and responsibility. Both the Head and Chair of Governors felt there was a lot of good will, some high expectations but plenty of confusion about roles, rights and responsibilities. A clear and sound business plan would be needed.

Findings

Local Authorities have a role to play in supporting extended schools. City of York’s policy is to build on the work of the Shared Foundation Partnerships (see Annexe 4). Shared Foundation Partnerships were developed in 2001 around infant and primary schools across the city linking childcare providers in the independent, private and voluntary sectors. These now encompass partners from health, social services, libraries and other support services.

These Partnerships are supported city wide through a team of development workers and the Project Manager (Shared Community Partnerships). The Partnerships are widening even further and it is emerging that secondary schools would be at an advantage to link to the Partnerships and understand childcare in their locality. Each of the Shared Foundation Partnerships are autonomous and therefore respond to local needs and have a diverse range of partners which directly reflect the geographical locations. For example, in some areas it may be useful to have Sure Start Local Support workers whilst for others it may be the Brownie leader. There is a qualified teacher (QTS) and also a Special Educational Needs Co-ordinator (SENCO) on each of the Shared Foundation Partnerships and this person is given a small annual payment to ensure information on best practice and any new initiatives is cascaded through the partnerships.

School premises are used to provide activities delivered by other members of the partnerships. In some instances it has been found that the lettings policy for the school premises has made them prohibitively expensive for community activities.

Evidence from smaller and more rural communities suggests that some schools may need to join together in a local cluster to provide services and achieve extended schools status.

Recommendation 4

The Council will support the shared foundation partnerships by encouraging the operation of a flexible lettings policy for accommodating extended school and community activities.

Recommendation 5

The Council supports the clustering of schools in order to develop services and business support which extends provision.

This arrangement exceeds the DfES requirement of a SENCO on a ratio of 1:20 settings and QTS on a ratio of 1:10. Each Partnership is required to produce an annual action plan, which shows progress towards Extended Schools. The TDA (Training & Development Agency) has gained the contract from the DfES to ensure the delivery of the extended Services initiative. This contract was previously held by the National Remodelling Team). As part of the TDA's support to local authorities, officers from within local authorities have accessed an intensive four-day training programme. The head of the Early Years and Extended Schools Service in York is trained as an Extended Schools Advisor who will lead training and development for all schools and their partners. She will be supported in delivering a programme to all schools in York and their partners by Extended Schools Consultants who attended training with her.

The training for schools is a one-day event to explore possible issues and barriers to Extended Services and how to overcome them. The TDA have given York extensive support and a TDA consultant will help to deliver the training to school headteachers, governors and Shared Foundation Partnership Members. There is national funding to support this initiative, which in York has been devolved to the Partnerships. In November 2005 all schools received an Information guide and DVD on Extended Schools which was launched at a conference at York Racecourse.

Of the five core offers the ones which prove most difficult to achieve focus around partnership working with agencies who do not have the capacity. The Council's new structuring of the Learning, Culture and Children's Service will help this and the council is also applying for a Children's Services Pathfinder bid under the government's Respect agenda in order to support parenting across the city and a Pathfinder bid to enable parents to access 15 hours free education around play and care for 3 – 4 year olds (see Annexes 8 and 9).

The Education Scrutiny Committee meeting of 20 June 2006 suggested that progress should be reviewed again in March 2008

Recommendation 6

The Council will take up the opportunity to bid to be a Pathfinder authority in order to improve parenting support.

Recommendation 7

The Council will take up the invitation to bid to be a Pathfinder authority in order to look at developing longer free sessions for 3 and 4 year olds in education, care and

play.

Recommendation 8

The extended schools provision will be reviewed by Scrutiny in March 2008

Participants in Scrutiny Review of Extended Schools Provision

Members of the Board

Cllr Glen Bradley (Chair until May 2006)
Cllr Charles Hall (Member and Chair from May 2006)
Cllr Keith Aspden (until May 2006)
Cllr Martin Bartlett (from May 2006)
Cllr Ian Cuthbertson (until May 2006)
Cllr Andy D'Agorne (from May 2006)
Cllr Janet Hopton (until May 2006)
Cllr Alan Jones (from May 2006)
Cllr Viv Kind
Cllr David Livesley
Cllr David Scott (until May 2006)

Co-opted Members

Graham Clayton
David Sellick
Andrew Lawton

CYC Officers and Members

Patrick Scott	Director of Children's Services
Heather Marsland	Head of Early Years and Extended Schools
Rosemary Flanagan	Acting Deputy Head of Early Years and Extended Schools
Ann Spetch	Manager of Quality Care and Education, Early Years
Barbara Mands	Acting Deputy Head of Service, Early Years and Childcare
Karl Jarvis	Head of Hob Moor School
Mark Barnett	Head of Westfield School
Mrs S Audsley	Head of Clifton Green School
David Houghton	Head of St Aelred's School
Helen Rodbourn	Head of Wheldrake School
Mrs L Barringer	Head of Osbaldwick School
Barbara Boyce	Scrutiny Services

Members of other organisations

Kay Kendall Manager, Parklands Children's Centre



SCRUTINY TOPIC REGISTRATION FORM

Dear Reader

Scrutiny Members examine the decisions, policies and performance of the Council and make recommendations where they feel things could be improved for the citizens of York.

This non-Executive Member cross-party role was created by the Local Government Act 2000 which is all about modernising local government and creating better ways for citizens to be more involved in local decision making.

The scrutiny boards will consider possible suggestions about issues to look at from anyone, so long as these are not specific issues of an individual nature which should be taken up with a local Councillor or addressed through the Corporate Complaints system.

Scrutiny at York has already investigated things as diverse as the response to the 2000 'Floods', provision for 'Young People in York', 'Rail Side Safety' and 'Street Cleaning'.

If you have a suggestion for something the scrutiny boards might consider, then please fill in this registration form and return it to us, either by post or by e-mail.

Madeleine Kirk

Cllr Madeleine Kirk
Chair, Scrutiny Management Committee

SCRUTINY TOPIC REGISTRATION FORM

SUGGESTED TITLE OF TOPIC
Extended Schools: The Way Forward in York

ABOUT YOU Please fill in as many of the details as you are able to.

Title (delete as applicable):

Other please state Councillor

First Name: Keith

Surname: Aspden

Address:
 99 Beckfield Lane
 York
 YO26 5PW

Daytime Phone: 07815 186 046

Evening Phone: 01904 781 948

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Are You (delete as applicable)

- **A Resident of York**
- **A Visitor**
- **A City of York Councillor**
- **A City of York Council Employee**
- **A Representative of a Voluntary Organisation or Charitable Trust**
 (if YES please tell us the organisations title and your relationship to the organisation below)
- **Other** (please comment)

YES

NO

YES

NO

NO

ABOUT YOUR PROPOSED TOPIC

Please write your responses to as many of the questions below as you are able to.

WHY DO YOU THINK THIS TOPIC IS IMPORTANT?

An extended school is one that provides a range of services and activities often beyond the school day to help meet the needs of its pupils, their families and the wider community. Many schools in York are already providing some extended services including study support, sports and ICT facilities.

The Department for Education and Skills puts forward that extended schools are one of the most likely bases for the delivery of services within local Every Child Matters, and therefore schools and their partners in York need to build on existing provision and consider what additional provision may be needed.

DO YOU KNOW IF THIS TOPIC IS IMPORTANT TO OTHER PEOPLE? IF SO, WHO AND WHY?

The issue of extended schools is very important to the wider community. Extended schools can provide a range of positive outcomes, including for children, for families and the local community itself. It has been suggested that these include improved attainment, attendance and behaviour, increased parental involvement and where different sectors of the community can engage with each other.

WHAT DO YOU THINK SCRUTINY OF THIS TOPIC MIGHT CHANGE, DO OR ACHIEVE?

As part of the Ten Year Childcare Strategy, by 2010 all primary schools will be providing breakfast and after-school clubs in some form, and by 2010 all secondary schools will be part of a network providing after school sports, arts and holiday activities.

Local Authorities (and Children's Trusts) have a role to play in supporting extended schools – we need to see how City of York Council is bringing together partners to plan services across the city, how budgets are being dealt with and how schools are thinking about delivering services together, to ensure that everyone in York receives the possible benefits.

DO YOU HAVE IDEAS ABOUT THE APPROACH SCRUTINY MEMBERS MIGHT TAKE TO YOUR SUGGESTED TOPIC?

Firstly, a briefing from education officers about the situation with extended schools so far in York. Then a mixture of research, discussion and site visits – especially investigating what York's schools are doing already, and how the Local Authority can help. A workshop between all interested parties to brainstorm the way forward may help.

WOULD YOU BE HAPPY TO TALK TO SCRUTINY MEMBERS ABOUT YOUR PROPOSED TOPIC AT FORMAL MEETINGS?

Member of Scrutiny Board.

PLEASE ENCLOSE ANY SUPPORTING DOCUMENTS OR OTHER INFORMATION YOU FEEL MIGHT BE USEFUL BACKGROUND TO THE SUBMISSION OF THIS TOPIC FOR CONSIDERATION.

Please find attached DfES booklet, "Extended Schools: Providing Opportunities and Services for all"

OUR COMMITMENT TO YOU

Thank you for proposing a new scrutiny topic. As Members of the Scrutiny Management Committee and Scrutiny Boards we promise the following things;

- To advise you of any meetings where a decision will be taken as to whether to progress your topic and invite you to attend
- If Members would like you to speak in support of your topic at such meetings you will be notified and supported through the process by a Scrutiny Officer
- If you do not wish to speak you do not have to; your choice will not influence fair consideration of your topic.

Please return this form to the address below or send it by email. If you want any more information about Scrutiny or submitting a new topic for consideration then please contact the Scrutiny Team.

By Writing to:

The Scrutiny Services Team
C/o The Guildhall
York
YO1 9QN

Or Email: Scrutiny.services@york.gov.uk

Or Phone: 01904 552038

For Scrutiny Administration Only

Topic Identity Number

117

Date Received

Monday, 04 April 2005

SC1- date sent

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Extended schools (topic no. 117)**Remit****Objectives**

- To establish if school in York are providing extended services beyond the school day.
- To consider if this provision is meeting the needs of pupils, parents and the wider community
- To investigate example of good practice from within this Authority and beyond
- To make recommendations as to how the Council can work with partners across the City and how schools can work together so that children and communities can receive the best possible service

Scope

1. To carry out investigations into extended schools provision in local primary schools
2. To compare practices in other local authorities.
3. To listen to experts from partner organisations.
4. To identify principles against which any community activities in schools can be based
5. To identify possible improvements to provision in York.

Officer and partner involvement

Colleagues for Children's Services, Early Years.

Staff from York primary schools and partners from SureStart etc

Timescale

.

October 2005 – Input from Children's Services

November-December – visits to schools in York and beyond and attendance at City of York conference on Extended Schools

January 2006 – draw up scope of review

Constraints

Changes to the Constitution are expected to be approved by Council by April 2006

Budget requirement

Members are asked to consider any budget requirement the board may have for this topic.

Extended Schools Core Offer

Childcare

High-quality childcare benefits children, parents and carers and communities. It enriches children's life experience, it helps parents balance their work and family lives, and it can help raise standards in schools.

The government's 10-year strategy for childcare, *Choice for parents, the best start for children*, sets out a key role for schools in ensuring children experience high-quality childcare. By giving parents more flexibility in their working hours and choice of work, wraparound childcare also has the potential to lift families out of poverty.

The provision of childcare complements family life by offering parents and children a service that they can trust. However it will be for parents to decide whether they take up the provision, based on the particular circumstances of their family. Both the childcare and parenting support elements of the core extended services have the potential to significantly enhance family life by offering support in areas that often cause anxiety.

The extended school core offer ensures that:

- three- and four-year-old children will receive 15 hours (increased from the current 12.5 hours) of free integrated early learning and care for 38 weeks of the year
- by 2010, parents of primary-age children will have access to affordable childcare from 8am to 6pm all year round. This will be available in at least half of all primary schools by 2008, and
- by 2010, secondary schools will be open from 8am to 6pm all year round, providing access to a range of activities for young people such as music, sport and holiday activities. At least one third of secondary schools should be making this offer available by 2008.

Many schools are well placed to provide high-quality childcare as they offer expertise and a safe environment for children. They also have the confidence of parents.

In some schools limited space may be an issue. Often, the best solution will be for these schools to make the best use of their existing facilities outside of school hours.

Not all activities need to take place on the school site. It will often make sense to find additional capacity through working collaboratively with neighbouring schools and/or other local providers. Local authorities, for example, should seek to maintain and/or increase the supply of childminders in their areas. This may include incentives for prospective childminders as well as additional support for existing childminders. Schools will need to work with their local authority business support officer on the planning of such provision.

The design and content of childcare will vary in detail from school to school. It may be organised and delivered directly by school staff, or through school clusters and/or via third parties.

There are several models of delivery schools and providers can adopt:

- direct delivery – schools as direct deliverers of childcare, making all arrangements themselves, employing staff and charging for the provision or co-locating with children's centres to ensure high-quality provision for early children and/or wraparound care for primary children
- delivering with third parties – schools working with third-party provider/s from the private or voluntary sectors, including childminder networks, and
- working in clusters with other schools – schools sharing resources, such as a childcare manager, to develop the service and/or to rotate responsibility for childcare over holiday periods.

The *Children's workforce strategy* will support the provision of childcare in schools. Its strategic aims include: recruiting, developing and retaining more skilled people, strengthening inter- and multi-agency working and workforce remodelling, and promoting stronger leadership, management and supervision.

In providing extended days it is important to ensure that children have time to rest, play and have healthy snacks. It is also essential to realise young people will only attend activities they find attractive. Schools will need to involve young people in developing their offer. Local authorities have an important role linking strategic planning for services to asset management on buildings and premises.

Programme of activities

By 2010, in addition to the childcare offer, all children will be able to access a varied programme of activities beyond the school day.

These activities will either be delivered directly by individual schools and/or through schools working collaboratively with neighbour schools and other relevant agencies and organisations. Schools should tailor their menu of activities to meet the needs and demands of their pupils and local communities.

While the precise menu of activities offered will vary from school to school, it may include activities such as:

- homework clubs and study support
- music tuition
- dance and drama, arts and crafts
- special interest clubs such as chess and first aid courses
- visits to museums and galleries
- learning a foreign language
- catch-up and booster opportunities
- volunteering and business and enterprise activities, and
- sport – at least two hours a week beyond the school day for those who want it

Young people (and this may apply to parents too) will only attend activities they value and want, so this is an excellent opportunity to provide activities relevant to pupils' interests, in ways that engage them. This will also have a positive impact on the mainstream curriculum and help improve motivation, behaviour and levels of achievement.

