

Council

20 October 2022

Report of the Executive Member for Finance and Major Projects

The Council continues to provide crucial support to residents and businesses across the city as the Cost of Living Crisis deepens. There is also a great deal of progress being made on all aspects in my portfolio – from human resources management, to delivery of major projects.

Cost of Living support

I am truly proud of the support that Council teams have been able to give to residents since the start of the pandemic and more recently, during the current Cost of Living Crisis - from advice, to fuel and food vouchers, the Housing Hardship Fund for council tenants, small grants to support Financial Inclusion activities as well as larger grants to voluntary and community sector organisations.

As is evident in our ongoing work, this administration is focused on supporting those struggling the most – through words and actions. So far this financial year we have paid or are paying over £13.6 million to residents eligible for a range of support from the Council and from the Government.

Energy Rebate scheme - 74,000 households paid £150 each. Total £11.1m

Household Support Fund – 7,200 households paid. Total £1m

Food and Fuel vouchers – Over 2,000 vouchers issued. Total over £100k

626 applications (YFAS) Payments totalling £143k

98 Discretionary Housing Payments totalling £87k

The Business Rates team have awarded the Covid Additional Restrictions Fund (CARF) reduction to circa 1000 business rates accounts amounting to approximately £4 million. The Team have been working with the Economic Growth team to identify any new qualifying cases, and we awarded CARF to over 600 more businesses by the end of September.

Working together throughout this time has been crucial – through existing partnerships and for example, the financial inclusion steering group. Partner organisations, voluntary sector, community groups – countless people across the city are working incredibly hard to support residents and businesses across the city and I would like to take this opportunity to thank them for their valued contribution.

Following the approval of the Cost of Living Emergency motion at July's Full Council meeting, further food and fuel vouchers have been issued and a Cost of Living Summit with key city and regional partners is set to be held on the 31st October.

Financial Management and Strategy

Rising inflation and Cost of Living Crisis is further affecting an already difficult financial outlook following years of central Government underfunding of essential Council run services. Our focus currently is on budget monitoring and cost control, with active work ongoing to identify mitigation and support services to manage costs that have arisen since the budget was set.

Continued uncertainty from central Government and related spending announcements is making medium term financial planning a challenge. Significant amount of work is going into reviewing the Council's Medium Term Financial Plan.

In respect of procurement, work continues to ensure we are achieving value for money in all our procurements as well as using our buying power to secure social value benefits. 61% of our third party spend in the first quarter of 2022/23 was with SME's, a total of £29m.

2021/22 statement of accounts completed and delivered to external auditors. Period of public inspection completed during July & August.

Bereavement Services

Planning permission has been granted for the waiting room and progress is expected across the coming autumn and winter months with the building work.

Business Intelligence

Business Intelligence continue to support the organisation's day-to-day operational and performance data and reporting processes, with support for all CYC business areas via providing information through platforms such as the KPI machine, Singleview, YorkMap, and YorkOpenData to senior managers, staff and residents.

The scale and complexity of statutory data returns in Local Government, to support residents' outcomes and Council funding, has grown over the last few years, and is likely to increase with new requirements around Housing, Adult Social Care, and workforce planning areas. The team, working with other internal colleagues, are heavily involved in the smooth running of data assurance processes, through numerous system governance boards and performance meetings; this allows the completion of all forms of statutory returns, supports the internal and external performance structure, and allows residents to access information which the Council is custodian of through geographic profiles, interactive tools, and data and information within public-facing documents.

Technology and systems that the Council uses are constantly evolving as new products enter the market and old systems are decommissioned. All these systems contain data that needs to be available for staff and residents. Therefore, the team are currently involved in a number of complex technical projects to support business areas, from creating data architecture, migration and transfer processes for the variety of new software and case management systems being introduced across the Council, to also building and maintaining data warehousing so that information can be shared between teams and departments to allow staff and residents to see the holistic picture of interaction.