Many primary, secondary and special schools already provide a varied programme of activities for pupils to develop their skills and explore wider interests beyond their school day. The activities provided by schools as part of their extended offer to pupils will be an important part of the local offer to young people.

Some activities will be delivered solely by schools, others by schools in partnership with the community, the youth service and other children's services. Some activities may be delivered solely by voluntary or private organisations.

However they are delivered, the range of activities on offer should be developed in consultation with young people and parents and should be accessible and inclusive.

Young people and parents will be expected to pay for some activities. Not all young people will wish to attend activities delivered in school but, by working in partnership, schools can signpost them to other providers in the community.

Among many benefits, these activities will enable children to have fun and develop wider interests and new skills, socialise in a safe environment and, in many cases, develop a more positive attitude towards their school and learning. They can also play an important part in helping children live healthier lives and in reducing obesity through providing cookery classes or sports.

Parenting support

Parents are the major influence on their children's lives and their prime educators. Good parenting in the home makes an enormous difference to the outcomes of children's learning.

Research carried out by Professor Charles Desforges confirms that parents are the biggest single influence on their children's lives and the vital importance of good parenting.

Other research studies have found schools that work well with parents have improved levels of achievement, more positive pupil attitudes, improved behaviour and increased parental participation.

Many parents report there are times in their lives when they would benefit from more information, advice and support. The extended schools agenda builds on existing provision to ensure that all schools deliver parenting support. This may include:

- information sessions for all parents at key transition points in their children's lives, particularly starting school, and moving from primary to secondary school
- parenting groups and programmes

- family learning sessions to allow children to learn with their parents
- specialised support for parents who might need it, for example, parents whose children have problems with attendance or behaviour at school, and
- information on the advice and support available to parents – through national helplines and websites, and the local family support service

Schools will want to develop links with local children's services, particularly social services, health and voluntary and community sector providers, securing input from specialist staff who are skilled in facilitating parenting groups and supporting individual parents. It will be crucial to ensure that services are attractive and useful to all parents, including parents from minority ethnic groups and single parents.

Extended schools serve as a hub of services for parents. Over time they are expected to broaden the range of services they make available to parents through, for example, offering services to provide respite care for parents of children with special needs and/or counselling services for parents having relationship difficulties.

Setting up an effective range of extended services that make a difference to parental participation and raise children and young people's achievement and wellbeing, requires in-depth consultation with parents and carers, pupils and the wider community on the services they need and want.

Schools will want to adopt a whole-school approach to improving their links with parents. Trained and skilled support staff or teaching assistants can often be the most appropriate and prime link to families.

Schools that work well with parents can expect significant, lasting benefits, including:

- greater parental involvement in children's learning
- providing better help to staff and parents to address children's wider needs
- reduced health inequality through greater take-up of school-based health and social care services such as smoking cessation club and midwifery services
- improved levels of achievement
- more positive pupil attitudes and behaviour
- increased parental participation in, and support for, the life and work of the school
- greater willingness for parents and school to share information and tackle misunderstandings and problems at an early stage

Where children's centres are co-located alongside schools, there are even greater opportunities to expand the range of services on offer through healthcare and social services.

Swift and easy referral

There is a range of specialist health and social care support services that children and young people (and adults) need to access at different times in their lives to support both their general wellbeing and their ability to learn.

Children's centres and many schools, particularly special schools, have long experience of working closely in partnership with these organisations and have great expertise in swift and easy referral of pupils in need.

The next few years will see an extensive reconfiguration of support services, to offer earlier, more coherent support which meets the needs of children and families in convenient locations and in a more streamlined way. It is an effective way of addressing the wide range of interrelating factors that contribute to poor outcomes for children and young people.

All schools, with the support of local authorities, will facilitate the swift and easy referral of relevant pupils to a wide range of specialist support services such as speech therapy, child and adolescent mental health services, family support services, intensive behaviour support, and (for young people) sexual health services.

Schools, support services and agencies will work together to ensure the needs of all children, young people and their parents or carers, are fully met. Staff in different agencies will work together and share information to promote child safety and well-being. Sharing information with children, young people and their families, so that processes and issues are understood and clear, is important, as is understanding issues and legislation relating to confidentiality of information.

Some support services will be situated and delivered on school sites. Offering provision on site or through local partnerships, children's centres and local authority or community sites, improves access to services and creates a more streamlined and supportive referral system for those who need it.

This is vital in working towards the holistic support of the child. The school site is often the key point for services to intervene to support children and young people. School is the one continuous and secure element in many children's lives.

Among its many benefits, swift and easy referral to support services:

- enhances support for vulnerable children and those most at risk
- provides better help to staff and parents to address children's wider needs
- eradicates the possibility of problems getting worse due to delay
- encourages and enables improved communication between agencies, and
- provides additional opportunities for staff in schools. For example, childcare and support staff may be interested in additional work in some of the services.

Presently in its consultation stage, the children's workforce strategy plans to rework and develop a world-class workforce that is competent and confident to make a difference to the lives of those they support.

This workforce will operate across agencies and strengthen inter-agency and multi-disciplinary working and workforce remodelling, and promote stronger leadership, management and supervision.

The common assessment framework will support the drive towards multi-agency working by embedding a shared process of assessing children when they are not progressing as they should and acting on the result. Ofsted will inspect the impact of this on pupils' well-being and learning. Along with the lead professional role, common assessment supports the duty of relevant partners and agencies to make arrangements to safeguard and promote the welfare of children. The detail of how it is operated locally is something that will need to be agreed between the local agencies concerned.

Community access

All schools have many facilities that could, and often already do, benefit their local communities.

These facilities include sport halls and fields, ICT, playgrounds, classrooms, libraries, assembly and dining halls and numerous other physical facilities and educational resources.

The extended schools agenda builds on the existing provision to ensure that schools open their facilities to their local communities. This can be during school hours and/or before and after the school day and at weekends and holidays.

Not only does greater access to school facilities benefit local communities, it also benefits schools themselves, not least by helping make them even more the 'hub' of community life.

The benefits of greater community access to school facilities include:

- maximising the use of facilities
- improved income from facilities
- improved parent and community familiarity with, and involvement in, schools
- improved sense of community
- improved adult learning opportunities
- greater involvement of community/groups on the school site, and
- dual use of facilities, pupils working with their parents/families

Schools can extend adult learning opportunities by providing, for example, literacy and numeracy support as well as other activities to engage adults in learning such as languages, arts and crafts and other activities or qualifications.

Schools can also help adults, as well as children, develop skills that match the local skills gap and industrial and/or business changes in the area.

A number of schools are already a base for social care and/or health services in their communities. It is anticipated that many more schools will develop this role.

BUILDING ON YORK'S SHARED FOUNDATION PARTNERSHIP POLICY TO MEET THE EXTENDED SERVICES THROUGH SCHOOLS AND INTEGRATED CHILDREN'S CENTRES AGENDA

STAGE 1

Activities may include:

- Every primary school forms a Shared Foundation Community Partnership with the PVI sector
- Early Years and Extended Schools Service allocates a development worker to the partnership to support settings and schools to deliver co-ordinated quality care, play and education.
- Partnership meets termly, audit local need and work together to meet it.
- Sharing of knowledge, resources, skills.
- Action plans submitted to LA.
- Funding devolved
- Partnerships name area SENCO and QTS who attend LA training and receive additional payment.



YOU HAVE BEGUN THE JOURNEY AND MEET DFES FOUNDATION CURRICULUM GUIDANCE

STAGE 2

Activities may include:

- As in stage 1

Additionally may provide:

- Breakfast clubs
- Out of School clubs
- Holiday play schemes
- Art activities
- Drama
- Sport
- Environmental activities
- Library access
- Invites to other agencies to attend meetings or provide services



YOU ARE WORKING AS AN EXTENDED SCHOOL AND MEET THE DFES DEFINITION

STAGE 3

Activities may include:

- As in stages 1 + 2

Additionally may provide activities alone or in conjunction with other schools, settings and agencies to provide the core offer:

- Access to childcare 8am to 6pm, 48 weeks per year.
- Swift and easy referral (staff from health, social services, housing etc are partners).
- Community can use facilities eg IT suites / swimming pools / school halls etc.
- Varied menu of activities eg sport, art etc.
- Parenting support eg Family Learning courses etc.



YOU ARE WORKING AS A FULLY EXTENDED SCHOOL AND MEET THE DFES CORE OFFER

STAGE 4

Activities may include:

- As in stages 1, 2 + 3

Additionally may provide:

- On site and outreach activities.
- 8 – 6 daily provision for 52 weeks of the year.
- Services for wider community including health, social services, housing.
- Fully inclusive and specialist multi-agency provision.
- Employment and training advice and opportunities.
- Family centre provision.
- Client-led services eg Sure Start, Big Wide Talk.



YOU ARE WORKING AS AN INTEGRATED CHILDREN'S CENTRE AND MEET THE DFES GUIDELINES

EXTENDED SCHOOLS CLUSTER REPORT (ESCR)										Annex 5				
LOCAL AUTHORITY: York														
Report coverage	All schools													
Report date	27/06/2006													
Data is sorted in alphabetical order by cluster, then by school														
WHAT DO THE COLOURS MEAN?														
	A yellow school is one with no delivery date, or a delivery date greater than September 2006 entered, but where the school is already delivering the Full Core Offer													
	A red school is one that is targeted to deliver by September 2006, but has had no information entered against it in the ESP system for any element of the core offer													
	Amber shows a September 2006 target date for delivery of the full core offer													
	Green shows delivery of a particular element - 'Sustainable' or 'Full access' for Childcare, and 'Sustainable' or 'Full' for all other elements													
	Blue shows that a school is delivering the full core offer													
HOW TO USE THIS REPORT														
Please note that the Extended Schools Cluster Report is for information only and any updates need to be made on the ESP system itself.														
The report can be used in many ways, but here are some of the most common ones:														
1) IDENTIFYING GAPS IN CLUSTER PROVISION														
If you have 8 schools in a cluster, and 5 of them are 'Sustainable' or 'Full access' for Childcare, whilst 3 of them are providing no access, you can quickly see where these gaps are occurring, allowing you to focus your efforts on these schools														
2) IDENTIFYING SIGNPOSTING OPPORTUNITIES														
Continuing the example above, if 5 schools within a cluster are already offering Childcare, you may be able to set the other 3 to 'Full Access', as they can signpost to this existing provision														
3) CORRECTING ANOMALIES BETWEEN TARGET DATE AND DELIVERY														
If a school is already delivering the Full Core Offer, but has no target date set, the school name will appear in yellow - these schools should have their delivery date corrected														
4) IDENTIFYING FURTHER CLUSTERING OPPORTUNITIES														
In many cases, not all schools within a Local Authority are clustered - this report will help you to see which ones are not clustered, and possibly based on existing provision, assign them to one														
5) IDENTIFYING PRIORITY AREAS FOR DATA COLLECTION BASED ON LAST UPDATED DATE														
Each school has a 'Last Updated' field against it - if there is no date in here, or if the school has not been updated for some time, effort should be focussed on updating these schools														
Cluster Name	School	Number of pupils	Phase	Last updated	Date for completion	Progress in E	Location of C	Full core offer	Childcare	Varied menu	Parenting support	Swift and Eas	Community u	Full core offer
Acomb Partners	Acomb Prima 261		Primary	1 days ago	01/09/2006	Alternative ap	On school site	31/12/2006	Full access	Full	Some	Full	Some	NO
Acomb Partners	English Martyr 212		Primary	1 days ago	01/09/2006	Alternative ap	On school site	31/12/2006	Some term, s	Full	Some	Full	Some	NO
Allied Choice	Saint Lawrence 250		Primary	1 days ago	01/09/2006	Alternative ap	On school site	30/09/2006	Full term	Full	Full	Full	Full	NO
Badger Hill/H	Badger Hill P1 167		Primary	1 days ago	01/09/2006	Alternative ap	On school site	31/12/2006	Full access	Full	Some	Full	None	NO
Badger Hill/H	Lord Deramore 207		Primary	1 days ago	01/09/2006	Alternative ap	Mixed	31/12/2006	Full access	Full	Some	Full	Some	NO
Bishopthorpe	Archbishop of 176		Primary	1 days ago	01/09/2006	Alternative ap	Mixed	31/12/2006	Full access	Full	Some	Full	Full	NO
Bishopthorpe	Bishopthorpe 145		Primary	1 days ago	01/09/2006	Alternative ap	On school site	31/12/2006	Full access	Full	Some	Full	Full	NO
Carr Consorti	Carr Infant Sc 220		Primary	1 days ago	01/09/2006	Alternative ap	On school site	31/12/2006	Full access	Full	Full	Full	Full	YES