The Summer and Autumn has seen a wide breath of activity, with examples that includes; Statutory returns in Housing, Schools census's, enabling data systems for Ukranians, consultations with residents, provision of Workforce information for equalities and profiling reasons, and the continued publication of over 1000 datasets for transparency reasons.

Register Office

We are having a busy year with weddings with bookings for the current financial year exceeding those undertaken in the whole of last year (currently 1064 bookings) with 406 already booked for 2023/24.

In June we submitted an Annual Performance Report to the General Registrar's Office and received the following feedback:

We would like to take the opportunity to acknowledge and thank York Registration Service for the hard work undertaken during 2021/22. This has undoubtedly been a very challenging year for Local Registration Services as we move from the pressures of operating during a pandemic towards more normal working practices, including the return of face-to-face appointments. The work of York Registration Service to maintain high standards of service delivery during this period should be commended.

Our first Citizenship ceremony with King Charles III as sovereign took place at the Mansion House last week. Citizens swore allegiance to our new King for the first time.

Payroll

This small team which services schools as well as the council has delivered so far this year a range of changes including 21/22 pay settlements and national insurance changes. The challenge ahead is reversing the national insurance changes, bringing in the new rate of income tax and the 22/23 pay settlement.

The team are also responsible for administering the Local Government, Teachers and NHS pension schemes. Significant changes have been made to the method of reporting pensions data and required implementation of new systems which are ongoing.

ICT

The Team continue to work hard to protect the council from cyber security threats and ensure the council's systems are operating safely and to the latest upgrades - an example of this is the Open Housing System and the latest office systems. They are supporting the council's

Working as One programme, particularly with new ways of working developed during the coronavirus pandemic, this includes remote community based working.

In terms of city-wide connectivity, there is much work in progress:

- York is part of a regional government funded programme that is targeting rural areas to help enable access to improved levels of broadband. As a result of this work, around 130 properties within Skelton can now access much improved broadband services which helps to address the previous imbalance within Skelton. The villages of Naburn and Deighton are next in line to benefit from the programme. The current delivery plan is indicating late Autumn and should provide access to improved levels of broadband services for approximately 300 properties. We are working with the provider to raise the awareness of the improved broadband service.
- A new fibre-based network at Elvington, funded through the Building Digital rural gigabit voucher scheme, is now live and taking orders from residents and businesses in the village. The first customers are now using the full fibre network, with installation slots filling up fast. In addition to this, Elvington Village Hall now has full access to the fibre broadband at no cost.
- Our city and town centres are traditionally seen as hard to reach places in terms of private sector investment initiatives due to the higher build costs and lower take up opportunities. However, with the help of funding through the Digital Enterprise programme, which offers eligible businesses up to £3k towards improved digital connectivity, network providers are looking to build upon their existing networks. Areas of expansion include both Gillygate and Hungate, both of which are still in planning stage and subject to street works.
- Cityfibre, Openreach and Virgin are all looking to expand their fibre networks over the next few years for both domestic and commercial properties which when realised will increase the access to ultrafast broadband services to above 80% coverage within York.
- With council financial inclusion funding provided to create a part time Digital York Partnership Network Co-ordinator at Explore York – work

has started to capture and identify gaps relating to all the work that is happening across the York to support digital inclusion. This will aid planning for a cohesive inclusive approach across the city, with some pilot work being developed in Acomb.

Human Resources

Support to the workforce continues as we adapt to new ways of working, but also as we support our employees during the cost-of-living crisis. The workforce is being provided with advice and signposting to national and local support.

The national pay award for council officers is yet to be agreed, but it is hoped that an agreement can be reached late October / early November for implementation in December. This does place a financial strain on the Council, as does the recent holiday pay ruling which we are reviewing the impact. The Council continues to recognise and award the Living Wage Foundation rate for its employees and this is impacting on the grade boundaries of the current pay structure so work has commenced on a review of the pay structure. There is also a review of terms and conditions generally across the Council and discussions with trade unions continue.

Staff absence levels have crept up to pre pandemic levels of 2019/2020. We continue to ensure that wellbeing support and good absence management is embedded into day-to-day management and that teams look out for each other. As winter pressures are likely to increase again this year, we need to ensure that our workforce are supported and promotion of the COVID vaccine and flu campaign have started.

Recruitment is challenging across traditionally hard to recruit posts, but also general posts at all levels and grades. This is not isolated to the Council as an employer, as this is being felt across all sectors nationally. We are working with innovative ways to recruit and retain quality employees at the same time aiming to streamline recruitment processes for the benefit of both applicants and managers. We are working on new employer branding as part of showcasing the terms and conditions, benefits and opportunities that working for the Council brings and the impact and reward that any Council post has on the community we serve.

The Working as One programme continues to progress well and staff working on a hybrid basis can come into the office based on service needs and individual needs. Good customer service remains at the forefront of how we shape our services and ways of working will not impact the service that our community receives. The Council's hybrid working offer has proven attractive to a wider net of applicants than those in the immediate employment market area which has assisted the recruitment challenges that we face.

Apprenticeships continue to be popular for new posts in services and to allow staff to upskill. The Council achieved the Public Sector Target for Apprenticeship starts in 2021/22 and although, this target is now removed, we are going to continue to strive to achieve this in coming years too.

Managers are key to supporting employees to deliver quality services and a refreshed managers' programme including practical management skills and softer skills is being created, this will be known as the York Managers Programme which is aimed at new managers and offers refresh of skills and master classes for other managers.

Operational Accommodation and Asset Management

We have agreed a number of new lettings at West Offices, with a number of deals completed and others in legal. Prior to Covid, we already leased space to Network Rail, Humber and North Yorkshire Integrated Care Board, Ministry of Justice (Probation Service), Department of Health and Social Care. Income from these totalled around £1million per year. After Covid, we have completed new occupational leases to Atkins Limited and North Yorkshire LEP and have some further agreements being negotiated which, if these all come to fruition, will provide an additional income to the City Council of approximately £830,000 per year.

Our commercial portfolio continues to perform well with limited vacancies. All retail premises in the city centre are let or under offer which includes 2 recent deals at Shambles.

The former Oakhaven elderly persons home site has planning consent and hence we anticipate that the disposal to the purchaser will be completing this month.

We have completed work to refurbish 29 Castlegate on budget and a new tenant has moved in.

The Guildhall restaurant space is now under offer and in legal.

Integrated Health Partnership

Building on the implementation across Humber and North Yorkshire Integration Care system and development of the integrated Care Board in July 2022, the Local Authority and ICS alongside partners have formed a York health and care alliance committee. The membership consists of a wide range of partners, including Healthwatch, CVS, Primary care, Education and Acute health providers. The committee is currently finalising the priorities it will deliver over the next 12/18 months aligned to the Council Plan and HWBB strategy, particularly focusing on home first out of hospital care and reducing health inequalities across York.

There are a number of challenges across the system and the Chief Accountable Officer, the Director of Adult Social Care and Executive lead continue to work closely with ICB leads to ensure the population of York have access to the right social care and health services when they need it.

Levelling Up Fund Bids

In August, following executive approval, the council submitted bids for £20m of funding to revitalise the city centre, as part of three linked projects supported by partners and stakeholders. This includes £10m to deliver the new Castle and Eye of York public realm as part of the Castle Gateway regeneration, and a further £10m for Parliament Street and Coney Street and the Riverside Quarter developments.

In addition to this bid, the council submitted a transport bid to help enhance the Haxby Railway station project. The bid seeks to secure £5m to improve active travel links and accessibility to the new station for surrounding communities, beyond those already proposed in the project.

Despite being in the government's lowest priority areas for Levelling Up investment, the Council submitted a strong first round Levelling Up bid in

2021 to support the delivery of the three key city centre regeneration projects. Although this bid was unsuccessful, it received positive feedback from central government, with the submission scoring well across the three main assessment criteria; strategic fit; value for money; and deliverability.

Results of the competitive bidding process are expected to be announced later this autumn.