Carr Consorti	Carr Junior S	223	Primary	1 days ago	01/09/2006	Alternative ap	On school sit	31/12/2006	Full access	Full	Full	Full	Full	YES		
Carr Consorti	Poppleton Ro	363	Primary	1 days ago	01/09/2006	Alternative ap	Mixed	30/09/2006	Full access	Full	Full	Full	Some	NO		
Clifton and Bl	Burton Green	252	Primary	1 days ago	01/09/2006	Alternative ap	On school sit	31/12/2006	Full term	Full	Full	Full	Full	NO		
Clifton and Bl	Clifton Green	339	Primary	1 days ago	01/09/2006	Alternative ap	On school sit	30/09/2006	Full access	Full	Full	Full	Full	YES		
Clifton Partne	Clifton with R	302	Primary	1 days ago	01/09/2006	Alternative ap	On school sit	31/12/2006	Full access	Full	Some	Some	Some	NO		
Clifton Partne	Lakeside Prin	378	Primary	1 days ago	01/09/2006	Alternative ap	Mixed	31/12/2006	Full access	Full	Some	Full	None	NO		
Clifton Partne	Rawcliffe Infa	280	Primary	1 days ago	01/09/2006	Alternative ap	On school sit	31/12/2006	Full term, son	Full	Some	Some	Some	NO		
Copmanthorpe	Copmanthorpe	336	Primary	1 days ago	01/09/2006	Alternative ap	On school sit	31/12/2006	Full access	Full	Some	Full	Full	NO		
Dringhouses	Dringhouses	344	Primary	1 days ago	01/09/2006	Alternative ap	On school sit	31/12/2006	Full access	Full	Full	Full	Some	NO		
Dunnington P	Dunnington C	229	Primary	1 days ago	01/09/2006	Alternative ap	On school sit	31/12/2006	Full access	Full	Full	Full	Full	YES		
Elvington Par	Elvington Chu	136	Primary	1 days ago	01/09/2006	Alternative ap	-	31/12/2006	Full access	Full	Some	Full	Full	NO		
Fishergate P	Fishergate P	219	Primary	1 days ago	01/09/2006	Alternative ap	On school sit	30/09/2006	Full access	Full	Full	Some	Full	NO		
Fulford	St Oswald's C	273	Primary	1 days ago	01/09/2006	Alternative ap	Mixed	31/12/2006	Full access	Full	Full	Full	Full	YES		
Haxby Road I	Haxby Road I	277	Primary	1 days ago	01/09/2006	Alternative ap	On school sit	31/12/2006	Full access	Full	Full	Full	Full	YES		
Hempland Pa	Hempland Pri	361	Primary	1 days ago	01/09/2006	Alternative ap	On school sit	31/12/2006	Full access	Full	Some	Full	Some	NO		
Heworth Part	Heworth Chu	130	Primary	1 days ago	01/09/2006	Alternative ap	On school sit	31/12/2006	Full access	Full	Some	Full	Full	NO		
Hob Moor Pa	Hob Moor Co	310	Primary	1 days ago	01/09/2006	Alternative ap	On school sit	31/12/2006	Full access	Full	Full	Full	Full	YES		
Holgate Part	St Paul's Chu	166	Primary	1 days ago	01/09/2006	Alternative ap	Mixed	31/12/2006	Full access	Full	Some	Full	Full	NO		
Holgate Part	St Paul's Nur	105	Nursery	1 days ago	01/09/2006	Alternative ap	Mixed	31/12/2006	Full access	Full	Some	Full	Full	NO		
Hollys Partne	Huntington Pr	382	Primary	1 days ago	01/09/2006	Alternative ap	-	31/12/2006	Not known	Full	Not known	Not known	Not known	NO		
Hollys Partne	Yearsley Gro	436	Primary	1 days ago	01/09/2006	Alternative ap	Mixed	31/12/2006	Full term	Full	Full	Full	Full	NO		
Knavesmire	Knavesmire F	221	Primary	1 days ago	01/09/2006	Alternative ap	On school sit	31/12/2006	Full access	Full	Some	Full	None	NO		
Naburn	Naburn Churc	77	Primary	1 days ago	01/09/2006	Alternative ap	On school sit	31/12/2006	Some term	Full	Some	Full	Full	NO		
New Earswic	New Earswic	253	Primary	1 days ago	01/09/2006	Alternative ap	On school sit	30/09/2006	Full access	Full	Full	Full	Full	YES		
Osballdwick	Osballdwick P	171	Primary	1 days ago	01/09/2006	Alternative ap	On school sit	31/12/2006	Full access	Full	Some	Full	Full	NO		
Our Lady's P	Our Lady's R	190	Primary	1 days ago	01/09/2006	Alternative ap	-	31/12/2006	Not known	Full	Some	Some	Not known	NO		
Poppleton Pa	Poppleton Ou	437	Primary	1 days ago	01/09/2006	Alternative ap	On school sit	31/12/2006	Full access	Full	Some	Full	Some	NO		
Rufforth Part	Rufforth Prim	55	Primary	1 days ago	01/09/2006	Alternative ap	-	31/12/2006	Full term	Full	Some	Full	Full	NO		
Scarcroft Par	Scarcroft Prin	303	Primary	1 days ago	01/09/2006	Alternative ap	On school sit	30/09/2006	Full access	Full	Some	Full	Some	NO		
Skelton Part	Skelton Prim	120	Primary	1 days ago	01/09/2006	Alternative ap	On school sit	31/12/2006	Full access	Full	Some	Full	Full	NO		
SOFEY Partn	Stockton-on-t	88	Primary	1 days ago	01/09/2006	Alternative ap	On school sit	31/12/2006	Full access	Full	Full	Full	Some	NO		
St Aelred's	Derwent Infa	133	Primary	1 days ago	01/09/2006	Alternative ap	Mixed	31/12/2006	Full access	Full	Full	Full	None	NO		
St Aelred's	Derwent Juni	104	Primary	1 days ago	01/09/2006	Alternative ap	Mixed	31/12/2006	Full access	Full	Full	Full	Some	NO		
St Aelred's	St Aelred's R	280	Primary	1 days ago	01/09/2006	Alternative ap	On school sit	31/12/2006	Full access	Full	Some	Full	Full	NO		
St Barnabas	Saint Barnab	90	Primary	1 days ago	01/09/2006	Alternative ap	On school sit	30/09/2006	Full access	Full	Full	Full	Full	YES		
St Georges	St George's F	200	Primary	1 days ago	01/09/2006	Alternative ap	Mixed	31/12/2006	Full access	Full	Full	Some	Full	NO		
St Wilfrids	St Wilfrid's, Y	252	Primary	1 days ago	01/09/2006	Alternative ap	Mixed	31/12/2006	Full access	Full	Full	Full	Full	YES		
Strensall Part	Robert Wilkin	551	Primary	1 days ago	01/09/2006	Alternative ap	On school sit	31/12/2006	Full access	Full	Some	Some	Some	NO		
Tang Hall Pa	Tang Hall Pri	230	Primary	1 days ago	01/09/2006	Alternative ap	On school sit	30/09/2006	Full access	Full	Full	Full	Full	YES		
The Askham	St Mary's Chu	106	Primary	1 days ago	01/09/2006	Alternative ap	On school sit	31/12/2006	Full access	Full	None	Full	Full	NO		
The Groves F	Park Grove P	226	Primary	1 days ago	01/09/2006	Alternative ap	On school sit	30/09/2006	Full access	Full	Full	Full	Full	YES		
The Haxby P	Headlands P	238	Primary	1 days ago	01/09/2006	Alternative ap	On school sit	31/12/2006	Full access	Full	Some	Full	Some	NO		

The Haxby P	Ralph Butterf	289	Primary	1 days ago	01/09/2006	Alternative ap	On school sit	31/12/2006	Full access	Full	Some	Full	Some	NO		
Westfield Par	Westfield Pri	687	Primary	1 days ago	01/09/2006	Alternative ap	On school sit	30/09/2006	Full access	Full	Full	Full	Full	YES		
Wheldrake P	Wheldrake wj	202	Primary	1 days ago	01/09/2006	Alternative ap	On school sit	31/12/2006	Full access	Full	Some	Full	Full	NO		
Wiggington P	Wigginton Pri	273	Primary	1 days ago	01/09/2006	Alternative ap	On school sit	31/12/2006	Full access	Full	Some	Full	Full	NO		
Woodthorpe	Woodthorpe	476	Primary	1 days ago	01/09/2006	Alternative ap	On school sit	30/09/2006	Full access	Full	Full	Full	Full	YES		
-	All Saints RC	1158	Secondary	1 days ago	01/09/2006	Alternative ap	On school sit	31/12/2006	Full access	Full	Some	Full	Full	NO		
-	Applefields S	129	Special	1 days ago	01/09/2006	Alternative ap	Not on schoo	31/12/2006	Full access	Full	Some	Full	Full	NO		
-	Archbishop H	797	Secondary	1 days ago	-	-	-	-	-	Full	-	-	-	NO		
-	Burnholme C	491	Secondary	1 days ago	01/09/2006	Alternative ap	On school sit	31/12/2006	Full access	Full	Full	Full	Full	YES		
-	Canon Lee S	904	Secondary	1 days ago	01/09/2006	Alternative ap	On school sit	31/12/2006	Full access	Full	Some	Full	Full	NO		
-	Fulford Schoc	1296	Secondary	1 days ago	01/09/2006	Alternative ap	On school sit	31/12/2006	Full access	Full	Some	Full	Full	NO		
-	Hob Moor Oa	76	Special	1 days ago	01/09/2006	Alternative ap	-	31/12/2006	Full access	Full	Full	Full	Some	NO		
-	Huntington S	1492	Secondary	1 days ago	01/09/2006	Alternative ap	On school sit	31/12/2006	Full access	Full	Some	Full	Full	NO		
-	Joseph Rown	1286	Secondary	1 days ago	01/09/2006	Alternative ap	On school sit	31/12/2006	Full access	Full	Some	Full	Full	NO		
-	Lowfield Schc	457	Secondary	1 days ago	01/09/2006	Alternative ap	On school sit	31/12/2006	Full access	Full	Full	Full	Full	YES		
-	Manor Church	631	Secondary	1 days ago	01/09/2006	Alternative ap	On school sit	31/12/2006	Full access	Full	Full	Full	Full	YES		
-	Millthorpe Scl	1027	Secondary	1 days ago	01/09/2006	Alternative ap	On school sit	31/12/2006	Full access	Full	Some	Full	Full	NO		
-	Oaklands Scl	789	Secondary	1 days ago	01/09/2006	Alternative ap	On school sit	31/12/2006	Full access	Full	Full	Full	Full	YES		
-	Pupil Support	149	Pupil Referral	1 days ago	-	-	-	-	-	Full	-	-	-	NO		
-	The Bridge C	0	Pupil Referral	1 days ago	-	-	-	-	-	Full	-	-	-	NO		

Extended Schools and Integrated Children's Centre Board – 26 June 2006

Extended Services through schools – building on the findings of the Audit 06

Summary

This report sets out the findings of an Extended Services Audit carried out with all primary, secondary and special schools in York over the last three months and makes suggestions on the way forward for developing services.

Background

City of York carried out an audit in 2005 which showed that Shared Foundation Partnerships were expanding to include other key partners, for example those from health, children's services, secondary and special schools, in delivering extended services.

This work put City of York in a favourable position for delivering the Extended Schools Agenda. The DFES definition of an extended school being one that "offered activities outside the normal school day" was one that all schools were meeting and evidenced by the action plans which each Shared Foundation Partnership submitted to the Early Years and Extended Schools Service on an annual basis.

In 2006 the DfES commissioned the TDA (Training and Development Agency) to find out the extent of engagement of schools nationally in relation to delivering the core offer for Extended Services. This was to be done through an audit questionnaire with findings fed into a national database.

The audit questionnaire in York was completed during individual visits with all Heads and/or senior management and the spontaneous anecdotal remarks made by them have been included within York's own analysis. The Head of Extended Services, TDA has congratulated York on carrying out individual visits to all schools as part of the auditing process. On May 17th 2006 the Rt. Hon. Beverley Hughes signed off the new DFES definition of an extended school, which contains 5 core offers which schools must deliver themselves or in partnership with others or signpost parents and families to. Annexe One shows the TDA database findings.

What We are Hoping to Achieve

City of York is the only authority nationally that intends that every school achieves the full core offer before the governments deadline of 2010. City of York had agreed a target with TDA of 36 schools offering extended services by September 2006. We propose that this target can still be met. TDA training is being offered to every head and Shared Foundation Partnership to

support this outcome. There will be a further set of clustered Shared Foundation Partnership meetings in the Autumn to consolidate this work, include all schools and agencies and ensure that the action plans are co-ordinated locally.

Analysis of the Audit

There are five core offers which must be met for schools to achieve extended schools status. These are: 1) Childcare, 2) Varied Menu of Activities, 3) Parental Support, 4) Community Access, and 5) Swift and Easy Referral.

1) Childcare

In the majority of areas in the city needs are being met. However sustainability is an issue for breakfast clubs and out of school clubs. The costs of staffing, heating and lighting are difficult to meet when trying to keep provision affordable for all families. There is also an ongoing problem of attracting and retaining suitably qualified staff for the limited hours these schemes operate for. Shared Foundation Partnerships are being supported to combine their resources to offer more viable provision.

Another area that needs to be developed is childcare for 11-16 year olds. Parents' recognise the vulnerability of children aged 11-16 and are requesting some childcare for them. However, young people resent the term 'childcare' and often any concept of close supervision. Shared Foundation Partnerships are being signposted to Leisure and Youth Services for support and the strategy is being developed in partnership with others and with reference to the Youth Offer.

Accessibility for some children is also a problem. If children are on one school site for childcare there may be no transport to bus children into school. Or as is the case for many of the faith schools children can be travelling in from disparate outlying areas. Solutions include the use of childminders and "walking buses".

2) Varied Menu of Activities

Evidence from the audit shows a range of opportunities that include arts, sports, music, dance, drama and many other leisure activities in all schools.

Homework clubs and stretch activities are available in many schools especially the secondary sector, and in primary school areas where there are high expectations for academic achievement, or more deprived areas where there is a higher need for extra support.

In many schools the challenges of staffing, premises and financial constraints are being met, but are issues that were regularly highlighted as concerns both now and for the future, and that will need addressing to ensure sustainability.

Teacher involvement in providing activities is most successful where it is part of the ethos of the school, timetabled accordingly and where work/life balance is taken into account.

Many schools feel that the provision of a wide and varied range of extra curricular activities is an integral part of their schools ethos, and provides many children with challenges and experiences they would otherwise not be able to access. The benefit to pupils extends into their core school time and has been highlighted as having a positive effect on behaviour and attainment and the school benefit from curriculum enrichment and positive Ofsted feedback.

3) Parental Support

The range of parental support available varied widely, with a number of schools having this as a real part of their school ethos. Opportunities for parents to engage with schools range from initial transition events and information; to curriculum information, support and events; parenting classes, family learning, space to meet together as well as a genuine understanding that care and involvement of parents provides benefits for the children.

This focus on parenting support served to raise awareness for the future expectation that all schools will need a parenting champion and space for parents to meet informally with each other. This is being delivered well in some schools, others have already highlighted it as part of their school development plan and remaining schools are being encouraged to include it on their future planning.

There were also some other excellent examples of ways schools are trying different ways of engaging parents which will offer those schools who feel they have tried to engage parent with little success hope for the future. Where schools are not offering the full offer for parent support, there needs to be clear signposting for parents on where they can access these services. The Play Team and other LCC services continue to offer schools support. Consultation with families is at the heart of extended services through schools. Sure Start and other bodies have led the way in consultation and it is proposed that this work is used as a blue print for future work. Many schools have done their own audits but the intention is to signpost schools to consultations already done within the city and incorporate these as part of their future consultation methods. In addition it is proposed that the Identification of Needs Survey (Childcare Act, 2005) be used as a vehicle to identify parents' needs of extended schools in the 5 core offers. This will be managed by the CIS working in partnership with other agencies. This is a statutory obligation and is undertaken every 3 years.

4) Community Access

The vast majority of schools open their doors to the community beyond the hours of the core curriculum to ensure access is given to individuals to local groups. They have lettings and charging policies in place to ensure fair access. There were examples of schools timetabling community access in between school use during the day as well as out side core school hours.

This makes good use of local authority buildings and resources. However, the scope of use varied widely, dependant on the size and layout of the buildings, and the practicality of securing more vulnerable areas. In order to meet the requirements for access for Extended Services local areas need to be able to evidence that they have ascertained local need and they are meeting it. So for those areas not providing access where it is practical to do so, consultation needs to take place with the local community in order to prove there is no local demand for space.

In addition in some areas opening the building for evenings or holiday times has been challenging for example where caretakers have not been made available, or where there are adverse cost implications for heating and lighting and maintenance of the building.

5) Swift and easy referral

Where all relevant and appropriate services from local authority departments, health and voluntary agencies can work in partnership on school sites this provides a successful basis on which to structure Extended Services. Head teachers and the senior management teams talk positively about the good relationships they have with many of these services and particular staff. Nevertheless some have highlighted issues with capacity within particular services to respond a timely way. In particular where there are complex needs for some families' communication across the professional's remains inconsistent.

A number of schools drew attention to the fact they were unsure of how, on a practical level, they can share information, and have information shared with them in the best interest of the child, whilst respecting confidentiality. Many feel this is integral to their role in ensuring the child; which is in their care for the majority of the day has the appropriate access to service, support and pastoral care.

Very practical examples include not knowing when: a family was about to be evicted from their council house, a parent was in court and likely to be sent to prison, that families were not attending their speech and language appointment etc.

Schools across the city will develop links with their local Children's Centre in order to signpost children and families on to further support services.

Cross Cutting Issues and Challenges

Emotional Well Being of All Children

Even in the most affluent areas there are families who are financially challenged living in accommodation which does not best meet the needs of families. In some cases children's needs are not recognised and there is more of an emphasis on targeted academic excellence, rather than the emotional well-being of all children as set out in Every Child Matters. Where families are unable to access services they become alienated and communities become exclusive, rather than inclusive.

If the local authority is to develop Extended Services even further then it must ensure that provision is accessible and affordable to all children. There are good examples across the city of inclusive services. Play, care and education must have equal weight in this agenda.

Leadership and Management

Leadership and management on school sites are key to the range and quality of services. Many of the schools support the principle that schools are not just about an educational curriculum offered between the hours of 9 am and 3pm. Governors need to be supportive of and engaged in this agenda. The burden of managing this additional access should not fall on headteachers alone, and the pooling of resources across clusters of schools to ensure effective business management will be the key to the future sustainability of such access.

Ethos

It is acknowledged that there are different issues affecting diocesan schools. For example their catchment areas may extend beyond local geographical areas and health and welfare information for pupils and young people requires delicate negotiation with parents. Individual schools have overcome many of these issues and are now moving forward with this agenda including making links with other local schools to deliver childcare and parenting education, whilst maintaining their individual ethos and with their children and families firmly at the centre of these plans.

Sustainability

The core offer must be sustainable in each of the five areas in the longer term and this has been raised as an issue at some schools both in the disadvantaged and advantaged areas.

Social justice

In 1999 the Prime Minister pledged to halve child poverty by 2010 and eradicate it by 2020. The most recent government statistics show that those targets are not currently being met. They did show however that since 1997

600,000 children have been lifted out of poverty, though the inequality gap between the richest and the poorest has not been made smaller.

The development of Extended Services will need to take account of this divide to ensure that the imbalance is being addressed.

Accessibility

Although many schools are committed to providing a wide range of extra curricular activities, and some see this as integral to the ethos of the school, there is an increasing use of voluntary and private provision for the delivery of extra curricular activities, as teaching staff become less able to commit to delivering this extra time for free after school due to issues around workforce reform, PPA time and the burden of existing meetings. For a few schools this means that in particular after school activities are often chargeable in order to cover costs. This affects the ability of all children to access these opportunities.

There is also a worry from a significant number of schools as to the quality and reliability of external providers and support and guidance in this area is being provided.

Way forward

1. The Shared Foundation Partnerships main focus should continue to be practitioners engaging with one another to ensure quality childcare, play and education from 0-19.
2. The Shared Foundation Partnerships will continue to audit local need and work with relevant agencies, for example health/social services to meet it.
3. Development work is required to forge links more fully between the secondary schools and their local Shared Foundation Partnerships and to encourage Shared Foundation Partnerships to cluster together to share resources.
4. All schools will receive a copy of the analysis to gauge some understanding of where their service sits against other schools in the city, they will be given individual information about their rating against the core offer and they will be able to use this information for their self evaluation form required by Ofsted. All schools have been made aware of why the audit information has been requested and how it will be used.
5. National TDA/DfES training is being provided for school heads, governors and Shared Foundation partners along with staff from other disciplines.

6. Every school should provide an action plan for Extended Services, which should also be a priority in their school Development Plan.
7. All schools need to be linked to one of the eight Children's' Centres and be fully aware of the services available there, in order to signpost parents onto these services.
8. The audit will be carried out on an annual basis as required by the DFES and to allow the local authority to give a steer on highlighted issues to ensure all statutory bodies and all departments are engaged at a strategic level.
9. We need to acknowledge children's rights to make their own relationships with children in their own locality. Work needs to be carried out in order to strategically plan Childcare for 11-14 year olds along the lines of a 'chill out zone' which is more acceptable to young people where there is less emphasis on formal activities but a space which is comfortable, warm, dry and where they can socialise. Or another possible solution in outlying areas or areas where parents use childminders is to link childminders to a 'light touch' scheme.
10. Need to explore with the PFI sites a practical way forward for using these fantastic spaces for the community at large, not just those groups that have an income large enough to pay market rates for renting space.

Barbara Mands/Rosemary Flanagan/Heather Marsland
20 June 2006

Annex One: TDA Traffic Lights

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Traffic Light	R/A/G	Comments
<p>Active Sponsorship and Leadership</p> <ul style="list-style-type: none"> • <u>Strategic Overview</u> – Children and Young persons plan in place which explicitly includes the ES agenda with a clear strategy to deliver this including funding – There is a sustainable strategic financial plan providing transparency of financial allocations against schools to deliver the core offer • <u>Cross Agenda Working</u> – There is collaboration between the various agencies to deliver the ES agenda – Collaboration between schools and other agencies and suppliers is being promoted and supported – There are clear requirements being agreed with other agencies which are translating into agreed levels of service • <u>Sponsorship</u> – DCS in place and, together with the leadership team, is actively supporting the agenda by <ul style="list-style-type: none"> • Providing public and private support for the agenda and the people working within it • Helping to resolve issues and unblock barriers to progress • Identifying and facilitating the release of resources • Taking accountability for delivering the targets – Clear communication plans for the agenda for all stakeholders which is explicit about the elements of the core offer 	<p>G</p>	<p>Strategic overview</p> <ul style="list-style-type: none"> • C&YP plan in place – including Extended Schools. • Strategic financial plan with majority of monies devolved to Shared Foundation Partnerships around schools. • Formula agreed by Schools Forum and Joint Consultative Group. • Shared Foundation Partnerships built around every school and meet termly. They have representation from PVI sector , other sectors and from parents. • Each school / Shared Foundation Partnership has a development worker from the LA. <p>Cross Agenda working</p> <ul style="list-style-type: none"> • Every school in the city is part of a Shared Foundation Partnership made up of multi-agencies, LA staff, PVI sector and parents, who audit local need and work together to address it. • Consultation on locality planning to support multi-agency working at a local level. • Some local sponsorship exists at school level and authority wide sponsorship is being sought

		<p>from Kellogg's.</p> <p>Sponsorship</p> <ul style="list-style-type: none"> • Communication provided through routine channels, LEA agenda item for governing bodies, regular conferences and services. • DCS appointed. • Project board established (Vision Group) to set strategic direction for CCs and ES's and to monitor implementation. Chaired by DCS and attended by representatives from all sectors. • Multi-agency training delivered by LA (8 trained ESRCs from different services) and TDA representative to all head teachers, governors, departments and partners. • Section 106 agreement on EYES provision in place. • A conference was held for all sectors to launch the Extended Schools guidance and DVD.
<p>Traffic Light</p>	<p>R/A/G</p>	<p>Comments</p>
<p>Operational Plan</p> <p>There is a clear and resourced operational plan which will deliver the extended schools which includes:-</p> <ul style="list-style-type: none"> - Clear milestones and activities with owners and dates - Key targets and delivery dates - Structured plan of engagement which aligns with the TDA Development guiding principles - Financial and other resource plans - Risk and issue management processes including escalation 	<p>G</p>	<ul style="list-style-type: none"> • Strategy for ES well established. • Audit completed in 2005 and updated in 2006 by individual interviews with Head teachers. • Targets set for all schools. • Working closely with TDA to set clear milestones / targets and collect data which monitors work. • Action Plans from all schools. • TDA training for all schools and partners.

<ul style="list-style-type: none"> procedures – Methodologies including how LA will engage schools, community and partners in the agenda 		<ul style="list-style-type: none"> • Restructure of Early Years and Childcare Service into Early Years and Extended Schools Service. • Clear identification of delegated powers to approve use of schools (2002 Education Act) • Audit of progress reported in service plan and in APA.
<p>Performance Management</p> <ul style="list-style-type: none"> • There is good performance management in place to deliver the ES agenda including:- <ul style="list-style-type: none"> – Assuring the quality and effectiveness of engagement with the schools and community – Assuring the quality and effectiveness of support for schools – Performance Management system including robust systems for collecting and using information on:- <ul style="list-style-type: none"> • Progress against milestones • Current state and progress for individual schools against each element of the core offer identifying issues and resolving these • Risk and issue management 	G	<ul style="list-style-type: none"> • Service has its own quality assurance standard and scheme – Steps to Quality. • Customised training, developed and delivered in partnership with TDA. • Training guide and DVD. • EYESP – consultative body used to involve the whole city. • Standing agenda item on YorOK board / Vision Group / EYESP / JCG and other strategic boards to ensure robust monitoring, evaluation and planning. • ES subject to Scrutiny Board. • Appointment of Early Years Adviser to address quality issues in Early Years and Extended Schools across all sectors.
Traffic Light	R/A/G	Comments
<p>Resources</p> <ul style="list-style-type: none"> • Team Effectiveness <ul style="list-style-type: none"> – Plan is adequately resourced in terms of people and money – The team is clear about what is expected of them – The team is able to engage others to help where 	G	<ul style="list-style-type: none"> • Early Years and Extended Schools Service new structure now in place. • Team inducted. • Support for schools / other settings in place and developed with other services, including School

<p>needed (e.g. those in other areas in the LA, other agencies, suppliers, schools etc)</p> <ul style="list-style-type: none"> • Facilities <ul style="list-style-type: none"> – Planning for facilities and resources explicitly includes extended services in and around schools. 		<p>Improvement Service, Children’s Social Care, Lifelong Learning and Culture, Sure Start.</p> <ul style="list-style-type: none"> • Pooled funding with ICC’s and other initiatives. • Links with other authorities to share ideas and initiatives. • Encouraging SF Partnerships to cluster in order to share limited resources. • Locality planning around 8 ICCs will aid this.
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Early Intervention Local Authority Pathfinders – Respect Action Plan

It is well documented that parents have a significant effect on their children's wellbeing and thus outcomes. Positive parenting plays a key role in children's educational and emotional wellbeing and is key to their attainment. All parents need support with their parenting role at some point during their children's lives. This support should be readily accessible, relevant and effective and involve a holistic whole family approach.

The Department for Education and Skills' Families Unit wishes to fund a series of pathfinders that will explore:

- How best to provide support to parents of children aged 8 – 13 years of age at risk of negative outcomes.
- Developing effective practice on parenting that can be applied nationally.

The aim of the pathfinders is to work with selected local authorities over a two year period (2006-2008). The pathfinders will focus supporting the local authority to develop a multi-agency parenting support 'team' which will work to deliver one of three selected parenting programmes to the total at risk population.

Local authorities will be asked to work with us, supported by DfES funding, for a finite group of things that will facilitate the development of infrastructure to enable integrated delivery of one of the selected programmes. These may include initial needs assessment of local authority, provision of organisational and practitioner training support for programme delivery, employment for a senior lead officer and a project manager.

In the first instance authorities are asked to complete the attached Expression of Interest Form in no more than 350 words in total. Please return to Fiona Nzegwu no later than 5pm on 23/6/06 at fiona.nzegwu@dfes.gsi.gov.uk. Any questions to Fiona Nzegwu on 020 7273 4867 or Sarah Amer 020 7273 5507.

Background

Several key government policy statements, including *Every Child Matters*, recognise the need to provide more effective assistance to parents of children at risk of negative outcomes. Most recently, the Respect Action Plan focuses attention on the need to provide targeted assistance to the parents of children involved in anti-social and overtly criminal activities and crime. We believe there is a gap in provision for 8 – 13 year olds at risk of drifting into antisocial behaviour. It is our intention that these pathfinders will provide more information on how best to intervene early, working with parents before their children become known to the criminal justice system.

Timetable for Procurement Process	
Deadline for EOIs	23/06/2006
Sifting of EOIs	w/c 26/06/2006
Detailed specification sent out to successful LAs	30/06/2006
Deadline for return of full proposals	28/7/2006
Sifting of fps	w/c 31/07/2006
Successful Authorities Informed	w/c 7/08/2006

Respect: Local Authority Early Intervention Pathfinders**City of York**

Briefly describe your geographic and population coverage including levels of anti social behaviour.

Unitary authority covering city and rural population

Total population 0-19 year olds 41,715

Rate of youth offending 10-17 year olds 05/06 = 70/10,000

Local residents, police and Council Members are concerned about extent of public order offences – often associated with drinking. An effective partnership approach to anti-social behaviour is in place.

Are you involved in any other DfES or OGD relevant pathfinders at present, if so, please list with dates of activity.

Targeted Youth Support (TYS) 2006

Connexions through Children's Trust arrangement 2005/06

Are your Children's Trust arrangements now in place? Please give brief details of where you are.

Yor OK – the children's trust in York was one of 35 children's trust pathfinders. Governance arrangements well established, first Children and Young People's Plan launched July 2005, Preventative Strategy (ISA) is well established – pilot of Yor Info (CAF) underway, agreed Involvement and Communication Strategy. In process of developing second Children and Young People's plan to align with LAA. Moving to locality model using extended schools and children's centres.

Briefly describe your existing and/or planned parenting provision including:-what (if any) parenting programmes you are currently using e.g. Webster-Stratton

We have a well established Parenting Education and Support Strategy encompassing open access to one day and longer events in schools at key transitions in their child's life, group work 'Family Foundations' (Webster Stratton) for parents of younger children and 'Stronger Families' (Escape and Parallel Lines) for parents of older children. Voluntary sector partners provide support for separated parents to address the more specific issues they face around parenting apart.

Parenting Packs encompassing the issues of parenting the full age range of children and young people and for parents of children with specific needs have been and are continuing to be developed and are available to a wide range of practitioners who have

an interest in Parenting Education – identifying useful resources and content.

Work with parents will be a key aspect of our Children’s centres – Three of the eight planned centres will bring together primary schools, nursery and childcare provision with children’s social care Family Centres . This will enable parenting support and assessment for under 11s to be more effectively coordinated.