UK Shared Prosperity Funding

The Council has published the first Investment Plan for UK Shared Prosperity Fund, a new programme of government funding spread over three years on projects based on community and place, supporting local business and people and skills.

The Investment Plan reflects the city's priorities and is based on key local strategies, including My City Centre strategy, Cultural strategy and York Skills Plan, together with the emerging York Economic strategy, Health and Wellbeing strategy and Climate Change strategy.

As a part of the UKSPF, City of York Council was allocated £5.1m to spend over 3 years (until March 2025). An Investment Plan for how these funds would be allocated was developed based on the views of a Partnership Board, which includes representatives of public, private and community sector organisations and groups, local Members of Parliament, and other key stakeholders.

York's Investment Plan features the following investment priorities to be spent over the next 3 years:

£1.7m for Communities and Place, to support:

- investment Acomb Front Street and Haxby secondary shopping areas, improvements to city centre access.
- energy advice to help York's families to reduce their household costs during the cost of living crisis.
- volunteering activities, community organisations, arts and culture events.

£1.8m for Local Business Investment to deliver:

- advice and support for businesses and social enterprises, including through training hubs and incubators.
- assistance for businesses to decarbonise and support the creation on green jobs.
- support for small, micro and start-up businesses.

£1.6m for People and Skills to deliver:

- help for people out of work to get training and experience, including green skills.
- volunteering and work experience activities to helping people to overcome barriers to work.
- tackle digital exclusion.
- support the growth of green industries in the city.
- new training and skills development to help people retrain for the jobs of the future.

Local Plan

The Local Plan has now completed 11 weeks of public inquiry. In May, the first sessions this year focused on the strategic principals and evidence base, before moving on in July, the inquiry looked at every site allocation including large, small, and commercial allocation. Finally in September, this phase concluded by looking at detailed Green Belt Boundaries, the University, and policies.

The public inquiry has covered a great deal of detail included in the plan and as part of the process, we have heard from many different residents and organisations. I would like to thank all those residents, parish councils and local organisations who took part in the examination and indeed, our staff and the Inspector Team, who have helped maintain progress along the way.

Major Project Delivery

Whilst increased inflation and disruptions in the supply chain are continuing to impact the delivery of major projects, positive progress is being made to deliver transformational projects across the city. Please find below an update on some of these key projects.

York Outer Ring Road Dualling

A planning application to improve the city's outer ring road has been submitted by City of York Council.

The plans include significant improvements, with the aim to reduce congestion, move car journeys out of the city centre and improve active travel facilities for pedestrians and cyclists.

The proposals feature upgrades along the York Outer Ring Road from the A19 Shipton Road to the A1036 Little Hopgrove and would see improvements to 6 sections of the northern York Outer Ring Road, including 5 roundabouts at:

- Clifton Moor
- Wigginton Road
- Haxby Road
- Strensall Road
- Monks Cross

If approved, these 5 roundabouts will be enlarged to a similar size and standard as the recently completed A1237/B1224 Wetherby Road roundabout, completed in 2019.

As part of the plans, existing single-carriageway roads will be widened to dual-carriageway roads in both directions to reduce congestion.

The proposals follow the public consultation that took place in 2020, which saw more pedestrian and cycle crossing facilities and routes added to the scheme. In improvements would see over 6km added to York's walking and cycling network.

The scheme also has an ecological landscape strategy, with a commitment to comprehensive landscaping, tree planting and enhancements to bio-diversity.

Subject to planning consent, construction work is anticipated to commence in mid-2023 for 2 years, with completion in 2025.

Castle Gateway

Castle Gateway is awaiting the decision by Government on our levelling up funding application, which if we are successful, will have requirements for spending timeframes which will need to be considered. As requested by Executive, further work is being undertaken on data analysis for car parking across the City and the Castle gateway project. Further detailed work is also being undertaken on Hostile Vehicle Mitigation measure placement and Blue badge parking, as the formal planning process proceeds.

Further work is being undertaken on the Castle Mills elements of the project concluding the contractual position with Wates and reviewing the latest design and delivery options, before a further report is brought back for Executive to consider next steps.