A number of services provide specific support and structured interventions with parents for example the CAMHS Learning Disability Team and support to parents of hearing impaired children,

Our YISP undertakes intensive support to children aged 8-13 years who are at risk of offending. Working with the parents of these children simultaneously would strengthen this work. Our YOT is intensively involved in the parenting strategy and has recently employed a Parenting Coordinator to work specifically with parents of children already involved in the criminal justice system, to engage them in the first instance in voluntary attendance at the Stronger Families programme or to work on a one to one basis with the few who are in receipt of a parenting contract/order.

Do you have a lead on parenting within your authority, if so please briefly describe their remit and position

There is a Parenting Education and Support coordinator (part time) based in the children’s trust unit responsible for implementing the strategy (all this work is funded from a pooled budget from Sure Start, Children’s Fund, Connexions, Education, CAMHS and Safer York Partnership our CDRP)

Stronger Families Parenting coordinator in the YOS – co-ordinates [all aspects of the group work programme, which is open to referrals from any or all agencies where a parent is asking for help in parenting teenagers.](#)

Parenting Programme Worker based in YOS – provides a parenting service to families of young people who are under the supervision of the YOT i.e. young people on Court Orders. Work with them voluntarily or statutorily, referring them to the Stronger Families Programme when appropriate.

Family Foundation coordinator in Family Learning.

Some York schools have identified a Parenting Champion.

Any practitioner in any sector in York who has an interest in parenting is part of an email network. We also have open access Parenting Forums x2 per year to share best practice and learning.

Why do you think your authority would be suitable for this pathfinder?

We have an established Parenting Strategy with effective partnership groups with broad representation from Children’s Services, Health, Schools, Voluntary Sector, Police, YOS, Connexions, Sure Start, Children’s Fund that would effectively manage and implement this pathfinder.

York has an excellent track record of achieving results from pathfinder and other projects – ensuring that any learning is used to mainstream best practice.

Our preventative strategy enables us to identify vulnerable children and young people and do something about it – York is Beacon Council for Early Identification, Children at Risk.

York has a long history of building and sustaining high performing partnerships.

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New Free Entitlement for 3 and 4-Year Olds to Early Education and Care

Expression of Interest Proforma

Please submit this proforma by e-mail to jodie.semp@dfes.gsi.gov.uk no later than **12 June 2006** and earlier if possible.

LA Name

City of York Council

Contact Details

Name: Heather Marsland
Position: Head of Early Years & Extended Schools Service
Address: Learning, Culture and Children's Services
Mill House, North Street, York, YO1 6JD
Telephone: 01904 554371
Email: heather.marlsand@york.gov.uk

Statement of Consent

This expression of interest has the support of, and has been agreed with the CEO, DCL and Head of Early Years

Name: Patrick Scott,
Position: Director of Learning, Culture and Children's Services

Signature



Vision – What is the vision for delivery of provision for 3 and 4 year olds your local authority?

In York the delivery of 3 and 4 year old places has been developed by the use of a model called Shared Foundation Partnerships, whereby individual schools or clusters of schools work with their local Private Voluntary and Independent (PVI) sector providers to audit, analyse and provide early education, play and care places in their local communities. The Shared Foundation Partnership model was chosen by the DfES in 2001 as one of 5 pilot projects and since then has been successful in working to develop relationships between schools and the PVI sector in order to offer choice and diversity of provision across the city as a whole. This strategy has stood us in good stead for the development of Extended Schools (Annexe 1: 4 stage model from Shared Foundation Partnership to Integrated Children's Centre)

We propose to build on this strategy in order to deliver the extended offer, focusing particularly on 4 main outcomes:

- Quality of provision
- On school site provision, delivered in partnership
- Flexibility and sustainability of provision
- Additional resources to support "Hard to Reach" families (using new NEF entitlement)

Objectives – List the specific objectives for the Pathfinder, making clear which particular challenges you will face in delivering the extended free entitlement flexibly. For example, in addition to testing longer session length we want to look at the impact of a more flexible entitlement on non- working families.

We propose 4 objectives to support the extended free entitlement:

- to ensure that all 3 and 4 year olds receive quality education, play and care opportunities, regardless of special or additional needs, ethnicity or social backgrounds
- that all sectors are equally involved in the delivery of the extended offer
- that the needs of families, including non- working families, are met flexibly by all sectors
- that parents/ carers have a choice of settings provided by all sectors

We believe that the Shared Foundation Partnership model has achieved a great deal since its inception in 2001. The relationship between the maintained and PVI sector has been strengthened and Shared Foundation Partnerships now meet regularly to analyse need and submit joint action plans to the local authority. Development workers from the Early Years and Extended Schools Service have been assigned to support each partnership.

The challenge we now face is of strengthening further the relationship between the PVI and maintained sector.

In particular we need to:

- ensure that provision in all sectors is of high quality
- diversity of provision should not mean a diversity of quality. All settings will receive the level of support, resources and training that is needed to guarantee high standard across the city
- work to strengthen and further develop relationships between the PVI and maintained sector. In particular to ensure that all sectors view themselves as equal parts of the same team, rather than as separate entities working in partnership

Whilst the current relationships between schools and the PVI sector are positive, we anticipate that the enhanced free entitlement may put these relationships under some pressure. The Pathfinder will allow us directly to address the potential issues aiming for a much closer working relationship including the location of a significant number of the PVI sector providers onto school sites where relationships are strong enough and where all partners view this as an enhancement of provision.

The Pathfinder will help us to address some particular challenges. We propose:

- to continue to develop the formation of pre-school and Foundation Stage Departments, addressing the needs of children aged from 0 to the end of Key Stage 1, as piloted by several schools, working in partnership with the PVI sector within the city to address our particular challenges of recruiting staff and working in inappropriate or listed buildings.
- to work to agree clear protocols across partnerships to ensure that partners work together effectively
- to ensure that practitioners working in the Foundation Stage continue to have strong links with colleagues working in Key Stages 1 & 2
- to trial flexible staffing arrangements; including designing teachers' jobs so that they can be accomplished within 1265 hours of directed time.
- to encourage flexible ways of working for pre-school staff in sessional groups, particularly in rural areas
- administrative support to cope with more flexible demands and to keep workloads manageable
- ensure that more choices for parents and new places continue to be managed strategically across the city to enable sustainability and equality of access to provision in all areas of the city.

These challenges were identified through consultation with head-teachers and the PVI sector

Description of the local authority- size, level of deprivation etc

The population of City of York is approximately 181,100 (2001 census). Most socio-economic indicators suggest, that by comparison with the rest of the country, York is above average (219th out of 354 councils, with 1 being the most deprived.)

Despite this across the city there are significant concentrations of deprivation and deep pockets of deprivation in Westfield, Acomb, Guildhall, Clifton, Heworth, and Micklegate wards Westfield is clearly identified as the area of highest deprivation in the city; having 7 SOA in the top 30% as a whole.

Overall, York sits very close to the national averages with 14.7% of children under 16 classified as living in low income households (19.9% nationally) and a quarter of households (24.6%) where there is nobody with any educational qualifications of any kind (28.9% nationally).

City of York is one of the least generously funded local authorities in the country. The authority spends less on children's social care and centrally provided services than all but 7 other local authorities (04-08 figure). Notwithstanding this the city endeavours to provide equality of provision for all families, including those in rural areas.

City of York has 53 primary schools only 19 of which have education nurseries attached. The council have agreed a policy of providing the majority of places in partnership with the PVI sector through the mechanism of Shared Foundation Partnerships. The percentage of places in the maintained sector has been largely stable for the last 5 years at just over 30%. Further details of the PVI sector are provided on pages 7-9.

In 2004 the Early Years was inspected and graded 1. The Service has won awards from the DfES and Day Care Trust on 3 separate occasions.

To support this policy of progressing through the Shared Foundation Partnership model, the Early Years and Extended Schools Partnership (EYESP) consultative body (formerly the EYDCP) has ensured that the Chair of EYESP sits on all relevant council planning meetings. It has, in addition, retained and strengthened its Places Sub-group which now includes members of the Planning Department. This sub group now monitors and advises on existing and proposed new places in order to ensure a co-ordinated city-wide strategy. This strategy supports the Extended Schools Integrated Children's Centres and mainstreaming of local Sure Start programmes through its Vision Planning board, chaired by the Director of Learning, Culture and Children's Services Directorate. In addition we have a NEF multi-agency group which advises on education places.

Methodology – Set out how you intend to achieve the objectives.

Planning Phase – September 2006- April 2007

In order to achieve our 3 objectives we propose the following:

- Quality - we have already appointed an Early Years Advisor who is charged with working in partnership with existing Development Workers from the Early Years and Extended Schools service to support settings from all sectors. In addition we have re-organised the Directorate to ensure that the multi-agency training of all sectors and our quality assurance scheme "Steps to Quality" is led by the advisory service
- Involvement of all sectors - we propose an additional post to strengthen the

existing team within the Early Years and Extended Schools Service. This proposed post will seek to strengthen the work across the maintained and PVI sectors. The post will have the brief of supporting all schools to further develop partnership working and change existing practice to include working as one team with PVI sector colleagues (as is currently already being piloted in a few schools within the city). It is envisaged that this operational post holder will also project manage this pathfinder initiative.

- Needs of all families - we are proposing an additional post for the CIS. The post-holder will identify unmet need within the city, and ensure that monitoring of the proposal is undertaken. In addition this post-holder will ensure that publicity and marketing of the new entitlement is achieved by working with existing CIS personnel.

In addition, we propose that the remit, purpose and membership of the existing NEF multi-agency group be widened to become a Pathfinder Project Board. This board would fit into the existing reporting structure. Annexe 2 (Yor OK board chaired by Cllr Kind, EYESP chaired by Peggy Sleight, EYESP Places sub group chaired by multi-agency revolving chair, pathfinder project board chaired by Head of Early years and Extended Schools Service).

The new Pathfinder Project Board would facilitate and monitor the development of the extended entitlement project and would involve all key stakeholders.

Provision Phase- April 2007- March 2008

The addition of new posts and the formation of the new Pathfinder Project board would allow City of York to build on the work we have already done in formulating good relationships between the maintained and PVI sectors. We would be in a position to further support, facilitate and monitor the affects of the new longer entitlement. A guidance pack and Best Practice DVD have been produced. Both have aroused interest in other authorities who have expressed interest in the way we are developing Shared Foundation Partnership across the city and the Pathfinder status would enhance this roll out.

We will work with the Traveller Education Service to ensure that where there are traveller sites, parents feel comfortable in accessing early years education and care. Travellers are the largest ethnic minority group in the city. Inclusive practice also involves continually liaising with our Ethnic Minority Co-ordinator and our local Sure Start Programmes. In addition, we work in collaboration with the Early Years Maintained and Non-maintained SEN Support Service, in an aim to spread good practice.

Strategically, the Project Board will manage, facilitate and direct the affects of the new longer entitlement and operationally, our Development Worker team will work in conjunction with the Early Years Advisors and Policy & Planning team to ensure all providers are supported.

Regular reporting to executive members and key stakeholders will be done via the structure outlined in Annexe 2.

Partnership arrangements and participants – Who will be involved e.g. PVI providers, children’s centres, extended schools? How will collaborations be facilitated and supported. Please include details of how the Transformation Fund will be used to support collaboration and to what extent you expect take-up from sessional providers.

The Early Years and Extended Schools Service has a new structure which supports our proposed Pathfinder outcomes. In addition we have strong working relationships through Service Level Agreements with National Child Minding Association, Pre-school Learning Alliance, York Child Care and York Community Accountancy Scheme. The private day nurseries are a strong partner in delivering our places and are the mainstay of the NEF multi-agency group. Our EYESP has representation from all sectors and includes parents from Sure Start areas. In addition, our planned Children’s Centres will fully integrate care and education for all children following the development of The Early Years Foundation curriculum. Therefore, families who are thought to be unlikely to access early years education will be targeted and nurtured through these places.

The Transformation Fund (Recruitment Incentive and Quality Incentive) will help meet the additional costs of brokering partnerships and fostering collaboration between those settings who will be otherwise unable to provide the extended entitlement. It is proposed that we will be able to fund a lot of our smaller groups to help them flourish alongside their more sustainable counterparts (full day-care providers).

Parental Involvement – Please outline how the views of parents will be taken into account.

Parents will be a vital part of the planning process i.e.: questionnaires, audit and organised information evenings. Parental involvement will be built into each Shared Foundation Partnership action plans. Parents will also be invited to attend Local Partnership meetings held every two months during term-time.

The authority will use the support and expertise of Extended Schools Advisors and Consultants to support the management of change. School’s surveys will be used to assess the views of parents.

There will also be parental representation on the Project Board.

Links with other programmes– please provide details of how this proposal will link to and integrate with existing programmes/initiatives and planning within the area. Please explore the implications, impact, valued added and consequential economies of scale; and where appropriate, how it will enhance provision and aid regeneration e.g. in Neighbourhood Renewal and Coalfield areas.

Early education will be linked to Extended School services, Children’s Centres and Neighbourhood Nurseries. A steering group comprising Children’s Centre

Programme Manager, Early Years and Extended Schools Service, Education Planning, and Sure Start has agreed joint funding arrangements and joint practices to ensure best value on all sites that could deliver an extension of early years education.

The implications involved are a substantial change in working practice for many existing early years practitioners which will be supported by Early Years Development Workers and advisers. The value added would be the rise in children's attainment by close working arrangements.

The Transformation Fund will support settings to raise the qualification levels of practitioners. In York this will be accessible to both full day care providers and a proportion of pre-school settings which already offer over 5 hours care and education, 38 weeks a year. The fund will also take into consideration other service priority areas where settings are involved with 'hard to reach children', Children's Centres and Extended Services.

The Children's Workforce Reform is linked to the Transformation Fund in the City of York and a steering committee is considering how it will be rolled out across the city linking in with the Quality Assurance Scheme 'Steps to Quality' which is being accessed by both schools and the PVI sector.

In terms of quality, each of the Shared Foundation Partnerships elect their own qualified teacher status person (QTS) to deliver the support for early years education. There is the same process for the partnership SENCO's.

In short, for children and families to receive continuous and seamless early years education and care the authority promotes mature strategic planning to ensure that all programmes are managed in a co-ordinated and joined up manner.

Baseline Information

Percentage of 3 and 4 year-olds accessing the :	
Free entitlement	
1-2 sessions	4.18%
3-5 sessions	95.82%
5 sessions	82.71%
Flexible free entitlement	Data unavailable. Current collection of information declares the number of sessions and the spread of sessions (ie across different providers) not the days in which the entitlement is delivered.
Over 3 days	
Longer sessions (above 2.5 /3 hours)	None currently.

<p>If Data is available: Additional (chargeable) provision -- outside free entitlement.</p>	<p>The fundable rate set by the authority of £502.00 per term for a 38-week setting equates to £7.92 per session. Private nurseries tend to charge between £17.00 - £20.00 per morning/ afternoon sessions. Some playgroups do charge a small top-up fee.</p>
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Number of providers delivering the free entitlement – by type	
Independent - Childminders	8
Maintained – Nursery School	1
Maintained – Nursery Class	18
Maintained- Children’s centre	-
PVI- Children’s Centre	-
Maintained – Reception Class	52
Private Full Day care	38
Private Sessional	5
Voluntary Full Day care	4
Voluntary Sessional	38
Independent Full Day care	5
Independent Sessional	-

Percentage of providers (either working alone or in a collaboration) currently providing provision over 8-4 or 8-6 – by type		
	8-4	8-6
Maintained – Nursery School		
Maintained – Nursery Class		
Maintained- Children’s centre		
PVI- Children’s Centre		
Maintained – Reception Class		
Private- Sessional	3%	3%
Private - Full day care	23%	23%
Voluntary- Sessional	23%	
Voluntary - Full Day care	2%	
Independent - Sessional		

Please could you provide us with a picture of the Ofsted ratings across different types of settings	From last April 2005, the current cycle of new inspections (Education and Care) includes 9 ‘Good’ Nurseries, 3 ‘Satisfactory’ Nurseries. 3 ‘Good’ Playgroups, 3 ‘Satisfactory’ Playgroups, 1 ‘Inadequate’ playgroup. 3 ‘Good’ Childminders.
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Detail on current partnership/clustering arrangements, if any	<p>We have 36 Shared Foundation Partnerships across the City. Partners include childminders, playgroups, toddler groups, nurseries, preschools and schools.</p> <p>Each partnership has access to an appointed practitioner with Qualified Teacher Status and a Special Educational Needs Co-Ordinator. Both of them attend 2 training sessions per year. It is expected that they cascade the learnings to the partnerships. All partnerships develop their own action plans, which focus on the local market. In regard to early education they routinely discuss curriculum and moderation of children’s work in relation to the foundation stage at their regular meetings. In addition the authority has just consulted on proposals to introduce 3 area Locality Planning Boards, which will allow services to liaise and co-ordinate action, informed assessment to</p>
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	<p>be undertaken, information to be appropriately shared and city wide strategies to be better informed by the views of local stakeholders.</p>
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<p>Picture of Labour market patterns –e.g. percentage of population in part time employment if possible please provide specific details of parents of 3 and 4 year olds</p>	<p>The census suggests that the proportion of York’s workforce working part time is higher than both the regional and national levels. In York 13.9% of economically active people work part time in comparison to 12.9% regionally and 11.8% nationally. The percentage of economically inactive people giving their reason for not working as looking after home/family is 4.7%, compared to 6.4% regionally and 6.5% nationally.</p> <p>Additionally, across York our benefit claim rate is on aggregate 13.5% for unemployment benefit (includes sick disabled and lone parent) in our areas of deprivation.</p>
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Monitoring procedures – arrangements must be made for monitoring and evaluating the progress of the Pathfinder. We will require termly progress reports.

The authority has been fortunate to have developed considerable expertise in the area of monitoring and evaluation. Projects such as the DfES pilot on Wraparound Care (where we were also chosen to be involved in the local evaluation) and the Neighbourhood Nurseries Initiative have given us experience of working to a tight brief and reporting outcomes. We will also work with Early Years Advisors, Development Worker Team, Property Services (leases, transfer of control) and Planning (capital) to ensure information provided is accurate and up to date. The proposed new post in CIS will allow qualitative and quantitative data to be monitored.

Local authority governance arrangements – what will be the organisational and management arrangements and composition of any governance/ steering groups?

In addition to the creation of the Pathfinder Project Board, (Annexe 2) we will work with Extended Schools Advisors and Consultants to manage change effectively within the City. This includes encouraging schools and other settings to become more flexible with parents and partners. Development Workers will also support settings together with Early Years Advisors, Policy and Planning and the new proposed development and project management post. The Pathfinder Project Board will keep the EYESP, the Joint Consultative Group, and YorOK Board updated on a regular and frequent basis.

Costs - Please provide a breakdown of estimated costs, making clear what additional activities are being bought and what value is being added.

Please note – Financial costs will be profiled in more detail during the planning phase.

	Detail	GSSG 06/07 Planning Phase	DfES 07/08 Provision Phase	Amount needed from CSSG	Additional Funds Required
Costs for the time taken to share expertise between across settings, other authorities	Development worker team support, costs of visiting settings and supporting cross fertilisation	1,500	5,000		5,000
Staff training/Recruitment	Database training, advertising, interviewing	2,000	1,000		1,000
Publicity and communications materials	Posters, leaflets, using all available media platforms, organising information evenings	2,000	-		-
Outreach work with parents and carers	Organising information evenings, questionnaires, surveys	-	2,400		2,400
Costs of planning and co-ordination of the project and overseeing governance arrangements (including any additional staff that need to be employed centrally)	New post – SO1. Designated to project manage the pilot alongside Policy and Planning Manager. Also to work operationally with partnerships.		31,790		31,790
Costs of planning and co-ordination of the project and overseeing governance arrangements (including any additional staff that	New post – SC6 (Information Officer) designated to manage the information requirements for the initiative		28,559		28,559

	Detail	GSSG 06/07 Planning Phase	DfES 07/08 Provision Phase	Amount needed from CSSG	Additional Funds Required
need to be employed centrally)					
Other- Please expand this box and give detail as necessary.	National conference travel expenses/ miscellaneous travel	500	2,500		2,500
Funds needed for an additional 2.5 Hours	Projection based on 4,159 P/T equivalents for the full year – pro rata increase Reimbursement of extra half-hour costs for some settings (assuming 60% of NEF spent on staff costs)		428,377 52,000		428,377 52,000
TOTAL		6,000	551,626		551,626

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Summary of Implications of Recommendations for City of York Council – Extended School Service in York

Implications Recommendation 1 - The Director of Children's Services will review the model of extended schools provision to align with and reflect the core offer of May 2006. This should be completed by September 2006	
Finance	This work is part of the development team's tasks which is within their budget of £206,210.
Human Resources	None that are known
Equalities	
Legal	None that are known
Crime and Disorder	
Information Technology	
Property	
Other	
Implications Recommendation 2 - The Director of Children's Services will support schools by creating profiles of local community need. This will assist in the development of services for the community. This should be completed by September 2007	
Finance	This work is part of the development team's tasks which is within their budget of £206,210.
Human Resources	None that are known
Equalities	
Legal	None that are known, proposals will be assessed as and when brought forward
Crime and Disorder	
Information Technology	
Property	
Other	
Implications Recommendation 3 - The Governments intention is that every school in the country should be working as an extended school by 2010. Council will support this ambitious target by providing appropriate training and support for school staff and governors.	
Finance	The service expects to spend £1,000 per training course, for 40 delegates, for School Heads. It is planned to run 12 courses over the next year.
Human Resources	Potential recruitment and training implications which can be managed through existing procedures.
Equalities	
Legal	None that are known
Crime and Disorder	

Information Technology	
Property	
Other	
Implications Recommendation 4 - The Council will support the shared foundation partnerships by encouraging the operation of a flexible lettings policy for accommodating extended school and community activities.	
Finance	The schools are being encouraged to price community activity lettings at a reasonable rate, which recovers any additional costs incurred by the lettings.
Human Resources	None that are known
Equalities	
Legal	None that are known, proposals will be assessed as and when brought forward
Crime and Disorder	
Information Technology	
Property	
Other	
Implications Recommendation 5 - The Council supports the clustering of schools in order to develop services and business support which extends provision.	
Finance	This work is part of the development team's tasks which is within their budget of £206,210.
Human Resources	None that are known
Equalities	
Legal	None that are known
Crime and Disorder	
Information Technology	
Property	
Other	
Implications Recommendation 6 - The Council will take up the opportunity to bid to be a Pathfinder authority in order to improve parenting support.	
Finance	This bid is being led by the YorOK Board. There are no CYC budgets available to fund any additional activity so any improvements will need to be funded entirely from any external grant that is secured.
Human Resources	None that are known
Equalities	
Legal	None that are known
Crime and Disorder	
Information Technology	
Property	
Other	

Implications Recommendation 7 - The Council will take up the invitation to bid to be a Pathfinder authority in order to look at developing longer free sessions for 3 and 4 year olds in education, care and play.	
Finance	A bid has been made for a grant of £551,626 for 2007/2008. If successful there is expected to be £6,000 spent in 2006/07 in set up costs.
Human Resources	None that are known
Equalities	
Legal	None that are known
Crime and Disorder	
Information Technology	
Property	
Other	Members need to be aware that the Pathfinder funding could be withdrawn in the future and then a decision would need to be made about alternative funding or discontinuing the provision.
Implications Recommendation 8 - The extended schools provision will be reviewed by Scrutiny in March 2008 .	
Finance	No financial implications currently being anticipated.
Human Resources	None that are known
Equalities	
Legal	None that are known
Crime and Disorder	
Information Technology	
Property	
Other	

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Meeting of the Executive

12 September 2006

Report of Director of City Strategy

Children's Magic Christmas Tree

Summary

1. This report outlines a proposed change of direction concerning festive lighting and recommends a new focus at Christmas. Instead of the traditional 'cross street' Christmas lighting, an innovative "Children's Magic Christmas Tree" is proposed, to be sited over the fountain in Parliament Street from Friday 17th November for the duration of the festive period. The Executive is asked for comments and advice on the recommendations below.

Background

2. The Economic Development Board meeting on 14th March 2006 confirmed that the Council was unable to continue its current financial and administration support for the 'cross street lighting' which has been the main feature of previous Christmas central area decoration. A range of options was discussed by the Economic Development Board with the favoured ones being to encourage the street traders to take the lead themselves on generating funding for the 'cross-street lighting' and to undertake a sponsorship/funding campaign for a single decorative illumination in the city centre, to be co-ordinated by the City Council.

Consultation

3. Discussions took place with the Economic Development Board and with the Christmas Lights Group which had organised the cross street lights for past two years. Following the recommendation of the Board, representatives from individual streets have been contacted regarding the cross-street lights and the Christmas Lights Group has agreed to leave the co-ordination of a single decorative illumination in the city centre to the Council.

Options and Analysis

4. A number of options were discussed at the Economic Development Board meeting, but the principal ones were:
 - i) To carry on with the cross-street lighting being funded through a Council-led sponsorship drive. There was no support at the Economic Development Board for this option. Sponsorship of these lights has proved very difficult in recent years, council staff are not able to provide the resource available to secure funding and sponsorship and the existing lights have limited appeal and need

renewing and enhancing. Simply installing the existing lighting is an expensive operation (see confidential annex) – let alone replacing them with better, brighter lights.

- ii) To do nothing and have no alternative to the cross-street lights. This option would be very unpopular with residents and businesses. Christmas decoration is seen as important in providing city centres with a festive atmosphere at a time of year when retailers expect their highest turnover levels. Christmas illuminations help augment the Yuletide York campaign, led by the First Stop York tourism partnership, which helps to bring some 500,000 visitors to the city in the six weeks prior to Christmas. It is estimated that these visitors spend some £37mn in the city each Christmas – with about £5mn spend over the four days of St Nicholas Fayre alone. This level of spend could be at risk if there was no alternative to the cross-street lights.
- iii) The proposal being brought to this Executive is for a single decorative illumination – a “Children’s Magic Christmas Tree”. This will be a low cost but effective alternative to the Christmas lights, with a proposal to cover the costs through public donations via an appeal to be led by The Press. Details are outlined below.

5 The proposal for a single decorative illumination in the city centre has focused on the provision of a “Children’s Magic Christmas Tree” which would be placed over the fountain in Parliament Street. The switch on would take place on Friday 17th November as this would coincide with the Children in Need event and, over that weekend, as part of the Yuletide York festive package, a Children’s Fayre will take place. The latter includes a two-day toy market in Parliament Street and it is proposed to have children’s entertainers, a Santa’s post box and workshops in the Mansion House.

6 The Tree itself is a seven metre high, cone shaped frame with a four metre wide base. The frame will be covered completely in white lights. In addition to these lights it will have changing primary coloured lamps coiled around the white lights. These coloured lamps are cherry sized and will change randomly approximately every six seconds and will be in many different colours, creating a spectacular effect during the day and night. It will be placed on a platform that will cover and protect the fountain. See image below (N.B. this is an image of the tree with standard white lights only as seen in Manchester – an image of the coloured changing lamps is not available as this will be unique to York).



- 7 This is an opportunity to move away from the traditional approach to street decoration over the Christmas period. The proposal highlights the possibility of concentrating limited resources on the provision of a single focus at the heart of the city. The tree will allow the community to come together at a single venue at the heart of the central area, and will be the opportunity to act as a focus for a number of events and activities over the festive period. . This different approach which will give the chance for positive publicity and encourage shoppers to visit the city centre during the build up to Christmas Day. The Children’s Magic Christmas Tree is an opportunity for a specially designed tree, unique to York.

Corporate Objectives

- 8 The preferred option meets two corporate objectives:
- 3.4 Create a vibrant city centre through a proactive partner approach to visitor management and by increasing investment
 - 7.1 Develop a city-wide programme of events and festivals that make the city more vibrant

It will also (in being a draw to encourage visitors and shoppers to visit the city centre during the build up to Christmas) help meet Corporate Aim 3 in the Council Plan 2006-07, “Strengthen and diversify York’s economy and improve employment opportunities for residents”.

Implications

9 **Financial**

It is proposed that the costs will be covered by public donations made through an Evening Press appeal and arrangements have been discussed and agreed with them. There will be a collection box in the Finance Centre and citizens can pay by cheque at the cashiers in the City Finance centre as well as by post to City Finance Centre, Library Square, York. It is believed that due to the innovative nature of this proposal, a sponsorship and fundraising campaign will be successful. Ways in which the contribution of sponsors can be highlighted through publicity will be investigated. The sponsorship and fundraising campaign needs to start as soon as possible to give the maximum chance of success.

More detailed information on the costs is included in the Confidential Annex.

Human resources:

None

Equalities:

None

Legal:

None

Crime and Disorder:

The tree will be barriered off to prevent the public accessing the tree.

Information Technology:

None

Property:

None

Risk Management

10 Financial risk management is covered in the Confidential Annex.

Regarding health and safety related risk assessments, the Council will carry out a full risk assessment of the tree.

Recommendations

11. It is recommended that Members:

- i) Agree to the provision of a Children’s Magic Christmas Tree to be paid for through a sponsorship and fundraising campaign and to be located in Parliament Street, as detailed in 4 (iii), 5, 6 and 7 above.

Reason: This will be funded by public donations and as a single focus right in the heart of the city the tree will offer an opportunity for the community and visitors to come together, and act as a focal point for a number of events and activities over the Christmas period.

- ii) Approve in principle the financial management arrangements outlined in pars 3 and 4 of the Confidential Annex.

Contact Details

Author:

Author’s name: Deborah Lovatt
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 Tel No: 554426

Chief Officer Responsible for the report:

Bill Woolley
 Director of City Strategy

Report Approved *tick* **Date** *Insert Date*

All ✓

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

For further information please contact the author of the report

Annexes

- 1 Annex 1 – cost summary (contains exempt information)

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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Meeting of the Executive**12 September 2006**

Report of the Corporate Landlord

The Bonding Warehouse, Skeldergate**Purpose of Report**

- 1 This report asks Members to consider what action should be taken to seek a beneficial use for The Bonding Warehouse that will enable the property to be put and remain in a good state of repair.

Background

- 2 The Bonding Warehouse (the Premises) is a Grade II Listed Building and is let on a lease for a term for 50 years from 1 June 1978 (22 years unexpired) at a rent of £20,000 p.a. The Tenants are responsible for keeping the Premises in good repair. The use clause in the lease restricts the permitted user to licensed premises only.
- 3 The Tenants formerly occupied the Premises and ran a restaurant and public house. In November 2000, the Premises were temporarily flooded by the river to a depth of 0.5 metres on the ground floor. The Tenants have not traded from or occupied the premises since that time.
- 4 There are significant rent arrears and the Premises have been allowed to fall into disrepair. The Tenants however, dispute that any rent is owed or that they are liable to put the premises in good repair.

Information

- 5 The Tenants have not paid rent since the flood event and even before the flood, they dispute that any rent is owed.
- 6 The Tenant's view is that the Premises are no longer suitable for use as licensed premises due to a shift in the demand for such bars away from location of these Premises, and also to the fact the Tenants claim that the Premises are no longer insurable due to the potential of flooding.
- 7 Both before and more particularly after the flood the Council and the Tenants had been in prolonged negotiations as to a surrender of the lease and sale of the Premises including a split of the proceeds of sale. In July 2003, a proposal was put forward for ratification to the Executive, they refused to do so on the ground that they were not satisfied that it was in the Council's best interests.

- 8 The issue was deferred for counsel to advise on the Council's legal position and a further evaluation of the options. The Counsel's report concluded that the Tenants are in breach of covenants to repair and pay the rent and that action for forfeiture of the lease would likely to be successful.
- 9 Taking legal action however, was postponed until the Council was confident that an alternative viable use could be established and therefore in May 2004 a flood risk assessment was commissioned and the conclusions are:
 - The premises are at high risk of flood from the River Ouse;
 - Construction of new defences around the site is unlikely to be an acceptable option;
 - Wet-proofing all fixtures, fittings and services on the ground floor and its use as a car parking area would be viable;
 - Dry flood proofing would potentially allow the ground floor to be used for residential purposes. The level to which the premises are made "water tight" would depend on the costs relative to the benefits of each defence level considered. Suitable access provision during flood periods would be required under this option;
 - A permanent or demountable pedestrian access could be constructed from the premises to the high ground on Skeldergate or high-level walkway from the first floor of premises to Skeldergate Bridge.
- 10 During the summer 2004, several attempts were made to undertake a survey of the premises in order to assess the cost of putting the premises in good repair, the tenants blocked these efforts.
- 11 Discussions took place with the City Strategy Conservation section to explore possible solutions on how the premises could be evacuated when Skeldergate was flooded based on the recommendations in the flood risk assessment and how greater use could be made of the upper floors of the building.
- 12 In order to further the objective of seeking a beneficial use for the Premises an architect led team was commissioned to design elements that would allow the premises to be converted to residential use namely:
 - A pedestrian 'link' bridge and landing to the high ground in Skeldergate to provide access to the building during the event of a flood;
 - A new vertical circulation core to provide efficient access to the upper floors of the premises;
 - A new inset mansard roof over the two-storey part of the premise to provide additional accommodation in the roof space.
- 13 A sketch scheme to convert the premises to apartments has been discussed with the Council's senior conservation planner. The response was that the design solution of the bridge, staircase/lift column and mansard roof are

necessary additions to make this listed building work, given the problems of flooding. The conservation planner's advice was to seek English Heritage's backing to the design elements, as they would be a statutory consultee in the event of a planning application. These discussions started in March 2005 and initially it appeared that English Heritage would support the proposals and they asked for further work to be done to prove the necessity of the mansard roof.

- 14 In November 2005, English Heritage confirmed that they wished to see the Premises brought back into sustainable use and had no objection to the principle of residential use. They were unable however, to provide advice on the design elements without supporting information and justification. This would include all the documentation that would accompany full planning and listed buildings consent applications, as required under PPG15 regulations.
- 15 In the course of carrying the dilapidations survey, structural cracks were discovered, after research it was discovered that these cracks had occurred before the Premises were initially let in 1978.

Consultation

- 16 Legal advice has been obtained from a property litigation solicitor and a barrister concerning forfeiture proceedings. Discussions have taken place with City Strategy Conservation section and English Heritage relating to proposed design elements for the Premises. Advice from the Environment Agency has been sought on issues relating to flooding of the River Ouse.
- 17 Ward Members will be consulted as part of this reporting process and their comments will be reported to the meeting.

Options

- 18 There are two options for Members to consider:

Option A - To commence proceedings to forfeit the lease.

Proceedings against the Tenants can be taken for non-payment of rent and for failure to repair the premises. A notice under Section 146 of the Law of Property Act 1925 and Section 1 the Leasehold Property (Repairs) Act 1938 has been served stating the Tenants should re-occupy and repair the Premises. The notice states that if the breaches were not remedied in reasonable period the Council would start proceedings to forfeit the lease. The Tenants have served a counter-notice claiming benefit under the Leasehold Property (Repairs) Act 1938, stating the repairs can be carried out at any time during the remaining term of the lease.

Option B – To reach a settlement with the Tenants.

Option B is to reach a settlement as a means of resolving the outstanding dispute between the Council and the Tenants regarding the Premises, and agree a legally binding agreement to dispose of the Premises on a basis that the Council will sell its freehold interest and the Tenants will sell their leasehold interest.

- 19 Analyses of the two options are provided in the confidential part of the report at Annex 1.

Corporate Priorities

- 20 If the objective of achieving a beneficial use for the Premises and putting the Premises in a good state of repair is successful, this will contribute towards the corporate priorities of the council including:
- Take Pride in the City, by improving quality and sustainability, creating a clean and safe environment
 - Strengthen and diversify York's economy and improve employment opportunities for residents.

Implications

- 21 The following information is provided:

- Financial

The sale of the Premises currently forms part of the funding for the capital programme with the disposal being accounted for in the 2008/09 financial year. Failure to realise this sale by this date would leave a shortfall in the funding of the capital programme as detailed Annex 1, this would result in increased pressure being placed on the remaining receipts to fund the programme or the capital programme would have to be revisited to ensure that it remains fully funded. Failure to realise the overall receipt targets may lead to reduction in the overall capital programme or the use of alternative funding mechanisms, the most likely of which would be prudential borrowing. The financial implications of unsupported borrowing would be incurring an ongoing charge to the revenue account in the form of Minimum Revenue Provision (4% per annum of receipt value) and the interest cost of the loan itself (approximately 4.65% per annum of receipt value). Such costs are shown in Annex 1.

- **Human Resources (HR)**

There are no HR Implications.

- **Equalities**

There are no Equalities Implications.

- **Legal**

Information is provided in the confidential part of the report at Annex 1.

- **Crime and Disorder**

The Premises has in the past suffered trespass from squatters, which has disturbed local residents and caused the police to be involved, and rubbish has been left that has had to be cleared up by the Council and forced entry made good. A beneficial use for the Premises will end such incidents.

- **Information and Technology (IT)**

There are no IT implications.

- **Property**

Implications are included with the report.

- **Other**

The Premises is a listed building and is liable to flood and there will be future consultations with English Heritage and the Environment Agency in relation to the refurbishment and use of the property.

Risk Management

22 In compliance with the Councils risk management strategy the main risks that have been identified are those which could lead to the inability meet business objectives leading to financial loss and damage to the Councils image and reputation.

23 Measured in terms of impact and likelihood, the risk for financial loss and damage to the Councils image and reputation 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 objective of this report.

Recommendation

24 Members are asked to consider approving Option B.

To complete an agreement with the Tenants of The Bonding Warehouse for a settlement of the claims under the lease agreement and a sale of the Premises.

Reason: This is the quickest method of ensuring a beneficial use of the Premises and should ensure that the Council's property costs are recovered.

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Report Approved

Date 31/08/06

Report Approved

Date 31/08/06

Specialist Implications Officer(s)

Implication None

Name

Title

Tel No.

Wards Affected: Micklegate

All

For further information please contact the author of the report

Background Papers: All the information in this report is held on the Property Services file, subject to confidentiality on any exempt negotiations.

Annexes

Annex 1 – Confidential Information

Annex 2 – Heads of Terms for Settlement of Claims and the Disposal of the Property

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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Meeting of the Executive**12 September 2006**

Report of the Corporate Landlord

51 Bismarck Street, Leeman Road**Summary**

- 1 This report ask Members to note the process which has been followed concerning the disposal of this former children's home after it had been declared surplus and recommends the sale of the property.

Background

- 2 This modern building, shown verged black on the plan at Annex A, was constructed in 2000 as a children's home.
- 3 A review of the operational service, which was provided from this property and also the other children's home at Wenlock Terrace, was carried out as part of a budget savings review by Learning Culture and Children's Services (LCCS). At the Executive on 17 January 2006 it was resolved, 51 Bismarck Street could be declared surplus. This was put forward as a revenue saving of £24,000 by LCCS, the implications of which are detailed in the Financial Implications part of this report.
- 4 Property Services were instructed to dispose of this property. Following the usual consultation procedure the property was advertised for sale through Blacks Property Consultants requesting offers to be received by the 11 August 2006. A report on the outcome is included at confidential Annex B.

Consultation

- 5 When it was known that this property was surplus, service representatives on the Corporate Asset Management Group were contacted to ascertain if there were any service or community needs for the property. The only response received was from Housing Services, who initially indicated they had ongoing or proposed projects, which probably could be located in this property.
- 6 As security of the property was a paramount concern, it was decided to put the property on the market for sale and Housing Services were advised to register a firm interest during the marketing period. The following response was subsequently received from Housing Services:

“Due to the timescale associated with marketing this property it has been agreed that there is not sufficient time to address the issues concerned regarding re-allocation of a scheme or commissioning of a new scheme across Housing and Social Services. We had received significant interest in the premises however and the providers might decide they are in a position to bid on the open market.”

- 7 This report has been forwarded to the ward members and any comments received will be reported to the meeting.

Options

- 8 The following three options are available:

Option A) To sell the property to the prospective purchaser as detailed in confidential Annex B. This would involve a sale at less than best consideration.

Option B) To sell the property at market value to the highest bidder.

Option C) Withdraw the property from the market, to allow more time for Housing and Social Services to consider projects for the property.

Analysis

- 9 Option A - Sale the property at an under value.

The outcome of the tender exercise is included in Annex B, and a capital receipt can be obtained in 2006/07. The offer is only conditional on the usual condition survey.

This offer is below the market value of the property, however, the restrictions on selling property held by a council have been relaxed and a property can be sold if Members are satisfied that the sale “will contribute to the promotion or improvement of the economic, social or environmental well-being of the city”.

This receipt would fund the revenue saving of £24,000, which was approved by Members. Further detail of this is included in Annex B in the Financial Implications paragraph. An early sale will minimise the cost of maintaining this property as a vacant building, preventing deterioration or unauthorised access is costing approximately £1,000 per month (security cost).

- 10 Option B – Sell the property at market value.

The selling agent’s valuation of the property is given in Annex B. Although no offers were received by the specified tender date a bid was subsequently received above the reserved figure and this is detailed in Annex B. The revenue saving and security cost as mentioned above will apply.

11 Option C – Withdraw the property from the market.

There is currently no service requirement for this property, although Housing Services has indicated they may be able to consider re-allocating or commissioning a new scheme. There is no guarantee however, that any suitable scheme would emerge or that the funding would be available for the scheme. It should be noted that the revenue saving of £24,000 would have to be found as part of the overall cost of any potential use of the property. Funding would also be needed for the security cost.

Corporate Priorities

12 The sale of 51 Bismarck Street to the Option A prospective purchaser, will contribute to meeting the following Corporate Priorities:

- Improve the health and lifestyles of the people who live in York, in particular among groups whose levels of health are the poorest.
- Improve the quality and availability of decent affordable homes in the city.
- Improve our focus on the needs of customers and residents in designing and improving services.
- Improve the way the Council and its partners work together to deliver better service for the people who live in York.

Implications

13 The report has the following implications

- **Financial**

This building is not on the capital receipts list to contribute towards the funding of the 2006/2009 capital programme. Disposal is required however, to help fund the revenue saving which has been put forward by LCCS.

LCCS put forward a £24,000 (£12,000 in 2006/07) saving as part of the 2006/07 budget process, to be met from the interest earned on the capital sum raised by the disposal of the site. Additional financial implications of the above option are set out in Annex B.

- **Human Resources (HR)**

There are no HR implications.

- **Legal**

There are no legal implications to the report other than preparing a transfer for the sale of the property.

- **Crime and Disorder**

There are no implications.

- **Information Technology (IT)**

There are no IT implications.

- **Property**

Implications are included within the report.

Risk Management

14 In compliance with the council's risk management strategy there is a very low risk associated with the recommendations of this report. If the property is not disposed of now however, the longer period the property is vacant, this will increase the risk of damage or illegal occupation both of which will incur costs in rectifying and preventing.

Recommendation

15 The Executive is recommended to approve either Option A or B

Reason: Option A, the sale to the prospective purchaser would meet a number of corporate objectives.

Reason: Option B, the sale to the highest bidder would maximise the capital receipt available which would enable:

- i) the revenue saving of £24,000 to be exceeded or
- ii) the surplus capital receipt to be contributed to the capital programme

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Report Approved **Date** 31/8/06

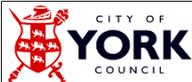
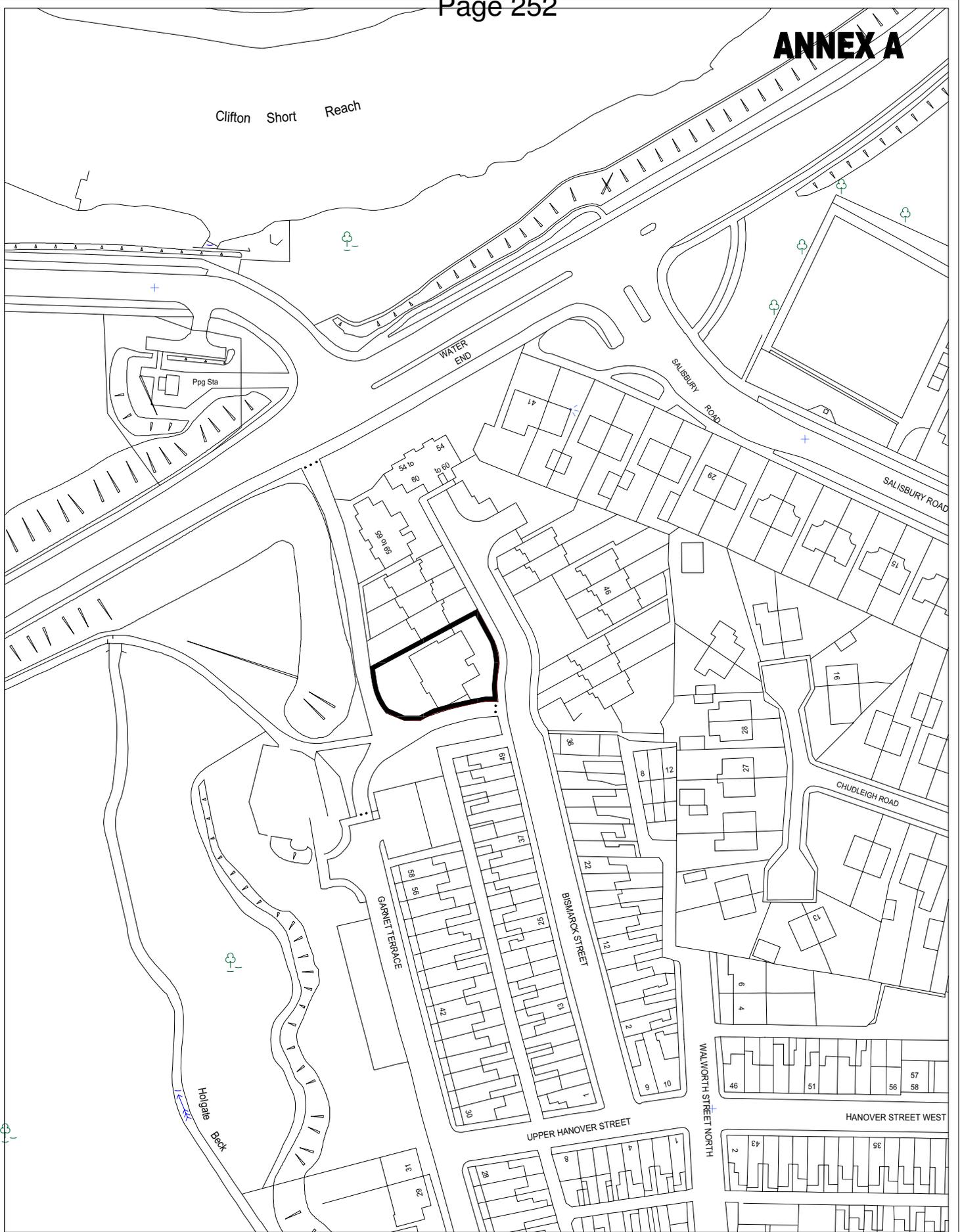
Wards Affected: Holgate

For further information please contact the author of the report

Background Papers: All the information in this report is held on the Property Services file 148/17, subject to confidentiality on exempt negotiations.

Annexes
A – Plan
B – Confidential report on offers received and recommendations.

ANNEX A



Resources
Property Services

51 Bismarck Street

SCALE 1:1250

Originating Group

Property Management

DRAWN BY CC

DATE 23/11/2004

Drawing No.

PM/A4/100032



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Executive

12 September 2006

Report of the Director of City Strategy

York Central Area Action Plan

Summary

1. Following the recent announcement by British Sugar to close their sugar beet operations at Plantation Drive in York, Members' approval is sought to put on hold work on the York Central Area Action Plan (AAP). Discussions with British Sugar will need to be undertaken to clarify their intentions for the future use of the site. Subject to the outcome of these discussions, the implications for the planning context for the York Central area and York Central AAP may need to be reassessed.

Background

2. At a meeting of the Executive on 7 March this year, Members agreed to the preparation of an Area Action Plan for York Central. At a further meeting on 11 July 2006, Members agreed a revised timetable to enable a shorter timescale for the preparation of the York Central Area Action Plan. Members also agreed to appoint planning consultants, Nathaniel Lichfield & Partners (NLP) to carry out the production of the first stage of work, the Issues and Options document. Yorkshire Forward has agreed to fully fund the costs of this work.
3. The current timescale for the work is to bring the draft Issues and Options document to a meeting of the Executive in October this year, with public consultation on this being held between November and January 2007.
4. Nathaniel Lichfield & Partners and sub consultants, Social Regeneration Consultants, have now been appointed, and work to prepare the Issues and Options document started this July.
5. A report was brought to the LDF Working Group on 31 July this year to enable Members' early consideration and comment on the scope of the emerging Issues and Options document, the Consultation Draft Sustainability Appraisal Scoping Report and the draft Community Consultation Strategy.
6. On 4 July 2006, British Sugar announced its intention to close its plant at Plantation Drive in York.

Current Position

York Central Area Action Plan

7. Preparation of the draft Issues and Options document by Nathaniel Lichfield & Partners is progressing to the project programme, with completion expected in mid September this year.
8. A draft Consultation Strategy has been produced by Social Regeneration Consultants. This has been the subject of public consultation to gain feedback on its content. The period for consultation is due to finish on 25 August 2006.

The first stage of consultation included:

- 3 workshop sessions with members and key stakeholders.
 - Production and delivery of 3,200 leaflets to households and business premises within the immediate York Central area. The draft consultation strategy and leaflets have also been made available for the public to view at 9 St Leonard's Place, the Guildhall and Central Library.
 - Inclusion of the draft consultation strategy on the updated York Central web site.
9. Work on a report summarising the comments received and suggested revisions to the Draft Strategy is currently being prepared.
 10. The Council have prepared a draft Sustainability Appraisal Scoping Report and this has been the subject of consultation over the last 5 weeks, in accordance with the requirements of the statutory process. Assessment of responses received and suggested amendments to the report are currently being undertaken.

British Sugar

11. The British Sugar site is located immediately to the north west of the York Central area close to the A59, Boroughbridge Road. The size of the site is approximately 39.5 ha (97.6 acres), including 2.9 ha of designated Open Space (the Bowling Green sports pitches). The area is currently used for industrial purposes within Use Class B2 and is in single ownership. The site abuts the potential transport corridor between the York Central site and the Outer Ring Road as set out in Policy YC 1 of the Development Control Draft Local Plan.

Key Issues

12. The British Sugar site is of a similar size to the developable area of York Central, which provides 37 ha of brownfield land. The total size of both sites will be in the region of 76 ha (189 acres). York Central has already been identified as providing a significant opportunity to accommodate future housing and

employment needs for the City. A plan showing the location of the two sites is appended at Annex 1.

13. If the British Sugar site were to become available, it would provide another major opportunity for development in the City. Due to the proximity of the two sites, however, it is apparent that each site would have a significant effect on the other site in terms of:
 - Viability.
 - The type and scale of development.
 - The environmental impact of adjoining areas and the wider city.
 - Transport infrastructure requirements and impact on the existing highway network.
 - Timescales for the implementation of each site.
 - Strategic benefit for the City.
14. In view of this, and the need to ensure the potential planning benefits for the wider city are maximised, it is evident that the planning context for the two sites should not be considered in isolation from each other. It is, therefore, suggested that work on the York Central Area Action Plan is put on hold until the position regarding the future intentions for the British Sugar site are known.
15. Pending the outcome of discussions with British Sugar, the possible options in respect of the planning context for both the York Central and British Sugar areas will need to be considered. In the event that there is a need to reconsider the overall comprehensive planning framework for both sites, a further report will be brought back to a future meeting of the Executive, setting out the resource and programme issues arising from the changed approach.

LDF Working Group

16. The LDF Working Group has already met to consider the documents outlined in paragraph 5 above. In view of the uncertainty caused by the announcement by British Sugar further reports to the LDF Working Group on 24 August and 26 September will not be brought before Members.

Consultation

17. The implication of putting work on the Area Action Plan on hold, will be that the public consultation which was planned in November 2006 to January 2007, will now not take place.

York Central Steering Board

18. Subject to members agreeing the recommendation as set out in paragraph 25 of this report, a paper will be taken for discussion by members of the York Central Steering Board at their next meeting on 22 September 2006.

Options

19. Members are asked to consider the following two options:
- Option 1: to continue with the work on the York Central AAP.
 - Option 2: to put the work on the York Central AAP on hold until the position with the British Sugar site has been established. This is the preferred option.

Analysis

20. Should there be a need to reconsider the overall planning framework for both the York Central and British Sugar sites, to continue with work on the York Central AAP (Option 1) in isolation from the British Sugar site, could potentially be misleading and result in abortive costs.

Corporate Priorities

21. York Central provides a large brownfield development opportunity adjacent to the city centre. It will be an important area for future employment and housing needs within the City. Regeneration of the area will attract investment, helping to strengthen the city's high growth sectors and generate quality jobs. Development of the York Central area will help to protect and enhance York's existing built and green environment and provides an opportunity for a flagship sustainable development.
22. The emergence of the British Sugar site for redevelopment will need to be assessed in terms of its strategic contribution in terms of future employment and housing needs in the City.

Implications

23. Implications are as listed below:
- **Financial:** The issues and options stage of the AAP work is fully funded by Yorkshire Forward, who have been advised of the situation and that Members will consider the issues outlined above at this meeting. Officers will seek to negotiate a fee settlement based on work carried out, if this is required. There are no financial implications for the Council.
 - **Human Resources (HR):** There are no HR implications.
 - **Equalities:** There are no Equalities implications.
 - **Legal:** The Council has a contract with Nathaniel Lichfield & Partners to deliver the Issues and Options work for the AAP; however, Officers will seek to negotiate an early break in the contract if this is required.
 - **Crime and Disorder:** There are no Crime and Disorder implications.

- **Information Technology (IT):** There are no IT implications.
- **Property:** There are no property implications.
- **Other:** There are no other known implications.

Risk Management

24. The approach suggested in this report would minimise potential costs to Yorkshire Forward should it be necessary to reconsider the planning approach for the area.

Recommendations

25. Members are asked to:

- 1) Agree to suspend work on the Area Action Plan pending discussions with British Sugar.

Reason: The It would be inappropriate to continue work on the AAP given the potential implications that the British Sugar site may have for the York Central area.

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Date

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--

Wards Affected: Guildhall, Holgate, Micklegate

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Background Papers:

Report to the Local Development Framework Working Group, 31 July 2006

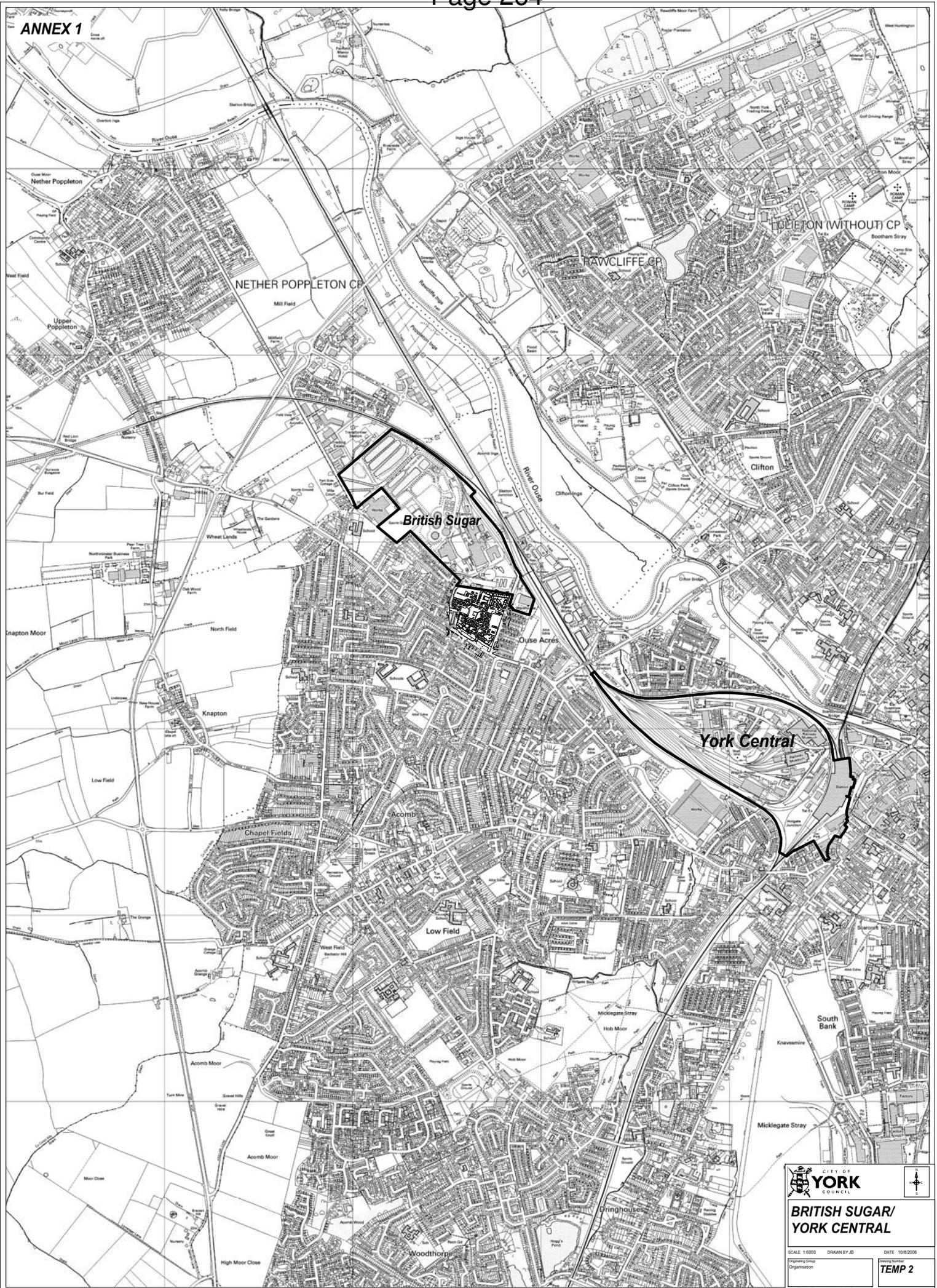
Report to Executive, 11 July 2006

Report to Executive, 7 March 2006

Annexes

Annex 1. Site Location Plan

ANNEX 1



CITY OF YORK COUNCIL

**BRITISH SUGAR/
YORK CENTRAL**

SCALE 1:6000 DRAWN BY JB DATE 10/8/2006

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